Whereas, in the second year (FY 1975) of "peace with honor", a 65% increase is being requested by the Nixon administration for Southeast Asia ($2 billion as military aid, and $800 million as economic aid), and,

Whereas, Thieu's government continues to deny the Vietnamese people the freedoms guaranteed in the Peace Accords by creating a police state which holds 100,000–200,000 of its citizens in jail for their political belief subject to systematic abuse and indescribable torture (Newsweek, 7/23/72; Bishop Thomas Gumbleton, National Catholic Reporter, 5/11/72, therefore,

Be it resolved, That the State Conference of the United Church of Christ urge our representatives in Congress to support the principles of the Indo-China Peace Pledge which are:

(1) To PRECLUDE DIRECT UNITED STATES MILITARY INVOLVEMENT by positively prohibiting the renewal of United States air, sea, or land combat operations and the use of United States military or parliamentary advisors for Indo-china.

(2) To ENCOURAGE A POLITICAL SETTLEMENT BASED ON THE PEACE AGREEMENT SIGNED BY THE UNITED STATES by withholding non-humanitarian aid to either party in South Vietnam which does not comply with the Agreement which provides for a cease-fire and for the restoration of the basic freedoms of press, speech, meeting, political belief, and movement for the people of South Vietnam.

(3) To END UNITED STATES POLICE AID by opposing all direct and indirect United States funding of police and prison systems in Indo-china, particularly those funds used for South Vietnam for the continued imprisonment and torture of political prisoners whose release is called for by the Peace Agreements.

Adopted as vote: AM–75 #27.

Whereas, the United Church of Christ has taken important leadership on the issues of racial justice, peace, corporate responsibility, and other matters relating to the problems of our times, and

Whereas, many programs of human need like the Office of Economic Opportunity (OEO) are being phased out, or grossly underfunded in the FY 1975 budget while the military budget is raised by 10% (the first time in history that a defense budget has gone up after a war), and

Whereas, in most of our regional areas in New York State there has emerged in the religious constituency ongoing program of an ecumenical nature on the issues of peace, social justice, and reordering of national priorities, therefore

Be it *Resolved*, That the State Conference recommend the Executive to appoint a "Task Force on Peace and Social Justice" to assist (1) in the development of a statewide strategy on the reordering of national priorities, and (2) in financing and cooperating with regional "peace and social justice" organizations that are reflective of the interests of the State Conference of the United Church of Christ and,

Be it further *Resolved*, That the State Conference of the United Church of Christ urge the Congress of the United States to continue the Office of Economic Opportunity as key community program in the implementation of "anti-poverty" work.

Adopted as vote: AM–74 #29.

Whereas, our government is facing one of the greatest moral crises in its history, and

Whereas, the people of the United States are torn by the many grave charges of corruption which surround the administration of Richard Nixon,

Therefore be it *Resolved*, That the New York Conference of the United Church of Christ express its grief and concern at the abuses of power revealed, and supports the thorough and expeditious implementation of the constitutional processes provided to ensure governmental integrity.

Adopted as vote: AM–74 #32.

SENATE—*Thursday, June 27, 1974*

The Senate met at 9:30 a.m. and was called to order by Hon. WILLIAM PROXMIRE, a Senator from the State of Wisconsin.

PRAYER

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

Eternal Father, in whom we live and move and have our being, in reverent memory we thank Thee for Thy servant Ernest H. Gruening, "father of the State of Alaska," for all the good and gracious influence which radiated from his life to others and made the world better by his presence, grant the consolations of Thy Holy Spirit to all who mourn and renew our dedication to eternal verities.

Almighty God, who has made and preserved us a nation, we thank Thee for the day of our national independence, and the declaration that all men are created equally free under God to find life's fulfillment under a government of the people, by the people, and for the people. As we commemorate the birthday of the Republic help us to remember that freedom is never free, but must be earned and conserved in every generation by work and sacrifice. Send upon the people of this land a fresh visitation of Thy spirit that the fires of pure religion and high patriotism may burn brightly on the altar of the Nation.

And to Thee we ascribe all glory and praise. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

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

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., June 27, 1974.

To the Senate:

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

JAMES O. EASTLAND,
President pro tempore.

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

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Wednesday, June 26, 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.

EMERGENCY HOUSING FINANCE ACT OF 1974—PLACED ON THE TABLE

Mr. MANSFIELD. Mr. President, I ask unanimous consent that Calendar No. 824 (S. 3511) be taken off the calendar and put under "Subjects on the Table," on page 14 of the legislative calendar.

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

REGULATION OF CERTAIN POLITICAL CAMPAIGN FINANCE PRACTICES IN THE DISTRICT OF COLUMBIA

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendar No. 935 (H.R. 15074).

The ACTING PRESIDENT pro tempore. Without objection, the clerk will read the bill by title.

The assistant legislative clerk read the bill, as follows:

A bill (H.R. 15074) to regulate certain political campaign finance practices in the District of Columbia, and for other purposes.

The ACTING PRESIDENT pro tempore. Is there objection?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the District of Columbia with an amendment to strike out all after the enacting clause and insert:

TITLE I—SHORT TITLE, DEFINITIONS

Sec. 101. Short title.
Sec. 102. Definitions.

TITLE II—FINANCIAL DISCLOSURES

Sec. 201. Organization of political committees.
Sec. 202. Principal campaign committee.
Sec. 203. Designation of campaign depository.
Sec. 204. Registration of political committees; statements.
Sec. 205. Registration of candidates.
Sec. 206. Reports by political committees and candidates.
Sec. 207. Reports by others than political committees.
Sec. 208. Formal requirements respecting reports and statements.
Sec. 209. Exemption for candidates who anticipate spending less than $250.
Sec. 210. Identification of campaign literature.
Sec. 211. Effect on liability.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

TITLE III—DIRECTOR OF CAMPAIGN FINANCE
Sec. 301. Establishment of the Office of Director.
Sec. 302. Powers of the Director.
Sec. 303. Duties of the Director.
Sec. 304. General Accounting Office to assist Board and Director.
Sec. 305. Nominating committee.
Sec. 306. District of Columbia Board of Elections and Ethics.

TITLE IV—FINANCE LIMITATIONS
Sec. 401. General limitations.
Sec. 402. Limitation on expenditures.

TITLE V—CONFLICT OF INTEREST AND DISCLOSURE
Sec. 501. Conflict of interest.
Sec. 502. Disclosure of financial interest.

TITLE VI—PENALTIES AND ENFORCEMENT TAX CREDITS, USE OF SURPLUS CAMPAIGN FUNDS, STUDY OF 1974 AND REPORT BY COUNCIL, EFFECTIVE DATES, AMENDMENTS TO DISTRICT OF COLUMBIA ELECTION ACT, AND AUTHORIZATION
Sec. 601. Penalties and enforcement.
Sec. 602. Tax credit for campaign contributions.
Sec. 603. Use of surplus campaign funds.
Sec. 604. A study of 1974 election and report by Council.
Sec. 605. Effective dates.
Sec. 606. Amendments to District of Columbia Election Act.
Sec. 607. Authority of Council.
Sec. 608. Authorization of appropriation.

TITLE I—SHORT TITLE, DEFINITIONS

SHORT TITLE

SEC. 101. This Act may be cited as the "District of Columbia Campaign Finance Reform and Conflict of Interest Act".

DEFINITIONS

SEC. 102. When used in this Act, unless otherwise provided—

(a) The term "election" means a primary, runoff, general, or special election held in the District of Columbia for the purpose of nominating an individual to be a candidate for election to office or for the purpose of electing a candidate to office, and includes a convention or caucus of a political party held for the purpose of nominating such a candidate.

(b) The term "candidate" means an individual who seeks nomination for election, or election, to office, whether or not such individual is nominated or elected, and, for purposes of this Act, an individual shall be deemed to seek nomination for election, or election, to office, if that individual has (1) obtained or authorized any other person to obtain nominating petitions to qualify such individual for nomination for election, or election, to office, (2) received contributions or made expenditures, or has given his consent for any other person to receive contributions or make expenditures, with a view to bringing about such individual's nomination for election, or election, to office, or (3) reason to know, or knows, that any other person has received contributions or made expenditures for that purpose, and has not notified that person in writing to cease receiving contributions or making expenditures for that purpose. An individual who is deemed to be a candidate for the purposes of this Act shall not be deemed, solely by reason of that status, to be a candidate for the purposes of any other Federal law.

(c) The term "office" means the office of Mayor of the District of Columbia (as established by the District of Columbia Self-Government and Governmental Reorganization Act), Chairman or member of the Council of the District of Columbia (as established by such Act), or Chairman or member of the Board of Education of the District of Columbia, or member of an Advisory Neighborhood Council.

(d) The term "political committee" means any committee (including a principal campaign committee), club, association, organization, or other group of individuals organized for the purpose of, or engaged in, promoting or opposing the nomination or election of an individual to office.

(e) The term "contribution" means—

(1) a gift, subscription (including any assessment, fee, or membership dues), loan, advance, or deposit of money or anything of value, made for the purpose of financing, directly or indirectly, the election campaign of a candidate or any operations of a political committee;

(2) a contract, promise, or agreement, whether or not legally enforceable, to make a contribution for any such purpose;

(3) a transfer of funds between political committees; or

(4) the payment, by any person other than a candidate or political committee, or compensation for the personal services of another person which are rendered to such candidate or committee without charge, or for less than reasonable value, for any such purpose or the furnishing of goods, advertising, or services to a candidate's campaign without charge, or at a rate which is less than the rate normally charged for such services.

Notwithstanding the foregoing, such term shall not be construed to include (A) services provided without compensation, by individuals volunteering a portion of all of their time on behalf of a candidate or political committee, (B) personal services provided without compensation by individuals volunteering a portion or all of their time to a candidate or political committee, (C) communications by an organization, other than a political party, solely to its members and their families on any subject, (D) communications (including advertisements) to any person on any subject by any organization which is organized solely as an issue-oriented organization, which communications neither endorse nor oppose any candidate for office, or (E) normal billing credit for a period not exceeding thirty days.

(f) The term "expenditure" means—

(1) a purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value, made for the purpose of financing, directly or indirectly, the election campaign of a candidate or any operations of a political committee;

(2) a contract, promise, or agreement, whether or not legally enforceable, to make an expenditure; or

(3) a transfer of funds between political committees.

(g) The term "person" means an individual, partnership, committee, association, corportation, and any other organization or group of persons.

(h) The term "Director" means the Director of Campaign Finance of the District of Columbia Board of Elections and Ethics.

(i) The term "political party" means an association, committee, or organization which nominates a candidate for election to any office and qualifies under the District of Columbia Election Act (D.C. Code, sec. 1–1101 et seq.), to have the names of its nominees appear on the election ballot as the candidate of that association, committee, or organization.

(j) (1) The term "Commissioner of the District of Columbia" means the Commissioner of the District of Columbia provided for under Reorganization Plan Numbered 3 of 1967, except that on and after January 2, 1975, such term shall mean the Mayor of the District of Columbia provided for by the District of Columbia Self-Government and Governmental Reorganization Act.

(2) The term "Council" or the "District of Columbia Council" means the District of Columbia Council provided for under Reorganization Plan Numbered 3 of 1967, except that on and after January 2, 1975, such term shall mean the Council of the District of Columbia provided for by the District of Columbia Self-Government and Governmental Reorganization Act.

(k) The term "Board" means the District of Columbia Board of Elections established under the District of Columbia Election Act (D.C. Code, sec. 1–1101 et seq.) as amended and redesignated as the "District of Columbia Board of Elections and Ethics" by this Act.

TITLE II—FINANCIAL DISCLOSURES

ORGANIZATION OF POLITICAL COMMITTEES

SEC. 201. (a) Every political committee shall have a chairman and a treasurer. No contribution and no expenditure shall be accepted or made by or on behalf of a political committee at a time when there is a vacancy in the office of treasurer thereof and no other individual has been designated and is performing the functions of treasurer. No contributions and no expenditure shall be accepted or made by or on behalf of a political committee without the authorization of its chairman or treasurer.

(b) Every person who receives a contribution of $10 or more for or on behalf of a political committee shall, on demand of the treasurer, and in any event within five days after receipt of such contribution, submit to the treasurer of such committee a detailed account thereof, including the amount, the name and address (including the occupation and the principal place of business, if any) of the person making such contribution, and the date on which such contribution was received. All funds of a political committee shall be segregated from, and may not be commingled with, any personal funds of officers, members, employees, or associates of such committee.

Except for accounts of expenditures made out of the petty cash fund provided for under section 203(b), the treasurer of a political committee, and each candidate, shall keep a detailed and exact account of—

(1) all contributions made to or for such political committee or candidate;

(2) the full name and mailing address (including the occupation and the principal place of business, if any) of every person making a contribution of $10 or more, and the date and amount thereof;

(3) all expenditures made by or on behalf of such committee or candidate; and

(4) the full name and mailing address (including the occupation and the principal place of business, if any) of every person to whom any expenditure is made, the date and amount thereof and the name and address of, and office sought by, each candidate on whose behalf such expenditure was made.

(d) The treasurer or candidate shall obtain and preserve such receipted bills and records as may be required by the Board.

(e) Each political committee and candidate shall include on the face or front page of all literature and advertisements soliciting funds the following notice: "A copy of our report is filed with the Director of Campaign Finance of the District of Columbia Board of Elections and Ethics.".

PRINCIPAL CAMPAIGN COMMITTEE

SEC. 202. (a) Each candidate for office shall designate in writing one political committee as his principal campaign committee. The principal campaign committee shall receive all reports made by any other political committee accepting contributions or making expenditures for the purpose of influencing the nomination for election, or election, of the candidate who designated it as his principal campaign committee. The principal committee may require additional reports to be made to it by any such political com-

mittee and may designate the time and number of all reports. No political committee may be designated as the principal campaign committee of more than one candidate.

(b) The treasurer of each political committee which is a principal campaign committee, and each candidate, shall receive all reports and statements filed with or furnished to it or him by any other political committees, consolidate, and furnish the reports and statements to the Director, together with the reports and statements of the principal campaign committee of which he is treasurer or which was designated by him, in accordance with the provisions of this title and regulations prescribed by the Board.

DESIGNATION OF CAMPAIGN DEPOSITORY

SEC. 203. (a) Each political committee, and each candidate accepting contributions or making expenditures, shall designate, in the registration statement required under section 204 or 205, one national bank located in the District of Columbia as the campaign depository of that political committee or candidate. Each such committee or candidate shall maintain a checking account at such depository and shall deposit any contributions received by the committee or candidate into that account. No expenditures may be made by such committee or candidate except by check drawn payable to the person to whom the expenditure is being made on that account, other than petty cash expenditures as provided in subsection (b).

(b) A political committee or candidate may maintain a petty cash fund out of which may be made expenditures not in excess of $50 to any person in connection with a single purchase or transaction. A record of petty cash receipts and disbursements shall be kept in accordance with requirements established by the Board. Payments may be made into the petty cash fund only by check drawn on the checking account maintained at the campaign depository of such political committee or candidate. Each such political committee or candidate so maintaining a petty cash fund shall submit to the Director, on or before the (1) twentieth day of each calendar month, a report setting forth all petty cash receipts and disbursements received or made in connection with such fund during the first fifteen days of such month, and (2) fifth day of each calendar month a report setting forth all such receipts and disbursements received or made during the preceding calendar month for any period not covered by any such prior report under this subsection.

REGISTRATION OF POLITICAL COMMITTEES; STATEMENTS

SEC. 204. (a) Each political committee shall file with the Director a statement of organization within ten days after its organization. Each such committee in existence at the date of enactment of this Act shall file a statement of organization with the Director at such time as the Director may prescribe, but in no event later than twenty days following such date of enactment.

(b) The statement of organization shall include—

(1) the name and address of the political committee;

(2) the names, addresses, and relationships of affiliated or connected organizations;

(3) the area, scope, or jurisdiction of the political committee;

(4) the name, address, and position of the custodian of books and accounts;

(5) the name, address, and position of other principal officers, including officers and members of the finance committee, if any;

(6) the name, address, office sought, and party affiliation of (A) each candidate whom the committee is supporting, and (B) any other individual, if any, whom the committee is supporting for nomination for election, or election, to any public office whatever; or, if the committee is supporting the entire ticket of any party, the name of the party;

(7) a statement whether the political committee is a continuing one;

(8) the name and address of the bank designated by the committee as the campaign depository, together with the title and number of each account and safety deposit box used by that committee at the depository, and the identification of each individual authorized to make withdrawals or payments out of each such account or box; and

(9) such other information as shall be required by the Director.

(c) Any change in information previously submitted in a statement of organization shall be reported to the Director within the ten-day period following the change.

(d) Any political committee which, after having filed one or more statements of organization, disbands or determines it will no longer receive contributions or make expenditures during the calendar year shall, within ten days thereafter, so notify the Director.

REGISTRATION OF CANDIDATES

SEC. 205. (a) Each individual shall, within five days of becoming a candidate, or within five days of the day on which such individual, or any person authorized (directly or indirectly) by that individual (pursuant to section 401(g)) to do so, has received a contribution or made an expenditure in connection with that individual's campaign or for the purpose of preparing to undertake that individual's campaign, file with the Director a registration statement in such form as the Director may prescribe.

(b) In addition, candidates shall provide the Director the name and address of the campaign depository designated by that candidate, together with the title and number of each account and safety deposit box used by that candidate at the depository, and the identification of each individual authorized to make withdrawals or payments out of such account or box, and such other information as shall be required by the Director.

REPORTS BY POLITICAL COMMITTEES AND CANDIDATES

SEC. 206. (a) The treasurer of each political committees supporting a candidate, and each candidate, required to register under this Act, shall file with the Director, and with the applicable principal campaign committee, reports of receipts and expenditures on forms to be prescribed or approved by the Director. Except for the first such report which shall be filed on the twenty-first day after the date of enactment of this Act, such reports shall be filed on the 10th day of March, June, August, October, and December, in each year during which there is held an election for the office such candidate is seeking, and on the fifteenth and fifth days next preceding the date on which such election is held, and also by the 31st day of January of each year. In addition such reports shall be filed on the 31st day of January of each year. In addition such reports shall be filed on the 31st day of July of each year in which there is no such election. Such reports shall be complete as of such date as the Director may prescribe, which shall not be more than five days before the date of filing, except that any contribution of $100 or more received after the closing date prescribed by the Director for the last report required to be filed prior to the election shall be reported within twenty-four hours after its receipt.

(b) Each report under subsection (a) of this section shall disclose—

(1) the amount of cash on hand at the beginning of the reporting period;

(2) the full name and mailing address (including the occupation and the principal place of business, if any) of each person who has made one or more contributions to or for such committee or candidate (including the purchase of tickets for events such as dinners, luncheons, rallies, and similar fundraising events) within the calendar year in an aggregate amount or value in excess of $50 or more, together with the amount and date of such contributions;

(3) the total sum of individual contributions made to or for such committee or candidate during the reporting period and not reported under paragraph (2);

(4) the name and address of each political committee or candidate from which the reporting committee or the candidate received, or to which that committee or candidate made, any transfer of funds, together with the amounts and dates of all tranfers;

(5) each loan to or from any person within the calendar year in an aggregate amount or value of $50 or more, together with the full names and mailing addresses (including the occupation and the principal place of business, if any) of the lender and endorsers, if any, and the date and amount of such loans;

(6) the net amount of proceeds from (A) the sale of tickets to each dinner, luncheon, rally, and other fundraising events organized by such committee; (B) mass collections made at such events; and (C) sales by such committee of items such as political campaign pins, buttons, badges, flags, emblems, hats, banners, literature, and similar materials;

(7) each contribution, rebate, refund, or other receipt of $50 or more not otherwise listed under paragraphs (2) through (6);

(8) the total sum of all receipts by or for such committee or candidate during the reporting period;

(9) the full name and mailing address (including the occupation and the principal place of business, if any) of each person to whom expenditures have been made by such committee or on behalf of such committee or candidate within the calendar year in an aggregate amount of value of $10 or more, the amount, date, and purpose of each such expenditure and the name and address of, and office sought by, each candidate on whose behalf such expenditure was made;

(10) the total sum of expenditures made by such committee or candidate during the calendar year;

(11) the amount and nature of debts and obligations owed by or to the committee, in such form as the Director may prescribe, and a continuous reporting of its debts and obligations after the election at such periods as the Director may require, until such debts and obligations are extinguished.

(12) the identification of each person to whom an expenditure for personal services, salaries, and reimbursed expenses in excess of $100 has been made, and which is not otherwise reported, including the amount, date, and purposes of such expenditure; and

(13) such other information as may be required by the Director.

(c) The reports to be filed under subsection (a) shall be cumulative during the calendar year to which they relate, but where there has been no change in an item reported in a previous report during such year, only the unchanged amount need be carried forward. If no contributions or expenditures have been accepted or expended during a calendar year, the treasurer of the political committee or candidate shall file a statement to that effect.

(d) Each treasurer of a political committee, each candidate for election to office, and each treasurer appointed by a candidate, shall file with the Director weekly reports of cash contributions on forms to be prescribed or approved by the Director.

REPORTS BY OTHERS THAN POLITICAL COMMITTEES

SEC. 207. Every person (other than a political committee or candidate) who makes contributions or expenditures, other than by contribution to a political committee or

candidate, in an aggregate amount of $50 or more within a calendar year shall file with the Director a statement containing the information required by section 206. Statements required by this section shall be filed on the dates on which reports by political committees are filed, but need not be cumulative.

FORMAL REQUIREMENTS RESPECTING REPORTS AND STATEMENTS

SEC. 208. (a) A report or statement required by this title to be filed by a treasurer of a political committee, a candidate, or by any other person, shall be verified by the oath or affirmation of the person filing such report or statement, taken before any officer authorized to administer oaths.

(b) A copy of a report or statement shall be preserved by the person filing it for a period to be designated by the Board in a published regulation.

(c) The Board shall, by published regulations of general applicability, prescribe the manner in which contributions and expenditures in the nature of debts and other contracts, agreements, and promises to make contributions or expenditures shall be reported. Such regulations shall provide that they be reported in separate schedules. In determining aggregate amounts of contributions and expenditures, amounts reported as provided in such regulations shall not be considered until actual payment is made.

IDENTIFICATION OF CAMPAIGN LITERATURE

SEC. 209. All newspaper or magazine advertising, posters, circulars, billboards, handbills, bumper stickers, sample ballots and other printed matter with reference to or intended for the support or defeat of a candidate or group of candidates for nomination or election to any public office shall be identified by the words "paid for by" followed by the name and address of the payer or the committee or other person and its treasurer on whose behalf the material appears.

EFFECT ON LIABILITY

SEC. 210. Nothing in this title shall be construed as creating or limiting in any way the liability of any person under existing law for any financial obligation incurred by a political committee or candidate.

TITLE III—DIRECTOR OF CAMPAIGN FINANCE

ESTABLISHMENT OF THE OFFICE OF DIRECTOR

SEC. 301. (a) There is established within the District of Columbia Board of Elections and Ethics the office of Director of Campaign Finance (referred to in this Act as the "Director"). The Commissioner of the District of Columbia shall appoint, by and with the advice and consent of the Senate, the Director, except that on and after January 2, 1975, any vacancy in the office of Director shall be filled by appointment by the Mayor, with the advice and consent of the Council. Any such appointments may be made without regard to the provisions of title 5 of the United States Code, governing appointments in the competitive service. The Director shall be entitled to receive compensation at the maximum rate as may be established from time to time for grade 16 of the General Schedule in section 5332 of title 5 of the United States Code, and shall be responsible for the administrative operations of the Board pertaining to this Act and shall perform such other duties as may be delegated or assigned to him from time to time by regulations or orders of the Board. However, the Board shall not delegate to the Director the making of regulations regarding elections. Notwithstanding the foregoing provisions of this subsection, the Comptroller General of the United States shall, as soon as practicable following the date of the enactment of this Act, appoint or designate an acting Director who shall have the powers and perform the duties of the Director until the date on which any individual appointed as Director by the Commissioner of the District of Columbia under this subsection qualifies for that position.

(b) The Board may appoint a General Counsel without regard to the provisions of title 5 of the United States Code, governing appointments in the competitive service, to serve at the pleasure of the Board. The General Counsel shall be entitled to receive compensation at the same rate as the Director and shall be responsible solely to the Board. The General Counsel shall perform such duties as may be delegated or assigned to him from time to time by regulation or order of the Board.

(c) In any appropriate case where the Board upon its own motion or upon recommendation of the Director makes a finding of an apparent violation of this Act, it shall refer such case to the United States Attorney for the District of Columbia for prosecution, and shall make public the fact of such referral and the basis for such finding. In addition, the Board, through its General Counsel, shall initiate, maintain, defend, or appeal any civil action (in the name of the Board) relating to the enforcement of the provisions of this Act. The Board may, through its General Counsel, petition the courts of the District of Columbia for declaratory or injunctive relief concerning any action covered by the provisions of this Act.

POWERS OF THE DIRECTOR

SEC. 302. (a) The Director, under regulations of general applicability approved by the Board, shall have the power—

(1) to require any person to submit in writing such reports and answers to questions as the Director may prescribe relating to the administration and enforcement of this Act; and such submission shall be made within such reasonable period and under oath or otherwise as the Director may determine;

(2) to administer oaths;

(3) to require by subpena the attendance and testimony of witnesses and the production of all documentary evidence relating to the execution of his duties;

(4) in any proceeding or investigation to order testimony to be taken by deposition before any person who is designated by the Director and has the power to administer oaths and, in such instances, to compel testimony and the production of evidence in the same manner as authorized under paragraph (3) of this subsection;

(5) to pay witnesses the same fees and mileage as are paid in like circumstances in the Superior Court of the District of Columbia; and

(6) to accept, on behalf of the Board, gifts and voluntary and uncompensated services.

Subpenas issued under this section shall be issued by the Director upon the approval of the Board.

(b) The Superior Court of the District of Columbia may, upon petition by the Board, in case of refusal to obey a subpena or order of the Board issued under subsection (a) of this section, issue an order requiring compliance therewith; and any failure to obey the order of the court may be punished by the court as a contempt thereof.

DUTIES OF THE DIRECTOR

SEC. 303. The Director shall—

(1) develop and furnish (upon request) prescribed forms for the making of the reports and statements required to be filed with him under this Act;

(2) develop a filing, coding, and cross-indexing system consonant with the purposes of this Act;

(3) make the reports and statements filed with him available for public inspection and copying, commencing as soon as practicable but not later than the end of the second day following the day during which it was received, and to permit and facilitate copying of any such report or statement by hand and by duplicating machine, as requested by any person, at reasonable cost to such person, except any information copied from such reports and statements shall not be sold or utilized by any person for the purpose of soliciting contributions or for any commercial purpose;

(4) preserve such reports and statements for a period of ten years from date of receipt;

(5) compile and maintain a current list of all statements or parts of statements on file pertaining to each candidate;

(6) prepare and publish such other reports as the Board may deem appropriate;

(7) assure dissemination of statistics, summaries, and reports prepared under this title;

(8) make from time to time audits and field investigations with respect to reports and statements filed under the provisions of this title, and with respect to alleged failures to file any report or statement required under the provisions of this title; and

(9) perform such other duties as the Board may require.

GENERAL ACCOUNTING OFFICE TO ASSIST BOARD AND DIRECTOR

SEC. 304. The Board and Director shall, in the performance of their functions under this Act, request the assistance of the Comptroller General of the United States, and the Comptroller General shall provide such assistance with or without reimbursement, as the Board and Director and the Comptroller General shall agree. The Comptroller General shall have authority to conduct such investigations and audits as the Comptroller General determines necessary in connection with the administration of the provisions of this Act by the Board and the Director.

NOMINATING COMMITTEE

SEC. 305. (a) Effective January 2, 1975, there is established within the Government of the District of Columbia a committee to be known as the "District of Columbia Board of Elections and Ethics Nominating Committee" (hereinafter referred to as the "Committee"). The Committee shall have the function of nominating individuals for appointment as members of the District of Columbia Board of Elections and Ethics for any and all vacancies occurring on such Board on or after the date on which a majority of the members first appointed pursuant to this section hold their first meeting as members of the Committee. Such nominations shall be made by the Committee in accordance with the provisions of this section. The Committee shall consist of five members. Within ten days following the date on which a majority of the members are first appointed pursuant to this section, such members so appointed shall hold their first meeting as members of the Committee.

(b)(1) Two members of the Committee shall be appointed by the Mayor, at least one of whom shall be a lawyer.

(2) Three members of the Committee shall be appointed by the Chairman of the Council of the District of Columbia with the approval of the Council.

(c) Members of the Committee shall serve for terms of five years, except that of the members first appointed pursuant to subsection (b)(1), one shall serve for one year and one for five years, as designated at the time of appointment, and members appointed pursuant to subsection (b)(2), one shall serve for two years, one for three years, and one for four years, as designated at the time of appointment.

(d)(1) No individual may be appointed as a member of the Committee unless he or she—

(A) is a citizen of the United States, and

(B) is a resident of the District of Columbia and has maintained his or her domicile within the District for at least one year

immediately preceding the date of his or her appointment, and

(C) is not a member of the Council of the District of Columbia or an officer or employee of the Government of the District of Columbia (including the judicial branch).

(2) Any vacancy in the membership of the Committee shall be filled in the same manner in which the original appointment was made. Any individual appointed to fill a vacancy, occurring other than upon the expiration of a term, shall serve only for the remainder of the term of such individual's predecessor.

(e) Members of the Committee shall be paid for each day spent performing their duties as members of the Committee at a rate which is equal to the daily equivalent of the rate provided by step 1 of grade 17 of the General Schedule under section 5332 of title 5, United States Code.

(f)(1) Except as otherwise provided in subsection (a) of this section, the Committee shall act only at meetings called by the Chairman or a majority of the members thereof and only after notice has been given of such meeting to all members of the Committee.

(2) The Committee shall choose annually from among its members a Chairman and such other officers as it deems necessary. The Committee may adopt such rules of procedure as may be necessary to govern the business of the Committee.

(3) Each agency of the government of the District of Columbia shall furnish to the Committee, upon request, such records, information, services, and such other assistance and facilities as may be necessary to enable the Committee to perform its function properly. Any information furnished to the Committee designated "confidential" by the person furnishing it to the Committee shall be treated by the Committee as privileged and confidential.

(g)(1) In the event of any such vacancy in the District of Columbia Board of Elections and Ethics, the Committee shall, within thirty days after such vacancy occurs, submit a list of three persons as nominees for appointment by the Mayor to fill the vacancy. If more than one such vacancy exists at the same time, the Committee shall submit a separate list of nominees for appointment to fill each such vacancy, and no individual's name shall appear on more than one such list. In filling such vacancy, the Mayor may appoint more than one individual from any list currently before the Mayor. In any case in which, after the expiration of the thirty-day period following the date on which a majority of the members of the Committee first meet as provided in subsection (a), a vacancy is scheduled to occur, by reason of the expiration of a term of office, the Committee's list of nominees for appointment to fill that vacancy shall be submitted to the Mayor not less than thirty days prior to the expiration of that term.

(2) If the Mayor fails to submit for Council approval the name of one of the individuals on a list submitted to the Mayor under this section within thirty days after receiving such list, the Committee shall appoint, with the approval of the Council, an individual named on the list to fill the vacancy for which such list of nominees was prepared.

(3) Any individual whose name is submitted by the Committee as a nominee for appointment to the District of Columbia Board of Elections and Ethics may request that the nomination of such individual be withdrawn. If any such individual requests that his or her nomination be withdrawn, dies, or becomes disqualified to serve as a member of the Board, the Committee shall promptly nominate an individual to replace the individual originally nominated on the list submitted to the Mayor.

(h) Members of the Committee shall be appointed as soon as practicable, but in no event later than June 30, 1975.

DISTRICT OF COLUMBIA BOARD OF ELECTIONS AND ETHICS

SEC. 306. (a) On and after the date of the enactment of this Act, the Board of Elections of the District of Columbia established under the District of Columbia Election Act (D.C. Code, sec. 1–1101 et seq.), shall be known as the "District of Columbia Board of Elections and Ethics" and shall have the powers, duties, and functions as provided in such Act, in any other law in effect on the date immediately preceding the date of the enactment of this Act, and in this Act. Any reference in any law or regulation to the Board of Elections for the District of Columbia or the District of Columbia Board of Elections shall, on and after the date of the enactment of this Act, be held and considered to refer to the District of Columbia Board of Elections and Ethics.

(b) Notwithstanding any other provision of law, the District of Columbia Board of Elections and Ethics shall meet at least monthly during any calendar year in which there is an election and at least quarterly in nonelection years.

(c) On and after January 1, 1975, members of the Board shall be paid for each day spent performing their duties as members of the Board at a rate which is equal to the daily equivalent of the rate provided for Level III under the Executive Schedules as provided for by section 5314 of title 5, United States Code.

(d)(1) Any person who violates any provision of this Act or of the District of Columbia Election Act may be assessed a civil penalty by the District of Columbia Board of Elections and Ethics under paragraph (2) of this subsection of not more than $50 for each such violation. Each occurrence of a violation of this Act and each day of noncompliance with a disclosure requirement of this Act or an order of the Board shall constitute a separate offense.

(2) A civil penalty shall be assessed by the Board by order only after the person charged with a violation has been given an opportunity for a hearing, and the Board has determined, by decision incorporating its findings of facts therein, that a violation did occur, and the amount of the penalty. Any hearing under this section shall be of record and shall be held in accordance with chapter 5 of title 5, United States Code.

(3) If the person against whom a civil penalty is assessed fails to pay the penalty, the Board shall file a petition for enforcement of its order assessing the penalty in the Superior Court of the District of Columbia. The petition shall designate the person against whom the order is sought to be enforced as the respondent. A copy of the petition shall be forthwith sent by registered or certified mail to the respondent and his attorney of record, and if the respondent is a political committee, to the Chairman thereof, and thereupon the Board shall certify and file in such court the record upon which such order sought to be enforced was issued. The court shall have jurisdiction to enter a judgment enforcing, modifying, and enforcing as so modified, or setting aside in whole or in part the order and the decision of the Board or it may remand the proceedings to the Board for such further action as it may direct. The court may determine de novo all issues of law but the Board's findings of fact, if supported by substantial evidence, shall be conclusive.

(e) Upon application made by any individual holding public office, any candidate, or any political committee, the Board, through its General Counsel, shall provide within a reasonable period of time an advisory opinion, with respect to any specific transaction or activity inquired of, as to whether such transaction or activity would constitute a violation of any provision of this Act or of any provision of the District of Columbia Election Act over which the Board has primary jurisdiction.

(f)(1) Any person who knowingly files any false or misleading statement, report, voucher, or other paper, or makes any false or misleading statement to the Board, shall be fined not more than $10,000, or shall be imprisoned for not longer than five years, or both.

(2) The penalties provided in paragraph (1) of this subsection or subsection (d) do not apply to any person or political committee who, before the date of enactment of this Act, makes political contributions or receives political contributions or makes any political campaign contributions or expenditures prohibited by this Act, except such person or political committee shall not make any further such contribution or expenditures during the remainder of calendar year 1974.

(g) The Board shall—

(1) make the public reports and statements filed with it available for public inspection and copying, commencing as soon as practicable but not later than the end the second day following the day during which it was received, and permit copying of any such report or statement by hand or duplicating machine, as requested by any person, at reasonable cost to such person, except any information copied from such reports and statements shall not be sold or utilized by any person for the purpose of soliciting contributions or for any commercial purpose;

(2) preserve such reports and statements for a period of ten years from date of receipt;

(3) compile and maintain a current list of all statements or parts of statements on file pertaining to each candidate;

(4) prepare and publish an annual report including compilations of (A) total reported contributions and expenditures of all candidates, political committees, and other persons during the year; (B) total amounts expended according to such categories as it shall determine broken down into candidate, party, and nonparty expenditures; (C) total amounts expended for influencing nominations and elections stated separately; (D) total amounts contributed according to such categories of amounts as it shall determine necessary; and (E) aggregate amounts contributed by any contributor shown to have contributed, in the aggregate, in excess of $50;

(5) prepare and publish from time to time special reports comparing the various totals and categories of contributions and expenditures made with respect to preceding elections;

(6) prepare and publish such other reports as it shall deem appropriate;

(7) assure wide dissemination of statistics and public reports prepared under this Act;

(8) make from time to time audits and field investigations with respect to reports and statements filed under the provisions of this Act, and with respect to alleged failures to file any report or statement required under the provisions of this Act; and

(9) prescribe suitable rules and regulations to carry out the provisions of this Act.

TITLE IV—FINANCE LIMITATIONS

GENERAL LIMITATIONS

SEC. 401. (a) No individual shall make any contribution which, and no person shall receive any contribution from any individual which, when aggregated with all other contributions received from that individual, relating to a campaign for nomination as a candidate or election to public office, including both the primary and general or special elections, exceeds—

(1) in the case of a contribution in support of a candidate for Mayor, $500;

(2) in the case of a contribution in sup-

port of a candidate for Chairman of the Council, $400;

(3) in the case of a contribution in support of a candidate for member of the Council elected at large, $400;

(4) in the case of a contribution in support of a candidate for member of the Board of Education elected at large or for member of the Council elected from a ward, $200, and in the case of a runoff election, an additional $200; and

(5) in the case of a contribution in support of a candidate for member of the Board of Education elected from a ward, $100, and in case of a runoff election, an additional $100.

(6) in the case of a contribution in support of a candidate for a member of an Advisory Neighborhood Council, $25.

(b) (1) No candidate may make contributions and expenditures during the calendar year in connection with his campaign for nomination for election of public office, and for election to public office, from his personal funds, or the personal funds of his immediate family, in excess of 25 percent in the aggregate, of the total amount he may spend during that year under subsection (a) of section 402 of this Act in connection with those campaigns.

(2) No candidate or member of the immediate family of a candidate may make a loan or advance from his personal funds for use in connection with a campaign of that candidate for nomination for election, or for election, to public office unless that loan or advance is evidenced by a written instrument fully disclosing the terms, conditions, and parts to the loan or advance. The amount of any such loan or advance shall be included in computing the amount of which paragraph (1) applies only to extent of the balance of the loan or advance which is unpaid at the time of determination.

(3) For purposes of this subsection, the term "immediate family" means the candidate's spouse and any parent, brother, or sister, or child of the candidate, and the spouse of any such parent, brother, sister, or child.

(c) No individual shall make any contribution in any one election which when aggregated with all other contributions made by that individual in that election exceeds $1,000.

(d) (1) Any expenditure made by any person advocating the election or defeat of any candidate for office which is not made at the request or suggestion of the candidate, any agent of the candidate, or any political committee authorized by the candidate to make expenditures or to receive contributions for the candidate is not considered a contribution to or an expenditure by or on behalf of the candidate for the purpose of the limitations specified in this Act.

(2) No person may make any unauthorized expenditure advocating the election or defeat of a clearly identified candidate during a calendar year which, when added to all other unauthorized expenditures made by that person during the year advocating the election or defeat of that candidate, exceeds $1,000.

(3) For purposes of paragraph (2)—

(A) "clearly identified" means—

(i) the candidate's name appears,

(ii) a photograph or drawing of the candidate appears, or

(iii) the identity of the candidate is apparent by unambiguous reference,

(B) "person" does not include the central committee of a political party, and

(C) "expenditure" does not include any payment made or incurred by a corporation or labor organization which, under the provisions of section 610 of title 18, United States Code, would not constitute an expenditure by that corporation or labor organization.

(e) In no case shall any person receive or make any contribution in legal tender in an amount of $50 or more.

(f) No person shall make a contribution in the name of another person, and no person shall knowingly accept a contribution made by one person in the name of another person.

(g) For purposes of the limitations contained in this section all contributions made by any person directly or indirectly to or for the benefit of a particular candidate, including contributions which are in any way earmarked, encumbered, or otherwise directed through an intermediary or conduit to that candidate, shall be treated as contributions from that person to that candidate.

LIMITATION ON EXPENDITURES

SEC. 402. (a) No principal campaign committee shall expand any funds which when aggregated with funds expended by it, all other committees required to report to it, and by a candidate supported by such committee shall exceed (1) in the case of a candidate for Mayor, $150,000 in the aggregate for any primary and general election in connection therewith, but in no event in excess of $90,000 for one of such elections and $60,000 for the other of such elections; (2) in the case of a candidate for Chairman of the Council, $115,000 in the aggregate for any primary and general election in connection therewith, but in no event in excess of $70,000 for one of such elections and $45,000 for the other of such elections; (3) in the case of a candidate for member of the Council elected at large, $90,000 in the aggregate for any primary and general election in connection therewith, but in no event in excess of $50,000 for one of such elections and $40,000 for the other of such elections; (4) in the case of a candidate for member of the Board of Education elected at large or member of the Council elected from a ward, $20,000 in the aggregate for any primary and general election in connection therewith; and (5) in the case of a candidate for member of the Board of Education elected from a ward, $10,000 in the aggregate for any primary and general election in connection therewith (6) in the case of a candidate for member of an Advisory Neighborhood Council, $500.

(b) No political committee or candidate shall knowingly expend any funds at a time when the principal campaign committee to which it shall report, or which has been designated by him, is precluded by subsection (a) from expending funds or which would cause such principal campaign committee to be precluded from further expenditures. Any principal campaign committee of a candidate having reasonable knowledge to believe that further expenditures by a political committee registered in support of such candidate, or by the candidate it supports, will exceed the expenditure limitations specified in subsection (a) shall immediately notify, in writing, such political committee or candidate of that fact.

(c) Any expenditure made in connection with a campaign in a calendar year other than the calendar year in which the election is held to which that campaign relates is, for the purposes of this section, considered to be made during the calendar year in which that election is held.

TITLE V—CONFLICT OF INTEREST AND DISCLOSURE

CONFLICT OF INTEREST

SEC. 501. (a) The Congress declares that elective and public office is a public trust, and any effort to realize personal gain through official conduct is a violation of that trust.

(b) No public official shall use his official position or office to obtain financial gain for himself, any member of his household, or any business with which he or a member of his household is associated, other than that compensatoin provided by law for said public official.

(c) No person shall offer or give to a public official or a member of a public official's household, and no public official shall solicit or receive anything of value, including a gift, favor, service, loan gratuity, discount, hospitality, political contribution, or promise of future employment, based on any understanding that such public official's official actions or judgment or vote would be influenced thereby, or where it could reasonably be inferred that the thing of value would influence the public official in the discharge of his duties, or as a reward, or which would cause the total value of such things received from the same person not a member of such public official's household to exceed $100 during any single calendar year.

(d) No person shall offer or pay to a public official, and no public official shall solicit or receive any money, in addition to that lawfully received by the public official in his official capacity, for advice or assistance given in the course of the public official's employment or relating to his employment.

(e) No public official shall use or disclose confidential information given in the course of or by reason of his official position or activities in any way that could result in financial gain for himself or for any other person.

(f) No member or employee of the Council of the District of Columbia or Board of Education of the District of Columbia shall accept assignment to serve on a committee the jurisdiction of which consists of matters (other than of a de minimis nature) in which he or a member of his family, or a business with which he is associated, has financial interest.

(g) Any public official who, in the discharge of his official duties, would be required to take an action or make a decision that would affect directly or indirectly his financial interests or those of a member of his household, or a business with which he is associated, or must take an official action on a matter as to which he has a conflict situation created by a personal, family, or client interest, shall—

(1) prepare a written statement describing the matter requiring action or decision, and the nature of his potential conflict of interest with respect to such action or decision;

(2) cause copies of such statement to be delivered to the District of Columbia Board of Elections and Ethics (referred to in this title as the "Board"), and to his immediate superior, if any;

(3) if he is a member of the Council of the District of Columbia or member of the Board of Education of the District of Columbia, or employee of either, deliver a copy of such statement to the Chairman thereof, who shall cause such statement to be printed in the record of proceedings, and, upon request of said member or employee, shall excuse the member from votes, deliberations, and other action on the matter on which a potential conflict exists;

(4) if he is not a member of the Council of the District of Columbia, his superior, if any, shall assign the matter to another employee who does not have a potential conflict of interest, or, if he has no immediate superior, he shall take such steps as the Board prescribes through rules and regulations to remove himself from influence over actions and decisions on the matter on which potential conflict exists; and

(5) during a period when a charge of conflict of interest is under investigation by the Board, if he is not a member of the Council of the District of Columbia or a member of the Board of Education, his superior, if any, shall have the arbitrary power to assign the matter to another employee who does not have a potential conflict of interest, or if he has no immediate superior, he shall take

such steps as the Board shall prescribe through rules and regulations to remove himself from influence over actions and decisions on the matter on which there is a conflict of interest.

(h) Neither the Mayor nor any member of the Council of the District of Columbia may represent another person before any regulatory agency or court of the District of Columbia while serving in such office. The preceding sentence does not apply to an appearance by such an official before any such agency or court in his official capacity.

(i) As used in this section, the term—

(1) "public official" means the office of the Mayor of the District of Columbia, Chairman of the Council of the District of Columbia, or member of the Council of the District of Columbia, or Chairman or member of the Board of Education of the District of Columbia, or each officer or employee of the District of Columbia government who performs duties of the type generally performed by an individual occupying grade GS–15 of the General Schedule or any higher grade or position (as determined by the Board regardless of the rate of compensation of such individual);

(2) "business" means any corporation, partnership, sole proprietorship, firm, enterprise, franchise, association, organization, self-employed individual, holding company, joint stock, trust, and any legal entity through which business is conducted for profit;

(3) "business with which he is associated" means any business of which the person or member of his household is a director, officer, owner, employee, or holder of stock worth $1,000 or more at fair market value, and any business which is a client of that person;

(4) "household" means the public official and his immediate family; and

(5) "immediate family" means the public official's spouse and any parent, brother, or sister, or child of the public official, and the spouse of any such parent, brother, sister, or child.

DISCLOSURE OF FINANCIAL INTEREST

SEC. 502. Any candidate for nomination for election, or election, to public office who at the time he becomes a candidate, does not occupy any such office, shall file within one month after he becomes a candidate for such office, and the Mayor, and the Chairman and each member of the Council of the District of Columbia holding office under the District of Columbia Self-Government and Governmental Reorganization Act, and the Chairman and each member of the Board of Education, shall file annually, with the Board a report containing a full and complete statement of—

(1) the amount and source of each item of income, each item of reimbursement for any expenditure, and each gift or aggregate of gifts from one source (other than gifts received by him or by him and his spouse jointly during the preceding calendar year) which exceeds $100 in amount or value, including any fee or other honorarium received by him for or in connection with the preparation or delivery of any speech or address attendance at any convention or other assembly of individuals, or the preparation of any article or other composition for publication, and the monetary value of subsistence, entertainment, travel, and other facilities received by him in kind;

(2) the identity of each asset held by him, or by him and his spouse jointly which has a value in excess of $1,000, and the identity and amount of each liability owned by him, or by him and his spouse jointly, which is in excess of $1,000 as of the close of the preceding calendar year;

(3) any transactions in securities of any business entity by him, or by him and his spouse jointly, or by any person acting on his behalf or pursuant to his direction during the preceding calendar year if the aggregate amount involved in transactions in the securities of such business entity exceeds $5,000 during such year;

(4) all transactions in commodities by him, or by him and his spouse jointly, or by any person acting on his behalf, or pursuant to his direction during the preceding calendar year if the aggregate amount involved in such transactions exceeds $5,000;

(5) any purchase or sale, other than the purchase or sale of his personal residence, or real property or any interest therein by him, or by him and his spouse jointly, or by any person acting on his behalf or pursuant to his direction, during the preceding calendar year if the value of property involved in such purchase or sale exceeds $5,000; and

(6) the amount of each tax paid by the individual, or by the individual and the individual's spouse filing jointly, for the preceding calendar year, except in the case of candidates filing reports during calendar year 1974, who shall file reports for the preceding three calendar years.

(b) Any candidate for nomination for, or election to, office who at the time he becomes a candidate, does not occupy any such office, shall file within one month after he becomes a candidate for such office, and the Chairman and each member of the Council and the Mayor holding office under the District of Columbia Self-Government and Governmental Reorganization Act, and the Chairman and each member of the Board of Education, and each officer and employee of the District of Columbia government who performs duties of the type generally performed by an individual occupying grade GS–15 of the General Schedule under section 5332 of title 5, United States Code, or any higher grade or position (as determined by the Board regardless of the rate of compensation of such individual), shall file with the Board in a sealed envelope marked "Confidential Personal Financial Disclosure of (name)", before the fifteenth day of May in each year, the following reports of his personal financial interests:

(1) a copy of the returns of taxes, declarations, statements, or other documents which he, or he and his spouse jointly, made for the preceding year in compliance with the income tax provisions of the Internal Revenue Code of 1954;

(2) the name and address of each business or professional corporation, firm, or enterprise in which he was an officer, director, partner, proprietor, or employee who received compensation during the preceding year and the amount of such compensation;

(3) the identity of each trust or other fiduciary relation in which he held a beneficial interest having a value of $10,000 or more, and the identity, if known, of each interest of the other fiduciary relation in real or personal property in which the candidate, officer, or employee held a beneficial interest having a value of $10,000 or more, at any time during the preceding year. If he cannot obtain the identity of the fiduciary interests, the candidate, officer, or employee shall request the fiduciary to report that information to the Board in the same manner that reports are filed under this rule.

(c) Except as otherwise provided by this section, all papers filed under this section shall be kept by the Board in the custody of the Director for not less than seven years, and while so kept shall remain sealed. Upon receipt of a request by any member of the Board adopted by a recorded majority vote of the full Board requesting the examination and audit of any of the reports filed by any individual under section (b) of this title, the Director shall transmit to the Board the envelopes containing such reports. Within a reasonable time after such recorded vote has been taken, the individual concerned shall be informed of the vote to examine and audit, and shall be advised of the nature and scope of such examination. When any sealed envelope containing any such report is received by the Director, such envelope may be opened and the contents thereof may be examined only by members of the Board in executive session. If, upon such examination, the Board determines that further consideration by the Board is warranted and within the jurisdiction of the Board, it may make the contents of any such envelope available for any use by any member of the Board, or the Director or General Counsel of the Board which is required for the discharge of his official duties. The Board may receive the papers as evidence, after giving to the individual concerned due notice and opportunity for hearing in a closed session. The Board shall publicly disclose not later than the first day of June each year the names of the candidates, officers, and employees who have filed a report. Any paper which has been filed with the Board for longer than seven years, in accordance with the provisions of this section, shall be returned to the individual concerned or his legal representative. In the event of the death or termination of the service of the Mayor or Chairman or member of the Council of the District of Columbia or Chairman or member of the Board of Education, or officer or employee of the District of Columbia, such papers shall be returned unopened to such individual, or to the surviving spouse or legal representative of such individual within one year of such date or termination of service.

(d) Reports required by this section (other than reports so required by candidates) shall be filed not later than sixty days following the enactment of this Act, and not later than May 15 of each succeeding year. In the case of any person who ceases, prior to such date in any year, to occupy the office or position the occupancy of which imposes upon him the reporting requirements contained in subsection (a) shall file such report on the last day he occupies such office or position, or on such later date, not more than three months after such last day, as the Board may prescribe.

(e) Reports required by this section shall be in such form and detail as the Board may prescribe. The Board may provide for the grouping of items of income, sources of income, assets, liabilities, dealings in securities or commodities, and purchases and sales of real property, when separate itemization is not feasible or is not necessary for an accurate disclosure of the income, net worth, dealing in securities and commodities or purchases, and sales of rental property of any individual.

(f) All public reports filed under this section shall be maintained by the Board as public records which, under such reasonable regulations as it shall prescribe, shall be available for inspection by members of the public.

(g) For the purposes of any report required by this section, any individual shall be considered to have been Mayor, Chairman, or member of the Council of the District of Columbia, or Chairman or member of the Board of Education, or officer or employee of the District of Columbia during any calendar year if such individual served in any such position for more than six months during such calendar year.

(h) For purposes of this section, the term—

(1) "income" means gross income as defined in section 61 of the Internal Revenue Code of 1954;

(2) "security" means security as defined in section 2 of the Securities Act of 1933, as amended (15 U.S.C. 77b);

(3) "commodity" means commodity as defined in section 2 of the Commodities Exchange Act, as amended (7 U.S.C. 2);

(4) "transactions in securities or commodities" means any acquisition, holding, with-

holding, use, transfer, or other disposition involving any security or commodity;

(5) "immediate family" means the child, parent, grandparent, brother, or sister of an individual, and the spouse of such person; and

(6) "tax" means the taxes imposed under chapter 1 of the Internal Revenue Code of 1954, under the District of Columbia Revenue Act of 1947, and under the District of Columbia Public Works Act of 1954 and any other provision of law relating to the taxation of property within the District of Columbia.

TITLE VI—PENALTIES AND ENFORCEMENT TAX CREDITS, USE OF SURPLUS CAMPAIGN FUNDS, STUDY OF 1974 ELECTION AND REPORT BY COUNCIL, EFFECTIVE DATES, AMENDMENTS TO DISTRICT OF COLUMBIA ELECTION ACT, AND AUTHORIZATION

PENALTIES AND ENFORCEMENT

SEC. 601 (a) Except as otherwise provided in section 306(f) of this Act, any person or political committee who violates any of the provisions of this Act shall be fined not more than $5,000, or shall be imprisoned for not longer than six months, or both.

(b) The penalties provided in subsection (a) shall not apply to any person or political committee who, before the date of enactment of this Act during calendar year 1974, makes political contributions or receives political contributions or makes any political campaign expenditures, in excess of any limitation placed on such contributions or expenditures by this Act, except such person or political committee shall not make any further such contributions or expenditures during the remainder of calender year 1974.

(c) Prosecutions of violations of this Act shall be brought by the United States Attorney for the District of Columbia in the name of the United States. The United States Attorney for the District of Columbia shall, on or before January 31 of each year, report to the Congress with respect to the disposition of cases prosecuted for violations of this Act during the calendar year preceding the year in which such report is submitted.

TAX CREDIT FOR CAMPAIGN CONTRIBUTIONS

SEC. 602. (a) Title VI of article I of the District of Columbia Income and Franchise Tax Act of 1947 (D.C. Code, sec. 47–1567—47–1567e) is amended by adding at the end of that title the following:

"SEC. 7. (a) CREDIT FOR CAMPAIGN CONTRIBUTIONS.— For the purpose of encouraging residents of the District to participate in the election process in the District, there shall be allowed to an individual a credit against the tax (if any) imposed by this article in an amount equal to 50 per centum of any campaign contribution made to any candidate for election to any office referred to in the first section of the District of Columbia Election Act, but in no event shall such credit exceed the amount of $12.50, or $25 in the case of married persons filing a joint return.

"(b)(1) A husband and wife filing separate returns for a taxable year for which a joint return could have been made by them may claim between them only the total credit (or refund) to which they would have been entitled under this section had a joint return been filed.

"(2) No individual for whom a personal exemption was allowed on another individual's return shall be entitled to a credit (or refund) under this section.".

(b) The table of contents of such article is amended by adding at the end of the part of such table relating to title VI the following:

"Sec. 7. Credit for campaign contributions.".

USE OF SURPLUS CAMPAIGN FUNDS

SEC. 603. Within the limitations specified in this Act, any surplus, residual, or unexponded campaign funds shall be contributed to a political party for political purposes, used to retire the proper debts of the political committee which received such funds, or returned to the donors on a pro rata basis.

A STUDY OF 1974 ELECTION AND REPORT BY COUNCIL

SEC. 604. (a) The Council of the District of Columbia shall, during calendar year 1975, conduct public hearings and other appropriate investigations on (1) the operation and effect of this Act and the District of Columbia Election Act on the elections held in the District of Columbia during 1974; and (2) the necessity and desirability of modifying either or both of these Acts so as to improve electoral machinery and to insure open, fair, and effective election campaigns in the District of Columbia.

(b) Upon the conclusion of its hearings and investigations the Council shall issue a public report on its findings and recommendations. Nothing in this Act shall be construed as limiting the legislative authority over elections in the District of Columbia vested in the Council by the District of Columbia Self-Government and Governmental Reorganization Act.

EFFECTIVE DATES

SEC. 605. (a) Titles II and IV of this Act shall take effect on the date of enactment of this Act, except the first report or statement required to be filed by any individual or political committee under the provisions of such titles shall include that information required under section 13(e) of the District of Columbia Election Act (D.C. Code, sec. 1–1113 (e)) with respect to contributions and expenditures made before the date of enactment of this Act, but after January 1, 1974.

(b) Titles I, III, V, and VI of this Act shall take effect on the date of enactment of this Act.

AMENDMENTS TO DISTRICT OF COLUMBIA ELECTION ACT

SEC. 606. (a) Section 13 of the District of Columbia Election Act (D.C. Code, sec. 1–1113) is amended to read as follows:

"AUTHORIZATION

"SEC. 13. There are hereby authorized to be appropriated, out of any money in the Treasury to the credit of the District of Columbia not otherwise appropriated, such sums as are necessary to carry out the purposes of this Act.".

(b) The first sentence of subsection (b) of section 4 of such Act (D.C. Code, sec. 1–1104) is amended to read as follows:

"(b) For duty performed after the date of the enactment of this Act and prior to January 1, 1975, each member of the Board, for each day of duty so performed, shall be paid compensation at the rate of $150 for each such day. Such compensation shall be paid without regard to any annual limitation."

(c) The amendment made by subsection (a) shall not affect the liability of any person arising out of any violation of section 13 of the District of Columbia Election Act committed before the date of enactment of this title, and any action commenced with respect to such a violation shall not abate.

AUTHORITY OF COUNCIL

SEC. 607. Notwithstanding any other provision of law, or any rule of law, nothing in this Act shall be construed as limiting the authority of the Council of the District of Columbia to enact any act or resolution, on or after January 2, 1975, pursuant to the District of Columbia Self-Government and Governmental Reorganization Act with respect to any matter covered by this Act.

AUTHORIZATION OF APPROPRIATION

SEC. 608. Amounts authorized under section 722 of the District of Columbia Self-Government and Governmental Reorganization Act may be used to carry out the purposes of this Act.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

DEATH OF FORMER SENATOR ERNEST GRUENING

Mr. MANSFIELD. Mr. President, it was with deep sorrow that a I was informed last night of the passing of our late colleague, the former Senator from Alaska, Ernest Gruening.

Ernest Gruening has had a remarkable career. Trained to practice medicine, he instead devoted himself to the welfare of people and causes in another sense.

He was an outstanding Member of the Senate. He made many contributions. His voice was heard, and it was heard with vigor and with logic.

I wish at this time to express on behalf of Mrs. Mansfield and myself to Mrs. Gruening our sense of deep loss, profound sympathy, and to extend to her our condolences in her hour of need.

May his soul rest in peace.

Mr. HUGH SCOTT. Mr. President, we who served with the late and very distinguished Senator, Ernest Gruening, will grieve for his family. We will miss him.

My wife and I extend our sincere condolences to Mrs. Gruening, who is also a longetime friend.

He was a man who held strong views and who articulated them strongly, who never mistook the difference between disagreeing, which he did not hesitate to do, and disagreeable, which he never was.

He was a man whose views commanded respect, even though he did not hesitate to be at times in a very small minority, and at other times succeeded in swaying the Senate to his views.

He has left his mark upon the Senate and he was indeed a man worth remembering, as we remember him.

I think I may use pretty much the same terms that Cicero used in his oration on the death of his friend Milo, when he said:

Vir et fortissimus in publica re et firmissimus in re suscepta.

Which is to say, a man both very brave in public life and very strong in a cause which he had undertaken.

This I think is fitting to be said for our departed friend.

Mr. MANSFIELD. Mr. President, how much time do I have left?

The PRESIDENT pro tempore. The Senator from Montana has 6 minutes left.

Mr. MANSFIELD. I yield such time as the Senator from South Dakota may desire to speak on the passing of our former colleague.

Mr. McGOVERN. Mr. President, I wanted to just say a few words about our friend and former colleague, Senator Gruening.

It was my privilege not only to serve with him here in the U.S. Senate for a number of years, but also to come to know him as a close personal friend and

to work with him very closely in the course of the 1972 campaign for the Presidency and also during 1971 in the contest for the Democratic Presidential nomination.

I always will think of Senator Gruening as a man who brought great passion and personal commitment, and a healthy sense of moral outrage, to the problems that faced our country.

I remember during all of 1971 when we were scheduling him for appearances in various parts of the country that he always insisted on a very heavy schedule. He felt that it was not a good day if there were not at least 10 or 11 events scheduled, sometimes in that many different communities.

On one occasion when he arrived at a particular assignment that we had outlined for him in Wisconsin during the primary there, he was given a copy of the schedule that showed a 30-minute break in the middle of the afternoon, and he asked the young man that met him at the airport why that vacant time was left on the schedule. The young man said, "Well, Senator, Senator McGOVERN has told us that when he comes in he likes about a 30- or 40-minutes break in the middle of the afternoon to get a little rest."

Ernest Greuning said, "Well, GEORGE is a young man; he needs his rest in the afternoon. But," he said, "At my age you do not need as much rest. Let us schedule another stop."

So that was the way he worked throughout his life.

In this morning's Washington Post, Jules Witcover, the distinguished political writer for that paper, has an excellent account of Senator Gruening's life.

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:

SENATOR ERNEST GRUENING, FATHER OF ALASKA STATEHOOD

(By Jules Witcover)

Ernest H. Gruening, generally regarded as the father of Alaska statehood, one of its first two U.S. senators and among the earliest and strongest voices raised in the Senate against the Vietnam war, died yesterday evening at 87.

Sen. Gruening died at 6:20 p.m. at Doctors Hospital, where he been undergoing treatment for cancer.

In a career that started with formal training to be a doctor, Sen. Gruening was in turn a newspaper reporter and editor, magazine editor, foreign correspondent, author, historian, publicist, diplomat, territorial governor and lobbyist before entering the Senate in 1959.

In his two terms, he was one of the Senate's most outspoken liberals, a pioneer in the fields of birth and world population control, and one of its two most steadfast and bitter foes of U.S. intervention in Vietnam.

He was probably best known for his vote, along with fellow Democratic Sen. Wayne Morse of Oregon, against the Gulf of Tonkin resolution of August, 1964, that President Lyndon B. Johnson used as blanket authorization to escalate U.S. involvement in Southeast Asia.

Ten months earlier, in October, 1963, he criticized on the Senate floor the "sheer hypocrisy" of sending 12,000 U.S. troops into Vietnam and calling them "technicians." On March 10, 1964, he made the first major Senate speech calling on the United States to get out of Vietnam. In it, he decried the loss of American lives "in seeking vainly in this remote jungle to shore up self-serving corrupt dynasts or their self-imposed successors," and declared:

"I consider the life of one American boy worth more than this putrid mess. I consider every additional life that is sacrificed in this forlorn venture a tragedy. Some day—not distant—if this sacrificing continues, it will be denounced as a crime."

To the last, Ernest Gruening was an outspoken battler for the causes he espoused and an uncompromising critic of his political foes.

From his bed at Doctors Hospital in early June, he followed the progress of the impeachment inquiry against President Nixon in the daily newspapers and discussed it vigorously and with a sense of outrage with callers. He insisted not only that the President should be impeached, but that he should be convicted of high crimes and misdemeanors, thrown out of office, then prosecuted as a citizen, convicted again and put in jail as an example that American justice still worked.

He embraced and lived the admonition of the Welsh poet, Dylan Thomas, that the elderly not let their lives trickle out meaninglessly and obediently:

"Do not go gentle into that good night,
Old age should burn and rave at close of day;
Rage, rage against the dying of the light."

Ernest Henry Gruening raged in his youth, his middle age and at the close of his days in as varied a public career as any man who ever sat in the United States Senate. His colleague and friend, Sen. Hubert H. Humphrey, once called him "the 20th century Benjamin Franklin," but he might have compared him to the versatile Thomas Jefferson as well.

Born in New York City on Feb. 6, 1887, to Emil Gruening, a prominent eye and ear surgeon, and Phebe Fridenberg Gruening, he attended local schools and then Harvard, planning to follow his father into medicine. He received a bachelor of arts degree in 1907 and then entered Harvard medical school.

But a doctor's life did not appeal to him; he was already a young man of broad interests in public affairs, literature and people, and those interests, and some of his friends, pulled him inexorably toward the newspaper business.

His best friend, Earl Derr Biggers, later the author of the Charlie Chan detective stories, was drama critic for the Boston Traveler, and on nights when there was more than one opening, Biggers asked Sen. Gruening to review one for him.

While still attending medical school, Sen. Gruening took a job on the Boston American for $15 a week, giving up an internship at the Boston City Hospital. On his father's advice, he later went back and finished school, receiving his doctor of medicine degree in 1912, but he never practiced—nor regretted not having done so.

In 1913, he joined the Boston Herald as a reporter, rewrite man and copy editor, and a year later, after the Herald was absorbed by the Boston Traveler, became an editorial writer and then the Traveler's managing editor at the age of 27.

His championing of social justice and the rights of minorities was manifested in one of his first directives to the staff. He ordered that identification of individuals by race be dropped unless "it is of particular and special interest and when the story is manifestly incomplete and inaccurate if the color of the person involved is concealed." The Traveler became one of the first metropolitan newspapers in the country to adopt such a policy.

Sen. Gruening also clamped down on a practice of granting favorable theater reviews in return for advertising. Later when he moved to the *Boston Journal as managing editor*, he successfully fought efforts by major advertisers in the city to control the paper's editorial contents.

When the United States entered World War I in 1917, Sen. Gruening came to Washington to help organize the bureau of imports of the War Trade Board. After a *brief time as managing editor of the New York Tribune*, he enlisted in the Army, rejecting a medical commission and instead went to field artillery officers' training at Camp Zachary Taylor, Ky., where he was a candidate for an Army commission when the war ended.

Next he became business manager of the Spanish language newspaper *La Prensa* for a year, helping to convert it from a weekly to a daily, and then in 1920 became managing editor of *The Nation*, where he recruited such writers as H.L. Mencken, Dorothy Canfield, Sinclair Lewis, Willa Cather and Theodore Dreiser.

At The Nation, Sen. Gruening wrote articles and editorials attacking U.S. military intervention in Haiti, the Dominican Republic and Nicaragua, helping to trigger a Senate investigation in which he was invited and agreed to participated on the scene.

He also wrote articles critical of U.S. policy in Mexico, where 10 years of revolution had brought much foreign exploitation and internal political turmoil.

In 1923, he resigned from the magazine and went to Mexico on a reporting assignment for *Collier's Weekly* and The Nation. From that experience and extensive reading, he wrote "Mexico and Its Heritage," published in 1928 and called by the New York Herald Tribune "the most vigorous, useful, and comprehensive picture yet made of the complex present-day conditions below the Rio Grande."

In 1963, he received the Order of the Aztec Eagle, the Mexican government's highest decoration, for the book, which the then Mexican ambassador to the United States, Antonio Carrillo Flores, called "the best book written by a non-Mexican about my country."

Meanwhile, Sen. Gruening continued freelance writing, taking time out in 1924 to serve as director of national publicity for the presidential campaign of the progressive candidate, Robert LaFollette of Wisconsin.

In 1927, he helped found and became the *first editor of the Portland, Maine, Evening News*, and in five years built it into a crusading liberal newspaper. His major battle fought and won there was the blocking of a private power empire's effort to reverse longtime Maine policy and export the state's water power. Later he wrote a book attacking private power interests, "The Public Pays," published by Vanguard Press in 1931.

In 1933, Senator Gruening returned to the editorship of The Nation, making regular trips to Washington to report on the New Deal of the new President, Franklin D. Roosevelt. Aware of Sen. Gruening's experience in Latin America, Roosevelt appointed him an adviser to the U.S. delegation at the Seventh Inter-American Conference in Montevideo, at which the FDR "Good Neighbor" policy long sought by Sen. Gruening was formulated.

After a brief and contentious tenure as editor of the New York Post, in which he fought with the owner over suppressed stories, Sen. Gruening received a second appointment from FDR, one that was destined to have the greatest impact on his life and on his role in American political affairs. He was named director of a new Division of Territories and Island Possessions in the Department of the Interior, with jurisdiction over Hawaii and a host of small Pacific Islands, Puerto Rico, the Virgin Islands and Alaska.

After more than a year of concentrating his attentions on the severe poverty problem

in Puerto Rico, Sen. Gruening made his first trip to Alaska in 1936. He became immediately enamored of the place, but was struck by its inaccessibility.

He pioneered in expanding air transportation to and throughout Alaska and in the eventual construction of the Alcan Highway, linking the territory through Canada with the United States, or "the lower 48" as it was called in Alaska.

Throughout his tenure, Sen. Gruening was involved in a running battle with Secretary of the Interior Harold L. Ickes, but in 1939, apparently against Ickes' wishes, Roosevelt appointed him governor of Alaska. He immediately won approval of a new system of taxation that outraged absentee exploiters of the territory's raw materials, particularly the large salmon industry, but helped launch development of improved school and public services.

He successfully waged a campaign against discrimination against Alaskans in eating places throughout the territory, and throughout World War II oversaw the influx of military and governmental installations that in 1945 provided the base and population for a postwar boom.

Sen. Gruening served nearly 14 years as territorial governor and capped his tenure as leader of the fight for Alaskan statehood. He personally sought to educate editors, members of Congress and fellow governors about the territory's readiness for statehood—its citizens approved a referendum in 1946—and spoke and wrote extensively about Alaska.

In 1954, his book, "The State of Alaska," chronicled the territory's history since its discovery in 1741, and in 1956 the voters of Alaska, to nudge Congress, elected him unofficial "senator" to lobby for statehood in Washington.

Sen. Gruening undertook the assignment with vigor and conviction, bombarding congressmen and senators with statistics and other information about Alaska and arguing that it had great growth potential that needed statehood to realize. He persuaded Edna Ferber to write a novel about Alaska, called "Ice Palace," that later was called by Clifton Fadiman "the Uncle Tom's Cabin for Alaska." In June, 1958, Congress voted statehood.

Two months later, Sen. Gruening was nominated in the Democratic primary to be one of the new state's first two senators, and he won in the fall, beating Republican Mike Stepovich. He was an indefatigable campaigner, as one voter found out when he told the candidate that "I'd sooner vote for the devil."

Sen. Gruening replied, "You know, he'd be a tough buy to beat. But if he decides not to run, do you suppose you could switch to me?"

The voter eyed him for a moment, then said, "Why you SOB, I might vote for you yet."

Even before he entered the Senate, Sen. Gruening had also been a staunch advocate of Hawaiian statehood, and he continued the effort there. He was on the Senate floor in March, 1959, when the Senate voted to make Hawaii the 50th state.

In two terms in the Senate, Sen. Gruening compiled a strong liberal and civil rights voting record, generally aligning himself with Northern Democrats, and was a leader in pressing for expanding federal research into birth control methods, an interest he pursued after he left the Senate.

But it was his outspoken early stand against the war in Vietnam that highlighted his Senate service. He and Morse were the only senators to vote against appropriations bills for Vietnam in 1965, as well as casting their lonely votes against the Gulf of Tonkin resolution.

Sen. Gruening continued his opposition to the war in the Senate until he lost the Democratic primary in 1968 in his bid for a third term, and thereafter as a private citizen. He backed and campaigned for Sen. George McGovern (D-S.D.) in the New Hampshire primary of 1972 and later in the general campaign against President Nixon.

In his last years, Sen. Gruening pursued the cause of population control and of the rights of women, testifying on the abortion issue before a Senate subcommittee in 1974. He also appeared on television shows, calling for the impeachment of Mr. Nixon.

In his autobiography, "Many Battles," published in late 1973, Sen. Gruening wrote: "Whatever his part in Watergate, Nixon's undeniable guilt has been his attemped and partly successful subversion of our free society into a police state . . . I intend to devote my remaining years, however, few they may be, to exposing this sinister subversion, to alerting my fellow countrymen, and to trying to help restore the America that has been and has served us so well."

Sen. Gruening is survived by his wife, the former Dorothy E. Smith, of the home, 7926 West Beach Dr. NW., and a son, Huntington Sanders Gruening, of Federal Way, Wash. Two other sons, Ernest Jr. and Peter Brown, are deceased.

Mr. McGOVERN. In the course of that article, he quotes Dylan Thomas on his Advice to the Elderly:

"Do not go gentle into that good night,
Old age should burn and rave at close of day:
Rage, rage against the dying of the light."

I think no words could better describe Senator Gruening right until the very end of his life.

I arrived at the Doctors Hospital last night just a few minutes after Senator Gruening died, and Mrs. Gruening was still sitting there in the room with him. I stayed there and visited with her for about an hour in the presence of Senator Gruening who had just died, and we were talking without any tears at all about this marvelous life and the many things that he did.

Mrs. Gruening spent most of that time expressing her thanks and her gratitude and her joy that she had been permitted to share some 60 years with this remarkable man.

Our colleague, Senator HUMPHREY, once described him as the 20th century Ben Franklin and, I think, that is true, when you consider all of the things that he did.

He had a degree in medicine; he was the editor of a number of leading newspapers, the editor of Nation magazine; he was a territorial Governor of Alaska, the father of Alaska statehood; he served with great distinction in this body, and was active until the very end of his life.

His great book, which he entitled appropriately "Many Battles,"—and he is the kind of man who saw life as a series of battles—ends on these words:

The rest of the nation needs to follow the example and recapture the courage of those—past and present—who inculcated and preserved the spirit of free men which has guided and galvanized America until yesterday. Along with our basic freedoms to speak, to write, to think as we please, must also be freedom from fear. Men are not really free if they have to wonder whether they are. Thus believing, and acting accordingly, we shall win this battle and make the America we love happen again.

Mr. President, some months ago 5 Members of the Senate, including myself, nominated Senator Gruening for the Nobel Peace Prize. The other Senators who joined with me in that effort were Senators CHURCH, ABOUREZK, HATFIELD, and NELSON.

I would like to ask unanimous consent that our letter of March 7 of this year to the Nobel Peace Prize Committee be printed at this point in the RECORD.

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

NOBEL PEACE PRIZE COMMITTEE,
DRAMMENSVEIEN 19,
Oslo, Norway, March 7, 1974.

DEAR MEMBERS OF THE COMMITTEE: This letter supports a cable you have already received, placing the name of our former colleague, United States Senator Ernest Gruening, in nomination for the Nobel Peace Prize.

Senator Gruening's leadership in the quest for peace spans many issues and several generations. It goes back as far as the magazine and newspaper editorials he wrote as a journalist against the "gunboat diplomacy" of the 1920's, and against the interventions in Haiti, the Dominican Republic, and Nicaragua. It is as current as the efforts he continues now, in his eighty-seventh year, against steps which would heighten the danger of more serious confrontations in Indochina. For all of those years he has truly been an indefatigable champion of peace.

But his most remarkable and farsighted contributions have been addressed to two issues which still remain at the forefront of the international agenda. One is the continuing war in Indochina. The other is the ominous growth in world population.

On the first, it may be appropriate to recognize those who participated in negotiations to end direct American involvement in Indochina. But the conflict has not ended, and the risk of a wider war remains.

Yet there is another and still graver risk. It is that in our relief over the end of American involvement, we may see obscured not only for Americans but for much of humankind the urgent lessons to be learned from this sad experience—that small lands as well as large have a right to settle their own affairs; that a policy of unilateral intervention can only degrade the international agencies created to resolve disputes; that even powerful nations confront the tides of nationalism at their peril. And for that reason alone, we contend that to advance the purposes of the Nobel Peace Prize, it is prudent to honor not only those who continued but then finally ended a grave mistake, but also one American who was the most consistent, the most tireless, and among the earliest voices urging against that mistake before it was made.

Senator Gruening's courage and foresight are demonstrated on the public record. He argued against American intervention in the Vietnamese civil war in October of 1963, when the question was still whether U.S. advisors should be assigned to assist the government then in power in Saigon. He followed in March of 1964 with a more comprehensive address in the United States Senate entitled "The United States Should Get Out of Vietnam." Shortly thereafter, he began pressing for reference of the issue to the United Nations, and for the establishment of a ceasefire under international supervision. When the war took a sharp turn toward escalation in August of 1964, he was one of only two members of the Senate who voted against the Gulf of Tonkin resolution.

But there is an even more significant contribution which cannot be as readily traced. Senator Gruening has coupled his words of warning with ceaseless efforts both in the Congress and around the country to win a reevaluation and a reversal of U.S. policy. He authored a book, *Vietnam Folly*, which still stands as an outstanding documenta-

tion of the case against the American involvement and escalation in Indochina. He pleaded the case tirelessly with his colleagues in the Congress, not only in formal debates on the floor but in conversations in the cloakrooms and offices. Finally he took his case to the nation, speaking everywhere an audience could be found. In 1963, at the age of seventy-six, he launched a personal crusade against the war. More than a decade later his indomitable spirit still persists, and his crusade still goes on.

Anyone who has observed America over the past decade must be convinced that this is how and why we finally came to end our direct involvement in Indochina. Those who presided over the process of negotiation and withdrawal had earlier been among the most aggressive supporters of escalation. Withdrawal finally came not so much because they decided to reverse their policy; it came because Senator Gruening and ultimately millions of others worked to reverse American politics. At last a new course became a political necessity.

We may admire those who had the patience, the energy, and the wisdom to finally negotiate the settlement, when settlement was the demand of the American people. But in good conscience, the name "peacemaker" fits Senator Gruening much better. How much harder was his task. For he embraced the cause of peace when it was a lonely cause. He challenged his own party. He challenged the authority which made the war. In 1968 public divisions over the war in Vietnam cost him his seat in the Senate. But it did not cost the country his vision and leadership. And if any one person is responsible more than any other for ending the tragic role of the United States in Vietnam, it is this wise and viliant public citizen.

For that alone, we submit that this nomination should have the most careful consideration of the Committee. But Senator Gruening has taken an early, leading role in another area of overriding worldwide concern.

The United Nations has proclaimed 1974 World Population Year, demonstrating what has now become a nearly universal recognition of the importance of this issue to peace and stability in the world. Few knowledgeable discussions of the prospects for peace now fail to account for the need to limit population growth, to husband our planet's scarce resources and to assure that their use will ultimately serve to close the perilous gap between rich and poor nations.

Senator Gruening saw this in the first decade of the century. He contended then that population control was an essential step toward higher health standards and the elimination of poverty, and eventually toward a more civilized and peaceful world. As a journalist, he wrote his controversial views on the subject into his newspaper editorials. He participated in a conference on birth control sponsored by crusader Margaret Sanger in 1921, at a time when advocacy of such a cause was not only unpopular but dangerous. As Director of the United States Division of Territories and Island Possessions under President Roosevelt in the 1930's he helped establish maternal health clinics in Puerto Rico, a step credited with significant social and economic progress in that land.

When he came to the Congress, Senator Gruening at first found attitudes on population control issues which did not differ greatly from the hostility of the 1920's. Again he became the patient but persistent educator. In 1963 he cosponsored legislation calling for the creation of a Presidential Committee on Population to research and expose the problem. He sponsored his own, more ambitious bill to support the publication and distribution, both in the United States and abroad, of information on population control. Then, as chairman of the Subcommittee on Foreign Aid Expenditures, he held no less than thirty-two hearings over the course of three years.

The effort was productive. The Family Planning Service and Population Research Act was passed. An Office of Population Affairs was created in the Department of Health, Education, and Welfare. A sum of $175 million was appropriated to foster birth control programs abroad. In contrast to the cautious climate of just ten years ago, such programs have become widely accepted and supported as indispensable national and international programs.

The challenge remains. But again, what progress has been made and what international leadership the United States has supplied stands largely as a monument to the foresight and good works of one man, Senator Ernest Gruening.

This, then, is the statesman we recommend to the Committee. He is a man of energy, of integrity, and of absolute dedication to justice and to the cause of peace. He fights tirelessly for what he believes—and we have learned that what he believes is usually right.

Senator Gruening's example is an inspiration to the best in all of us. The Committee's decision to honor him would be an inspiration to the best ideals advanced since 1901 by the Nobel Prize—for "peace congresses," for the "abolishment of reduction of standing armies," and, above all, for "the fraternity of nations."

Sincerely yours,

JAMES ABOUREZK,
FRANK CHURCH,
GAYLORD NELSON,
GEORGE MCGOVERN,
MARK O. HATFIELD,
U.S. Senators.

Mr. MCGOVERN. Mr. President, I thank the Senator from Montana for yielding.

Mr. STEVENS. Mr. President, America suffered a grevious loss yesterday evening. Ernest Gruening's last battle, which he nobly fought against cancer for nearly 3 years while he completed his book chronicling the "Many Battles" fought during his 87 years, ended at 6:20 p.m. in Doctors Hospital.

I, personally, feel this loss. Having been opponents in elections, and friends and associates in many battles, Ernest Gruening and I have worked together since I came to the Senate. I shall miss his advice and counsel and deeply morn his passing.

Alaskans, especially, feel a great sense of loss today, for during the last 30 years of his life Ernest Gruening—as territorial Governor, activist for statehood, U.S. Senator, and finally as a private, but still active and vocal, citizen—fought some of his greatest battles for Alaska. And in doing so he won the lasting respect and love of Alaskans.

As territorial Governor, Ernest Gruening championed Alaska's cause against those who exploited our natural resources and left nothing for Alaskans in return. At the same time he helped bring about ordered development for the benefit of Alaska residents, and he led the way for improved schools and public services. He was one of the first to work for the rights and well-being of Alaska Natives, and he was one of the first to see the danger of Japanese invasion of Alaska in early World War II and to work to build up the territory's defenses. Toward the end of his governorship he was perhaps our ablest leader in the long battle for statehood. When Alaska became the 49th State, Ernest Gruening continued as U.S. Senator to fight for Alaska's progress and right of self-determination.

More recently—during the past year, in fact—his voice was still heard engaged in noble battle for Alaska, this time for the Alaska pipeline and against arbitrary Federal lock-up of vast amounts of Alaskan land.

During his 2 terms in the Chamber Senator Gruening's efforts expanded to battles of nationwide and worldwide significance. He was always courageous and outspoken in fighting for what he believed was right, and he was never afraid to keep up a lonely fight against overwhelming odds.

Senator Gruening's many battles in these Halls and on this floor number more than I can relate in this statement. Civil rights, the rights of women, domestic social issues of all sorts, worldwide issues aimed at preserving individual rights of nations and people—in all these he was a dramatic leader. Often his conscience led him to stand virtually alone most notably in his early oppostion to the war in Vietnam.

Whether or not his colleagues in the Senate agreed with him, his integrity and ability to stand up against all odds for his beliefs was never in question.

Alaska, America, and the world as a whole owe Ernest Gruening a great debt of gratitude. Throughout his career as journalist, public servant, governor, Senator, author and active private citizen, Ernest Gruening served us well.

The Washington Post article this morning on Senator Gruening's death included a verse by the poet Dylan Thomas, which aptly describes the philosophy by which Ernest Gruening lived out his last years. I can think of no more fitting way to close this statement than to repeat that verse:

"Do not go gentle into that good night,
Old age should burn and rave at close of day;
Rage, rage against the dying of the light."

Mr. MOSS. Mr. President, I speak here today in great sorrow. The death last night of former Senator Ernest H. Gruening has grieved me deeply. He was one of the best friends I have ever had in the Senate. I found in the warmth of his spirit, and in the depth of his wisdom and experience a fountainhead of strength to which I turned again and again.

I began to realize how remarkable was this man, how prodigious his knowledge and judgment, during the recess at the end of our first year in the Senate, when he, Senator MUSKIE and I composed a 3-man special mission to the Soviet Union. We went to study hydroelectric development on Russia's lakes and rivers—to survey the great power dams they were building. We took with us a number of water and power experts from government departments and private groups. But we soon found that this man from Alaska knew almost as much about the subject we were studying as did those who had devoted their lives to it. His knowledge was phenomenal.

As the years passed, it became evident that Ernest Gruening was a man who

knew a prodigious amount about a lot of subjects, and that he had the ability and judgment to evaluate what he knew, and to recommend sound courses of action based upon it.

Can we ever forget that it was Ernest Gruening of Alaska, along with Wayne Morse of Oregon, who saw, in August 1964, the pitfalls for America in agreeing to the Gulf of Tonkin Resolution, which provided the authority to escalate U.S. involvement in South Vietnam. Had the Nation recognized then the great gift of Ernest Gruening to grasp and fully to evaluate the essentials of a situation, and had followed his counsel, how many traumatic years we might have been saved.

We saw the fruits of this great gift again and again—in Senator Gruening's early espousal in birth and world population control, and in some of the action he took in assuring civil rights to people with whom he was associated long before the national efforts in this direction.

This was truly a remarkable man—one of the most remarkable the 20th century has seen. Who else had a successful career in so many fields? First, he trained in medicine, and became an M.D., then became a newspaper reporter, an editor, a magazine editor, and a foreign correspondent, an author, a historian, a publicist, a diplomat, and finally a territorial Governor, before becoming a U.S. Senator. And he was outstanding—a pioneer—in every one of them. Few in America now or in the past can match that record.

But it was as the "Father of Alaska Statehood" that Ernest Gruening would want most to be remembered, and it is in this capacity that we pay special tribute to him today. He—more than anyone else—lobbied to successful conclusion legislation providing for statehood for Alaska. He had been its territorial Governor, and he knew its potential. In typical Gruening fashion he assembled all of the facts in favor of statehood and bombarded Congress with them. The vigor and conviction with which he pursued his cause overwhelmed the opposition, and the June 1, 1958, victory was an especially sweet one to him. The people of Alaska sent him to the Senate in gratitude.

Since he left the Senate he has pursued the work he started here—particularly in the field of population control—with his customary vigor. In so doing, he demonstrated another great Gruening gift. There was no generation gap so far as he was concerned. Young people related to him just as avidly as did people in their later years. He was a man for all seasons—and for all people.

I shall greatly miss Ernest Gruening. Our relationship remained constant through the years, even after he left the Senate. He was a cherished, valued friend. He leaves a void no one else can fill.

Phyllis and I extend to his wonderful wife, Dorothy, and his son, Huntington, our sincere sympathy at this time of their monumental loss.

SENATE CONCURRENT RESOLUTION 96—ADJOURNMENT OF THE TWO HOUSES UNTIL JULY 8, 1974

Mr. MANSFIELD. Mr. President, on behalf of the distinguished Rebublican leader and myself I send to the desk a concurrent resolution and ask that it be immediately considered.

The ACTING PRESIDENT pro tempore. The clerk will report.

The second assistant legislative clerk read as follows:

Resolved by the Senate (the House of Representatives concurring), That when the Senate adjourns on Thursday, June 27, 1974, it shall stand adjourned until 12 noon on July 8, 1974, or until 12 noon on the second day after their respective Members are notified to reassemble in accordance with section 2 of this resolution, whichever event first occurs.

SEC. 2. The Speaker of the House of Representatives and the President pro tempore of the Senate shall notify the Members of the House and Senate, respectively, to reassemble whenever, in their opinion, the public interest shall warrant it, or whenever the majority leader of the Senate and the majority leader of the House, acting jointly, or the minority leader of the Senate and the minority leader of the House, acting jointly, file a written request with the Secretary of the Senate and the Clerk of the House that the Congress reassemble.

The concurrent resolution (S. Con. Res. 96) was agreed to.

Mr. MANSFIELD. Mr. President, I ask that the resolution lie on the desk pending the resolution of the conference report on the continuing resolution.

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

JIMMIE JOHNSON RETIRES

Mr. GRIFFIN. Mr. President, is there any time remaining to the time allotted to the distinguished minority leader?

The ACTING PRESIDENT pro tempore. The Senator from Pennsylvania has 5 more minutes.

Mr. HUGH SCOTT. I yield my remaining time to the distinguished Senator from Michigan (Mr. GRIFFIN).

Mr. GRIFFIN. Mr. President, a little more than 40 years ago a young man came from Kentucky to Washington seeking employment.

Tomorrow, he will retire after devoting 31 years and 10 months of his life to the service of the Senate of the United States.

I refer, of course, to James L. Johnson, whom we all know as "Jimmie."

Few men have served the Senate so well and faithfully. As legislative clerk, we all have benefited by his helpfulness, and his unfailing good humor.

Jimmie was born in Parkers Lake, Ky., on April 22, 1914. He attended grade and high schools in Whiteley City, and the Bowling Green Business University in Bowling Green, Ky.

When he came to Washington for a job he found his way into the office of the late and beloved Alben B. Barkley, then Senator from Kentucky. As Jimmie recalls.

It was just one of those things. They needed a secretary. I was pretty good at shorthand and typing so I was hired on the spot.

Jimmie worked in Senator Barkley's office until 1943. Thereafter, he left for the first of two stints in private employment. He returned in 1948 to work with Senator Barkley and remained through the Truman-Barkley campaign and continued Vice President Barkley's office until 1952.

Then he had another fling in private business but came back to the Senate in 1955 as registration clerk in the office of the Secretary of the Senate. In addition to registration clerk—keeping the records on lobbyists—he also served as asistant legislative clerk. Upon the retirement of Ted Mansur, he was promoted to that position.

As he has watched from a front row seat the inevitable march of history, Jimmie has many rememberances to carry with him into retirement. One of the most memorable was standing in the Senate the day that Senator Barkley made an impassed speech and then resigned as mjaority leader as a gesture of protest over President Franklin D. Roosevelt's veto of a tax bill. Senator Barkley, of course, was immediately reelected.

Jimmie, I understand, has no plans to remain idle. He is interested in woodworking and gardening at home in McLean, Va., and in fishing and golf. His score is one of the best kept secrets in the U.S. Senate. He also looks forward to an opportunity for a little more travel, particularly to visit his sons, James R., of Long Island, N.Y., and Michael E., of Bennington, Vt., and their families.

I know that I speak for all of my colleagues in the Senate in saying "thank you" to Jimmie Johnson for his many years of work and his unfailing good humor and in being a wonderful friend and comrade to all of us. We wish him and Mrs. Johnson many happy and rewarding retirement years.

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

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

Mr. MANSFIELD. Mr. President, the distinguished acting Republican leader has just put into words what the hearts of all the Senate feel toward Jimmie Johnson. There is not anything that I can add except to say that I agree completely. And I know I speak for the full Senate, as does the acting Republican leader by saying we hate to see Jimmie go, but he knows what he is doing. He always has known, and all I can say is Amen.

Mr. HUGH SCOTT. Mr. President, I wish to associate myself with the remarks just offered by the Senator from Michigan (Mr. GRIFFIN) noting the retirement of the Senate's legislative clerk, James L. Johnson. Jimmie has served the Senate for over 30 years now, and his absence will be felt by all of us.

Joseph McCaffrey, a local broadcaster who knows the workings of Congress better than most reporters, recently said

that Jimmie was most valuable because, sometimes, he was the only person in town who knew what the Senate was doing.

I know that I can speak for my colleagues when I say that Jimmie will be sorely missed. We wish him, and his family, well during his retirement years.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from California (Mr. TUNNEY) is recognized for not to exceed 15 minutes.

Mr. TUNNEY. Mr. President, I yield 1 minute to the distinguished Senator from South Dakota (Mr. MCGOVERN).

(The remarks Senator TUNNEY made at this point on the introduction of S. 3707, providing a tax credit incentive for increased savings, are printed in the RECORD under Statements on Introduced Bills and Joint Resolutions.)

DOMESTIC FOOD ASSISTANCE PROGRAM—CONFERENCE REPORT

Mr. McGOVERN. Mr. President, I submit a report to the committee of conference on S. 3458, and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore (Mr. PROXMIRE). The report will be stated by title.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3458) to amend the Agriculture and Consumer Protection Act of 1973, the Food Stamp Act of 1964, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all the conferees.

The ACTING PRESIDENT pro tempore. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the CONGRESSIONAL RECORD of June 26, 1974, at p. 21277.)

Mr. McGOVERN. Mr. President, I am very pleased to present to the Senate this conference report on S. 3458.

Six days ago, the Senate adopted the conference report on H.R. 14354. In that report, the Senate and House conferees adpoted provisions under which the Secretary is required—during the next fiscal year—to use section 32 funds and funds of the Commodity Credit Corporation to purchase agriculture commodities that are not in surplus to maintain the annually programed level of assistance for programs authorized under the National School Lunch Act, the Child Nutrition Act of 1966, and title VII of the Older Americans Act of 1965.

Under the agreement reached by the conferees on S. 3458, the authority of the Secretary of Agriculture to purchase commodities that are not in surplus would be made mandatory with respect to the other food assistance programs—including the donation of commodities to needy families pending the transition to the food stamp program, institutions, supplemental feeding programs, disaster relief, summer camps for children, and the family commodity distribution program on Indian reservations not requesting a food stamp program. As provided in the Senate bill, the purchases would be made "to maintain the traditional level of assistance for food assistance programs as are authorized by law.

However, under the conference agreement on S. 3458, the mandatory authority of the Secretary to purchase commodities that are not in surplus would be limited in duration for 3 years rather than permanently as proposed by the Senate, or for 1 year as proposed in the House amendment.

The conference agreement, therefore, requires the Secretary to use the authority and funds of section 32 of Public Law 320, 74th Congress, as amended, and Commodity Credit Corporation funds during fiscal year 1975 to carry out the programs provided in section 4(a) of Public Law 93–86, as amended, but for the following 2 fiscal years, the Secretary's mandate would be tempered by the amounts Congress may provide in annual appropriation bills.

Under the conference agreement, the programs would be carried out after fiscal year 1975 only with funds specifically appropriated for the purposes set forth in section 4(a) of Public Law 93–86. The conference agreement prohibits the use of permanent appropriations, such as section 32 funds, for carrying out the programs in fiscal years 1976 and 1977.

The conference agreement includes the provision of the House amendment authorizing the Secretary to purchase seafood commodities and their products.

The conferees also agreed to include a clarification of the language contained in subsection (b) of section 4 of Public Law 93–86 relating to "the number of adults participating in the activities" of summer camps receiving commodities under section 4. In determining "adult participation" in this food donation program, the Secretary should distinguish and exclude those adults who perform basic support functions—such as persons performing custodial and gardening duties—as compared to those adults who act in direct administrative support of the summer camp programs.

The conference agreement does not include the provisions in sections 2, 3, and 4 of the Senate bill treating the administration of the food stamp program on Indian reservations differently from the administration of the program in the States. In lieu of these special amendments to the Food Stamp Act, which expires on June 30, 1977, the conference agreement would give Indian reservations the option, through June 30, 1977, of remaining in the family commodity distribution program rather than transferring to the food stamp program.

The Senate bill would have authorized the Secretary of Agriculture to pay each State agency 62.5 percent of all the State agency's costs in administering the food stamp program. At present, the Food Stamp Act authorizes the Secretary to pay each State 62.5 percent of only certain designated administrative costs. The House amendment contains no comparable provision.

The conference agreement adopts the Senate provision with an amendment reducing the percentage of administrative costs to be paid by the Secretary from 62.5 percent to 50 percent.

The conferees also adopted the provision of the Senate bill requiring reports from the States on the effectiveness of the administration of the food stamp program. Under the conference agreement, the reports are to be made from time to time at the request of the Secretary. No payment of administrative costs shall be made unless the Secretary of Agriculture is satisfied that the State is employing enough qualified personnel to administer the program efficiently and effectively.

Finally, the conferees adopted the provision of the Senate bill establishing a 5-cent minimum rate of reimbursement for each half pint of milk served in the special milk program. The minimum rate of reimbursement is to be adjusted annually, beginning with the 1976 fiscal year, to reflect changes in the series of food away from home of the Consumer Price Index published by the Bureau of Labor Statistics of the Department of Labor. Adjustments are to be computed to the nearest one-fourth cent. Also, in lieu of a stated amount, appropriations of such sums as may be necessary to carry out the program are authorized.

Mr. President, I am pleased with the agreement of the conferees. We were able to maintain the position of the Senate that the Secretary of Agriculture be required to maintain the purchase of agricultural commodities. While the conference agreement will not make the program permanent, as would the Senate bill, it will require that the program be continued for 3 years.

In addition, the House conferees accepted several other important provisions which were not in the House bill. As a result, we will have a better Food stamp program and a better special milk program.

I hope that the Department of Agriculture will take note of the Senate's action today. The USDA has already sent letters to many of the state agencies telling them that the commodity distribution programs will be terminated. It is my understanding that the USDA has a policy of terminating supplemental food programs in any county that transfers from a family commodity distribution program to a food stamp program. The conference agreement requires the reversal of this policy. I hope that USDA officials will immediately write these State administrators to inform them that the commodity distri-

bution programs included in the conference agreement will be continued.

Mr. President, this conference report was signed unanimously by all the House and Senate conferees of both parties. As I have stated, it has to do with some amendments to our food assistance program that will make it a more constructive and useful program. There is no dispute about it on either side of the aisle.

Mr. President, I move adoption of the conference report.

The motion was agreed to.

ORDER OF BUSINESS

The PRESIDING OFFICER (Mr. NUNN). Under the previous order, the distinguished Senator from Hawaii (Mr. FONG) is now recognized for not to exceed 15 minutes.

THE HAWAIIAN NATIVES CLAIMS SETTLEMENT BILL

Mr. FONG. Mr. President, I had reserved 15 minutes this morning to speak at length on the Hawaiian natives claims settlement bill which I was prepared to introduce this morning. But, at the request of the ALOHA Association representatives here in Washington, I shall not introduce the Hawaiian natives claims settlement bill in the Senate today as I had planned to do.

Late yesterday, I was advised by the group's leaders that they had met with Senator HENRY JACKSON, chairman of the Senate Interior and Insular Affairs Committee, in Senator INOUYE's office yesterday afternoon. It was reported to me that Senator JACKSON promised to hold hearings on the Hawaiian natives claims in Hawaii after the November election this year, and advised them not to have a bill introduced in the Senate.

Because Senator JACKSON is the committee chairman, the ALOHA group decided to take his advice and requested that I not introduce the bill as planned.

Members of my staff have worked 16- and 18-hour days with the group and their lawyers ever since they arrived last week in an effort to meet the deadline they had set for introduction of a bill—today, June 27.

I myself met a number of times with the ALOHA group in an effort to reach agreement on a strong, valid bill.

Yesterday afternoon a seventh draft of the bill, which I felt was an excellent approach, was finally put together. However, late yesterday the group's leaders returned to my office to advise me to their meeting with Senator JACKSON.

In deference to their desires, I shall not introduce the Hawaiian natives claims settlement bill in the Senate today. I am informed, however that a much earlier and different version of this measure is being introduced in the House of Representatives this afternoon.

With the approach taken in the seventh draft yesterday, I want to say that I fully support the effort of the Hawaiian people. I am convinced just compensation must be paid by the U.S. Government to the native Hawaiians for the illegal acts of the agents of the United States in the 1890's in calling in the Armed Forces of the U.S. Government to assist in the overthrow of the sovereign Government of Hawaii and the taking of the native Hawaiian lands.

Their cause is just and the request is fair. I urge all of Hawaii and this great Nation to join in supporting the righting of these wrongs.

Mr. President, many people in Hawaii worked hard to prepare a bill to redress the wrongs afflicted on the Hawaiian people. The delegation who came to our Nation's Capitol in behalf of this cause ably represented the Hawaii people and I commend them. I ask unanimous consent that the names of all the ALOHA delegation from Hawaii be printed in the RECORD at this point.

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

LIST OF ALOHA DELEGATION

Kekoa D. Kaapu, President, Director-at-large.
Charles Kauluwehii Maxwell, Vice President, Director from Maui.
Mrs. Lorita Kuuiponoheaokahalelaulani Watland, Secretary, Director from Oahu.
Richard Kealoha Hoopii, Sr., Treasurer, Director from Maui.
William Char, Director-at-large.
Mrs. Louisa K. Rice, Founder, Senior Advisor and Director.
Arthur A. Hoke, Jr., Director from Hawaii.
Charles Rose, Director from Hawaii.
Mrs. Charles Rose, Kawika Rose, and Crystal Rose.
Mrs. Elaine Kamamalu Kaopuiki, Director from Lanai.
Henry Wiebke, Director from Molokai.
Mrs. Violet Mays, Director from Oahu.
Mrs. Pouanuiohiloanuiamamau Beaver, Director from Oahu.
Jeremia Kaluna, Director from Kauai.
Arthur W. Kinney, Director from Kauai.
Mrs. Pua Prim.
Mrs. Elizabeth Kekauilani Kalama.
Kalani Hatchie.
Mrs. Jacqueline Erickson.
Stewart Udall, Attorney.
Richmond F. Allan, Attorney.
Henry B. Taliafero, Attorney.

QUORUM CALL

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum, with the time to be taken out of the time just yielded back by the distinguished Senator from Hawaii (Mr. FONG).

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

The third assistant legislative clerk proceeded to call the roll.

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

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

VITIATION OF ORDER FOR RECOGNITION OF SENATOR ROBERT C. BYRD

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the time allotted to the distinguished assistant majority leader, the Senator from West Virginia (Mr. ROBERT C. BYRD), be vacated, and that 10 minutes of that time be transferred to the distinguished Senator from Idaho (Mr. MCCLURE).

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

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum on Senator FONG's time.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

Under the previous order, the Senator from Massachusetts is recognized for not to exceed 10 minutes.

REHABILITATION PROGRAMS IN INDOCHINA

Mr. KENNEDY. Mr. President, a great deal has been said over the last couple of years about reconstruction in Indochina, and the relief and rehabilitation of war victims throughout the area. An important theme in this discussion, especially over humanitarian assistance for war victims, has been the hope in many quarters that a good share of this effort could be carried out under some form of international auspices—if not on a regional basis, then at least for some of the special people problems and needs which exist in the separate war-affected areas.

Based on lengthy hearings and inquiry by the Subcommittee on Refugees, which I serve as chairman; on the findings and recommendations of a special subcommittee study mission to Indochina last year; and on very extensive conversations with experts and government officials in this country and overseas, I have shared this hope. And, along with other Members of the Senate, I have long advocated that our Government actively encourage and support initiatives for the expanding participation of the United Nations, its specialized agencies, the International Red Cross, and similar organizations in relief and rehabilitation programs in Indochina. Senators may recall that last year, the Senate adopted my amendments for this purpose to the fiscal year 1974 foreign assistance authorization bill.

The administration's policy toward internationalizing assistance for Indochina has ben ambiguous to say the least. Despite public statements to the contrary—before the Refugee Subcommittee and elsewhere—the record is clear that, apart from some tokenism, our Government has done precious little to encourage or support humanitarian initiatives by the United Nations and other international bodies.

And even today, when a more positive attitude seems to be developing within our Government, the administration is attaching unreasonable conditions to our support of new international programs for war victims—and some high officials in our Government seem determined to scuttle the small programs already in operation.

One case in point involves the administration's attitude toward the modest Indochina program recently approved by the Executive Board of UNICEF. We have

indicated our general support for an expanding UNICEF presence in Indochina—but, only on the condition that it will serve the administration's policy of maximizing our presence and continuing our direct involvement in the political confrontations in the area. And so we are attaching political strings to our UNICEF contributions and trying to block the agency's freedom in meeting the needs of children wherever they exist in Indochina. I submit that such attitudes on the part of our Government undercut the effectiveness of UNICEF and threaten to unravel the international cooperation which is needed to meet the humanitarian needs of orphans and children and war victims throughout Indochina.

But an even more distresssing sign of some attitudes in our Government, is recorded in recent "confidential" cables to the Department of State from Ambassador Graham Martin in Saigon. The cables concern American relations with the International Committee of the Red Cross—ICRC—and our country's support of the Indochina relief programs of the Indochina Operational Group—IOG—of the International Red Cross.

The Ambassador's cables were prompted, apparently, by recent ICRC activities relating to a conference of government experts which will meet in Switzerland in September to consider restraints on the use of "weapons that may cause unnecessary suffering or have indiscriminate effects." In an effort to encourage the broadest possible participation in this international meeting, the ICRC, as convener of the conference, has been soliciting the views of individual governments over a possible invitation to the so-called Provisional Revolutionary Government of South Vietnam—PRG.

As the United States did earlier this year at the Geneva Diplomatic Conference To Update the Geneva Conventions of 1949, our Government is opposing any participation by the PRG in the September meeting. Perhaps this is a good policy—but the fact remains that Ambassador Martin has even objected to the issue being raised by the ICRC. In a recent cable to the Department of State, he said this "kicks the United States—Government—around," and he accused the ICRS of yielding "to Eastern bloc, Nordic, and perhaps other pressures to contemptuously ignore us."

In a May 31 cable from Saigon, the Ambassador continues:

> One of the reasons may be that through prior experience ICRC feels it can safely do so. For example, at the same moment we were raising the question of "PRG" attendance at Lucerne, State's (cable) on 25 May instructed Geneva that "AID/Washington plans new $2 million grant to Red Cross IOG from FY 75 appropriation if funds permit." Perhaps it might make impression if (U.S.) Mission in Geneva were to indicate that it had been instructed, without explanation, to withdraw that assurance.

Ambassador Martin then goes on to say that—

> This recommendation is not intended as a pressure exerting bluff. If the ICRC persists on the course on which it is tentatively embarked, we have serious doubts that U.S. (Government) interests will be served by making this grant and we would not approve a final decision to make it.

Followup cables from Ambassador Martin repeat the recommendation, that the "Department should instruct Mission Geneva to indicate to the ICRC that the tentative assurance previously given for $2 million in fiscal year 1975 had been withdrawn."

On the face of it, the Ambassador's recommendation is a petty form of diplomatic blackmail—which not only offends the sensibilities of most Americans, but also does a disservice to a highly respected international organization. Moreover, if the recommendation is carried out, it would sabotage needed and important international humanitarian programs among war victims, especially in Cambodia, where the International Red Cross is carrying a major burden in meeting medical needs among the millions of refugees and civilian casualties produced by continuing war. Given the ICRC's activities and interest in past years over American POW's in North Vietnam, and the organization's possible assistance in the full accounting of our MIA's, the Ambassador's recommendation is incredible.

I do not know the fate of the Ambassador's recommendation. But I hope it is flatly rejected. I hope that our Government has the good sense to reaffirm our support of the IOG and its humanitarian programs in Indochina, and that our contribution to these needed humanitarian efforts will be even greater than in the past. This would be in line with the intent of Congress, and with pledges given to me personally by high administration officials last year during the foreign aid debate.

I bring this issue to the Senate, because it raises again serious questions about the qualifications and representation of the American Ambassador to Saigon, who continues to distort congressional intent and the stated policy of the administration he represents. And his abuse of the International Red Cross, whose humanitarian services are indispensable around the world, should not be tolerated by any American.

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

Mr. KENNEDY. I yield to the Senator from South Dakota.

Mr. McGOVERN. Mr. President, I commend the Senator from Massachussets for carrying on an effort that he has persistently advanced on the floor of the Senate, and to the American people and high officials of our Government over many years. His voice has been raised a good many times on behalf of the humanitarian interests that we have in Southeast Asia as against the military operations that continue there.

Everyone who was acquainted at all with the tragedy of that war knows that among its most pitiful victims have been the children and the innocent civilians who have been driven out of their homes, and who, in some cases, lost their limbs and their lives. South Vietnam is filled with orphan children, suffering from lack of medical care.

In 1969 I visited South Vietnam hospitals where one could see two and three patients lying on a single cot, in unventilated, overheated buildings in downtown Saigon, built on the floor, with not even adequate personnel to take care of their minimum needs.

Here is a program conducted by the International Red Cross, which the United States has always supported, trying to administer to people of this kind. As the Senator from Massachusetts said, because that organization is doing what it has always done in trying to reach beyond political lines to administer to innocent children and victims of this war, whether they are in an area controlled by the PRG or the Thieu government, we have an American Ambassador threatening them with diplomatic blackmail and threatening to withdraw funds from that organization unless it is run precisely as the Ambassador thinks it should be run.

What a stark contrast that is to the way we permitted the Thieu government to sabotage the Paris peace agreement and to continue the persecution of innocent prisoners, and to do everything they could to undo the work of the Paris peace conference.

The Senator from Massachusetts tried to get a reduction in a modest amount of the military aid we are pouring into South Vietnam at $1 billion a year. He called for a reduction of some $150 million and that was turned down. Apparently there is plenty of money to continue the killing and destruction in Vietnam, but here, with an organization trying to care for the needs of the people we have an American Ambassador, who speaks for our people and our Government, trying to sabotage one of the great humanitarian organizations of the world.

I commend the Senator from Massachusetts for bringing this matter to the attention of the Senate and the American people. I join him in hoping that Ambassador Martin's recommendation will be flatly rejected by the State Department.

Mr. KENNEDY. Mr. President, I thank the Senator from South Dakota who, as all Americans know, has really appealed to the conscience of this country about our policies in the Indochina Peninsula.

Here we are talking about a $2 million American contribution to a group which has had general support from people all over the world, an organization which has responded to natural disasters and tragedies in every part of the world, an organization that is attempting, as the Senator pointed out, to deal with one million orphans in South Vietnam, where tens of thousands of children under the age of 14 have lost arms and legs. The average waiting time there is many months and even years for a prosthetic device, and many children will need a change six to eight times over a lifetime.

Here we are delivering munitions of war, and yet we have been unwilling and unable to really respond to humanitarian needs. Finally, we begin to try to support an international organization, the Red Cross, that is really trying to do something about children and the innocent victims of war in the Indochina peninsula, and some officials are trying to cut off American support of the organization because we have some policy considerations in terms of an international meeting, the purpose of which is to try to put some limitations on the weapons of war.

The Senator from South Dakota, as a combat veteran, understands the enormous growth in antipersonnel weaponry being used in all wars at this time. Under Red Cross auspices, at the end of the First World War there was a meeting and it was agreed to abandon the dumdum bullet because it outraged the sensibilities of people all over the world. We have been attempting to do something in areas of nuclear weaponry and gas warfare because we are so outraged. It is a violation of human dignity.

Here the Red Cross itself was considering what steps it could take to try to do something about the type of weaponry which in terms of human suffering have been magnified so dramatically, and they were only trying to make a sounding as to who should participate in the conference; yet we seem prepared to strike out a major line of humanitarian assistance in order to carry through a policy consideration of this administration.

Earlier we had Mr. Martin's performance of suggesting to the Department of State that it refuse to give "honest and detailed" answers to Members of Congress who are interested in inquiring about the real policies of the United States in Indochina and our ongoing and continuing commitments. As the Senator from South Dakota will remember, Mr. Martin indicated that the State Department should answer those inquiries through its congressional liaison office with a bland report rather than give a full explanation of our responsibilities. What I bring to the Senate today continues to reflect adversely on the qualifications of the man who is supposedly representing the U.S. interests in Saigon.

I serve notice that I am going to continue to pursue these interests with the appropriate authorities in the State Department, and try to learn just what Mr. Martin is doing in Saigon, because I fail to see where he is really representing American interests—the interests of Congress and the American people.

ORDER OF BUSINESS

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

Mr. ALLEN. Mr. President, it is not the intention of the Senator from Alabama to use his allotted time at this time. I would be delighted to make it available to the leadership if the leadership desires to use any part of the time allotted to the Senator from Alabama. If not, I yield back the remainder of my time.

The PRESIDING OFFICER. Under the previous order, the Senator from Idaho (Mr. MCCLURE) is recognized for not to exceed 10 minutes.

THE FORTHCOMING REPORT OF SENATE SELECT COMMITTEE ON PRESIDENTIAL CAMPAIGN ACTIVITIES

Mr. MCCLURE. Mr. President, very soon now the Senate Select Committee on Presidential Campaign Activites will end its historic work and issue its final report. This report will likely carry much weight here in the Senate as Congress begins its attempt to reform campaign laws and insure a better election process.

I am compelled, therefore, Mr. President, to rise today and voice my concerns and apprehensions about the question of evenhandedness or, more to the point, the probable lack thereof, that I hear may be the trademark of the final report.

I think certain aspects pertaining to the investigation process deserve the scrutiny of my colleagues as well as the American people to perhaps place in better context and perspective the forthcoming final report.

Mr. President, in late August 1973, Mr. David Dorsen, assistant chief counsel to the Watergate Committee, sent questionnaires to what was reported by the Washington Star-News as a "couple of hundred individual contributors and a couple of hundred corporate officials" who helped finance the 1972 Presidential campaigns.

Mr. President, I ask unanimous consent that the letter to officers of major corporations with accompanying questionnaires and material; and the letter to individual contributors with accompanying questionnaires and material—both of which are signed by Mr. Dorsen—be inserted in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. MCCLURE. Mr. President, of course, no one questions the committee's right to engage in such interrogatives; however, it should be noted that these questionnaires were mailed without either an accompanying minority signature or prior approval of the minority side of the committee.

Judging from the feedback to the minority members, the mailing was geared heavily toward Republican-oriented companies and contributors. Some of these recipients, subsequently, were subpenaed by the committee and sworn testimony was taken.

I am informed, Mr. President, that because of the furor this caused among the minority members of the committee and at the urging of some minority members of the committee, an additional questionnaire was mailed to a number of Democrat-oriented corporations and labor unions.

Mr. President, I ask unanimous consent that a copy of the cover letter for the second series of questionnaires be printed in the RECORD following the conclusion of my remarks along with the questions and other enclosed material.

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

(See exhibit 2.)

Mr. MCCLURE. Mr. President, I note that a deputy minority counsel, Mr. Donald G. Sanders, was at least allowed to be a signatory to this second mailing.

Mr. President, I have been informed that the upcoming final report by the Watergate Committee gives, at best, only passing comments about the information received from this second effort.

In light of Mr. Douglas Caddy's recently published book, entitled "The One Hundred Million Payoff," which discusses organized labor's tremendous financial interests in the political process as well as today's published reports about apparent questionable campaign contributions to Democratic campaigns by the Associated Milk Producers, Inc., some very significant questions arise to which the American people and the U.S. Senate deserve explicit answers—Answers which I sincerely hope are forthcoming in the committee's final report.

For example, Mr. President, why did it take a strong reaction to the initial questionnaire to get a second questionnaire sent to Democratic-oriented organizations including labor leaders and labor unions?

Who were the corporations and the reportedly 80 union leaders this second questionnaire was sent to and which ones fully replied and which did not—and why?

Just as it will be helpful in our efforts to write proper campaign reform legislation to know in detail corporate abuses, would not the information contained in the returned questionnaires from labor leaders be equally important and helpful to the Senate in drafting legislation which could correct actual and/or potential labor abuses?

Why, Mr. President, was there no testimony taken from labor leaders by the committee in its investigation?

How can the Senate draft and adopt proper and effective campaign reform legislation without knowing the degree of involvement of corporations supportive of both sides of the political spectrum and of labor leaders and labor unions in campaigns?

Mr. President, I ask unanimous consent that two newspaper articles which bear on this situation be inserted in the RECORD following the conclusion of my remarks.

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

(See exhibit 3.)

Mr. MCCLURE. Mr. President, I would like to read just very briefly from one of those articles.

This is an article which appeared in the Wheeling, W. Va., Intelligencer on May 22, 1974, and the headline of that article is "Watergate Panel Shields Labor Spending, Leaks on Union Inquiry Strangely Missing."

I quote from that article. It says:

> Despite the fact that the Ervin committee has leaked constantly like a huge sponge under a compressor, all inquiries on these replies have been turned away.
>
> All efforts to examine the documents have been rebuffed. It was made crystal-clear that the communications are extremely "sensitive." There will be no hearings on labor contributions, no executive session questioning of any labor leaders.

These articles suggest an additional question which needs answering in the name of objectivity and fairness—why is it that whatever information was returned by the Democratic-oriented organizations such as labor unions in this second set of interrogatives was kept so secret and confidential and was not "leaked" to the press for public consumption?

In all candor, Mr. President, I had to smile when I read newspaper accounts about this situation which quoted Mr. Sam Dash, chief counsel for the committee, as saying:

There's an issue of privacy here.

Mr. President, with the recent disclosures of confidential information being printed on the front page of newspapers and in numerous columns around the country, one must be suspicious of a possible new aspect of a "Watergate coverup." If the information contained in these questionnaires exonerates organized labor and other Democratic oriented organizations from any questionable involvement in campaigns, that should be made known to the American public. If that information, however, indicates abuses of the electoral process by Democratic corporate officials and labor leaders, that information is critical to the Congress before it can write proper reform legislation. In either case, I suggest that only passing comment about it in the final Watergate report will be difficult to accept as emblematic and characteristic of evenhanded and objective analysis of the 1972 Presidential campaign abuses.

Mr. President, a recent survey by Opinion Research Corp. in Princeton, N.J., indicates that the majority of American people feel organized labor is much too powerful. Could it be, Mr. President, that this information in the possession of the Watergate Committee would unquestionably confirm that suspicion?

Mr. President, I want to make it clear to my colleagues that I raise these questions in the context of attempting to contribute to a proper analysis of the forthcoming final report by the Watergate Committee and in the spirit that only with all pertinent information can this Congress draft the best possible legislation in our sincere effort to better our election system.

Mr. President, I am afraid that after all the publicity, attention, and legislative support given the Watergate Committee over these past several months that the questions I raise here may not be answered, let alone be asked by the final Watergate report—I sincerely hope I will be proven totally wrong.

EXHIBIT 1

U.S. SENATE SELECT COMMITTEE ON PRESIDENTIAL CAMPAIGN ACTIVITIES,

Washington, D.C., August 29, 1973.

SAM ERVIN,
Chairman.

DEAR SIR: As an officer of a major American corporation, your cooperation is being sought in connection with the work of the Senate Select Committee on Presidential Campaign Activities. This Committee has, as one of its areas of inquiry, the question of campaign financing and, in order for the Committee to do its work effectively, data on campaign solicitations and contributions are being sought.

We would appreciate your completion of the enclosed form directed to corporate officers and its return to us in the envelope that we have provided for such purpose. In addition, if you or a member of your family made contributions totaling $500 or more in the 1972 Presidential Campaign, we are requesting that the second form directed to individual conrtibutors be completed.

We would like to assure you that no inference of any wrongdoing should be drawn from this request.

If you fill out and return the applicable form within ten (10) days of your receipt of it, in all likelihood there will be no further need for you to participate in our inquiry. However, should you fail to complete the form in the indicated time, the Committee may find it necessary to subpoena you or your records in order to complete its work.

Finally, we would like to call your attention to the provisions of Title 18, United States Code, Section 1001, which deals with making false statements to the Government. We are enclosing a copy of the statute for your information.

If you have any information concerning the inquiry, please contact me at the above address.

Sincerely,

DAVID M. DORSEN,
Assistant Chief Counsel.

TITLE 18, UNITED STATES CODE, SECTION 1001

Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry shall be fined not more than $10,000 or imprisoned not more than five years, or both.

QUESTIONNAIRE FOR CORPORATE OFFICERS

1. Name, address and telephone number.

2. Did you or any member of your immediate family contribute the sum of $500 or more to any political candidate, committee or party in connection with the 1972 Presidential election? ———

If so, please complete the attached questionnaire for contributors to the 1972 Presidential Campaign.

3. (a) Please list the names and addresses of all companies with which you were affiliated as an officer or director between January 1, 1971 and December 31, 1972: (Note: Hereinafter, when the phrase "your companies" is used, it shall refer to companies listed in your answer to question 3–a.)

(b) For each of your companies during the period January 1, 1971 through December 31, 1972 please list the chief executive officer, the chief fiscal officer and the Vice President or other official responsible for relations or liaison with the United States Government and its agencies and departments.

4. Were you contacted in person, by telephone or in a personal letter for contributions in connection with the 1972 Presidential Election? ———

If so, state details, including person soliciting and summary of conversation or communication. If you have any written communication or record, please attach a copy to your response.

5. Did you participate in or attend or, to your knowledge, did any other officers or directors of any of your companies participate in or attend discussions concerning the use of corporate funds or resources in connection with the 1972 Presidential Campaign? ———

If so, state full details.

6. Did any of your companies make any contribution out of corporate funds, directly or indirectly, to any political candidate, committee for a candidate, political party or firm or person on behalf of any political candidate, committee or party in the 1972 Presidential Campaign? ———

If so, state full details.

7. Did any of your companies provide any goods or services, including the supplying of personnel or facilities, to any candidate, committee, or political party in connection with the 1972 Presidential Campaign? ———

If so, state full details.

8. Did any of your companies pay any bills or obligations on behalf of any candidate, political committee or political party in connection with the 1972 Presidential Campaign? ———

If so, state full details.

9. Did any of your companies excuse or forgive or settle at less than face value any bills or indebtedness of any candidate, political committee or political party in connection with the 1972 Presidential Campaign? ———

If so, state full details.

10. Did any representative of any candidate, political committee or political party in connection with the 1972 Presidential Campaign, directly or indirectly, suggest or indicate to you or to your knowledge, any other officer or director of any of your companies that for the receipt of a campaign contribution that some benefit would accrue in any fashion to you or to any of your companies? ———

If so, state full details.

11. Did any representative of any candidate, political committee or political party in connection with the 1972 Presidential Campaign, directly or indirectly, suggest or indicate to you or, to your knowledge, any other officer or director of any of your companies that any action would or might be taken against you or any of your companies if you failed to make a contribution to the 1972 Presidential Campaign? ———

If so, state full details.

12. Do you have any other information or comments regarding fund-raising or financing in connection with the 1972 Presidential Campaign?

U.S. SENATE,
Washington, D.C.

Your name has appeared as a contributor to the Campaign of one of the 1972 Presidential Candidates. The Senate Select Committee on Presidential Campaign Activities has as one of its areas of inquiry the question of Campaign financing. In order to do this job effectively we are seeking information from a number of the contributors to the 1972 Campaign. Therefore, we would appreciate your cooperation in completing the attached form and returning it to us in the enclosed envelope.

If you fill out and return the enclosed form within ten (10) days of your receipt of it, in all likelihood there will be no further need for you to participate in our inquiry. However, should you fail to complete the form in the indicated time, the Committee may find it necessary to subpoena you or your records in order to complete its work.

Finally, we would like to call your attention to the provisions of Title 18, United States Code, Section 1001, which deals with making false statements to the government. We are enclosing a copy of the statute for your information.

If you have any questions concerning the inquiry, please contact me at the above address or telephone number.

Sincerely,

DAVID M. DORSEN,
Assistant Chief Counsel.

Your voluntary cooperation is being sought in connection with the work of the Senate Select Committee on Presidential Campaign Activities. We assure you that no inference of wrongdoing should be drawn from the fact that you are being asked to complete this questionnaire.

TITLE 18, UNITED STATES CODE, SECTION 1001

Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick,

scheme, or device a material fact or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry shall be fined not more than $10,000 or imprisoned not more than five years, or both.

SENATE SELECT COMMITTEE ON PRESIDENTIAL CAMPAIGN ACTIVITIES—QUESTIONNAIRE REGARDING POLITICAL CONTRIBUTIONS IN 1972 PRESIDENTIAL CAMPAIGN

1. Name, address and telephone number.

(A) Name of spouse.

2. Names and addresses of employers between January 1, 1971 and December 31, 1972 and positions held.

3. Did you contribute to a political party, a candidate or a committee for a candidate in the Presidential Campaign of 1972 during the period of January 1, 1971 to December 31, 1972? ———

For each contribution, please list (A) the name and address of the recipient, (B) the amount you contributed, (C) the date, and (D) the type of contribution, i.e., cash, check, stock, bonds, services, goods, or others. If not cash or check, describe contribution in detail. If not cash, attach copy of relevant documents.

4. Did your spouse or any other member of your immediate family contribute to the Presidential Campaign as defined in question 3? ——— If so, who? ———

Each such person should complete a copy of this form.

5. Did your employer or any agent of your employer solicit contributions, directly or indirectly, from you or other members of the company on behalf of any particular candidate, political party or political committee during the period January 1, 1971 to December 31, 1972? ———

(A) If so, list names, positions and addresses of such solicitors.

(B) State full details of solicitations.

(C) Did you contribute as a result of this employer solicitation ——— If so, state amounts and dates.

(D) Names of other employees solicited.

6. Did anyone else solicit you in person or by telephone for a contribution? ——— If so, please give name of solicitor and describe events of the solicitation.

7. Did anyone make a contribution covered by Question 3 in your name or anyone in your immediate family? ——— If so, explain circumstances in detail.

8. (A) Did your employer have any arrangement to reimburse you, directly or indirectly, such as through the use of bonuses or raises, for political contributions made by you or your immediate family during the period of January 1, 1971 to December 31, 1972? ——— If so, state full details.

(B) Was the possibility of such reimbursement discussed by you or to your knowledge, others at the place of your employment? ——— If so, state full details.

9. Did your employer furnish to any candidate, committee for a candidate or firm or person on behalf of any candidate or political party, whether directly or indirectly, any monies, goods, service or any other thing of value for the Presidential Campaign of 1972 during the period January 1, 1971 to December 31, 1972? ——— If so, state full details.

10. Did you, or your immediate family or your employer receive from any candidate or from anyone on behalf of any candidate, political party, any political committee or committee for a candidate any information or instruction regarding the gift tax laws or the April 7, 1972 Campaign Disclosure Law? ——— If so, state details and enclose copy of any documents provided, if available.

11. During the period January 1, 1971 through December 31, 1972, were you, any member of your immediate family or any business or enterprise of which you were an officer, director, partner or had an interest in excess of 5% involved in any negotiations, litigations or contacts with the United States Government or any agency or department thereof? ——— If so, state details.

12. Do you have any other information or comments regarding fund-raising or financing in connection with the 1972 Presidential Campaign?

Date ——— Signature ———

(Attach additional sheets if necessary.)

EXHIBIT 2

U.S. SENATE,
Washington, D.C.

As an official of a major American union, your cooperation is being sought in connection with the work of the Senate Select Committee on Presidential Campaign Activities. This Committee has, as one of its areas of inquiry, the question of campaign financing and, in order for the Committee to do its work effectively, data on campaign solicitations and contributions are being sought.

We would appreciate your completion of the enclosed form directed to union officials, and its return to us in the envelope that we have provided for such purpose. In addition, if you or your spouse made contributions totaling $500 or more in the 1972 Presidential campaign, we are requesting that the second form directed to individual contributors be completed.

If you fill out and return the applicable form within ten (10) days of your receipt of it, in all likelihood there will be no further need for you to participate in our inquiry. However, should you fail to complete the form in the indicated time, the Committee may find it necessary to subpoena you or your records in order to complete its work.

We would like to call your attention to the provisions of Title 18, United States Code, Section 1001, which deals with making false statements to the government. We are enclosing a copy of the Statute for your information.

We would like to assure you that no inference of any wrongdoing should be drawn from this request.

Finally, if you have any questions concerning this inquiry, please contact us at the above address, or Phone 202-225-0531.

Sincerely,

DAVID M. DORSEN,
Assistant Chief Counsel.
DONALD G. SANDERS,
Deputy Minority Counsel.

Your voluntary cooperation is being sought in connection with the work of the Senate Select Committee on Presidential Campaign Activities. We assure you that no inference of wrongdoing should be drawn from the fact that you are being asked to complete this questionnaire.

TITLE 18, UNITED STATES CODE, SECTION 1001

Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry shall be fined not more than $10,000 or imprisoned not more than five years, or both.

SENATE SELECT COMMITTEE ON PRESIDENTIAL CAMPAIGN ACTIVITIES

QUESTIONNAIRE FOR UNION OFFICIALS

1. Name, address and office telephone number.

2. Did you or your spouse contribute a total of $500 or more to any political candidate, committee or party in connection with the 1972 Presidential Election? ——— If so, please complete the attached questionnaire for contributors to the 1972 Presidential Campaign.

3. A. Please list the name and addresses of all unions with which you were affiliated as an officer or agent between January 1, 1971, and December 31, 1972. (Note: Hereinafter, when the phrase "your union" is used, it shall refer to *all* unions listed in your answer to Question 3A.)

(B) For your union during the period January 1, 1971, through December 31, 1972, please list the chief executive officer, the chief fiscal officer and the official responsible for relations or liaison with the United States Government and its agencies and departments.

4.(A) Please list the political action arm(s) or political education committee(s) affiliated with your union, if one existed in 1972; and list the chief executive officer and chief fiscal officer of the same committee(s).

(B) Please state the customary procedure followed by the political action arm(s) or political education committee(s) when they are soliciting donations for political campaigns.

(C) Please include a copy of any audit or statement or memos of disbursement of these funds for *Presidential Candidates* in the 1972 election.

5. Were you contacted in person, by telephone or in a personal letter for contributions in connection with the 1972 Presidential Election? ———

If so, state details, including person soliciting and summary of conversation or communication. If you have any written communication or record, please attach a copy to your response.

6. Did any representative of any candidate, political committee or political party in connection with the 1972 Presidential Campaign contact your union to solicit contributions from union funds, to solicit the union's assistance in obtaining contributions from members, or to suggest that you make a personal contribution which would be reimbursed by the union? ———If so, state full details.

7. Did your union make any contribution out of union funds, directly or indirectly, to any political candidate, committee for a candidate, political party or firm or person on behalf of any political candidate, committee or party in the 1972 Presidential Campaign? ———If so, state full details.

8. Did your union effect, or attempt to effect, a plan for making deductions from members' dues which would or did inure, directly or indirectly, to the benefit of any candidate, political committee or political party in connection with the 1972 Presidential Campaign? ——— If so, state full details.

9. Were the members of your union directly or indirectly asked, encouraged or instructed to make contributions which would or did, directly or indirectly, inure to the benefit of any candidate, political committee or political party in connection with the 1972 Presidential Campaign? ——— If so, state full details.

10. Did your union provide any goods or services, including tne supplying of personnel or facilities, to any candidate, committee, or political party in connection with the 1972 Presidential Campaign? ——— If so, state full details.

11. Did your union pay any bills, salaries or obligations on behalf of any candidate, political committee or political party in connection with the 1972 Presidential Campaign? ——— If so, state full details.

12. Did any representative of any candidate, political committee, or political party in connection with the 1972 Presidential Campaign, directly or indirectly, suggest or indicate to you or, to your knowledge, any other officer or employee of your union that any action would or might be brought against you, your union or the employers of any members of

your union if your union failed to make a contribution to the 1972 Presidential Campaign? ——— If so, state full details.

13. Did any representative of any candidate, political committee or political party in connection with the 1972 Presidential Campaign, directly or indirectly, suggest or indicate to you or, to your knowledge, any other officer or director of your union that for the receipt of a campaign contribution that some benefit would accrue in any fashion to you or to your union? ——— If so, state full details.

14. Did you solicit funds from your membership on behalf of a 1972 Presidential Candidate? ——— If so, state full details.

15. Do you have any other information or comments regarding fundraising in connection with the 1972 Presidential Campaign?

(NOTE.—Attach additional sheets if necessary in responding fully to all questions.)

EXHIBIT 3

[From the Wheeling, W. Va. Intelligencer, May 22, 1974]

WATERGATE PANEL SHIELDS LABOR SPENDING

(By Victor Riesel)

WASHINGTON.—At least one huge set of dossiers in the Watergate Committee files has been sealed. These contain the replies received from some 220 national and international labor leaders to a committee questionnaire dispatched to them on Sept. 27, 1973. In it were 15 queries seeking answers to one fundamental question: How much hard and soft cash did "you or your union" contribute "in connection with the 1972 presidential campaign"?

Despite the fact that the Ervin committee has leaked constantly like a huge sponge under a compressor, all inquiries on these replies have been turned away.

All efforts to examine the documents have been rebuffed. It was made crystal-clear that the communications are extremely "sensitive." There will be no hearings on labor contributions, no executive session questioning of any labor leaders.

They may never be made public though the committee is scheduled to fade away on June 30 after "some further investigatory work." Thus the huge final report may not contain any reference to labor's financing of any 1972 candidate.

"The question on release of the questionnaires came up recently," one of the Ervin group's most active officials told me. "The committee expressly directed those of us who have access to the labor contributions material to keep it all on an absolutely confidentiality basis.

"We were told this wide-ranging questionnaire should not be made public or 'leaked.' They said they want to go over it first."

The official who has seen whole sets of photostated documents turned over to newsmen on a regular (sometimes even messengered) basis was puzzled.

"There are far more matters here which are more sensitive than the labor money questionnaires," he adeed. "Yet the other material was handed to favored men. But we had no ban put on those, only the labor replies. And they feel they may not release it at all."

However, a leak is a leak and I got to them. Fascinating. Only one labor leader contributed anything but pennies. He gave $500. The rest of the money, of course, came from the rank and file.

The contributions ran about 15 to 1 in favor of George McGovern. Some $44,000 officially went to Dick Nixon's campaign.

None of this was followed up. Virtually no staff time was alloted it. At best, a researcher telephoned union leaders

* * * * *

full nature and seriousness of the questionnaire. And that it must be answered honestly.

There was no move to confirm the answers to Questions 10 and 11. The first of these asked: "Did your union provide any goods or services, including the supplying of personnel or facilities, to any candidate, committee, or political party in connection with the 1972 Presidential Campaign?—If so, state full details." And the latter query asked: "Did your union pay any bills, salaries or obligations on behalf of any candidate, political committee or political party in connection with the 1972 Presidential Campaign?—If so, state full details."

These are the soft-cash inquiries. Soft cash, for example, in the 1974 elections is what San Francisco Mayor Joseph Alioto's labor supporters were preparing to spend. They asked for bids on millions of Alioto-for-Governor buttons, ties, tie clasps, T-shirts, pins, etc. Some committee or other, some "rank-and-filer" would pick up the bill on delivery. However, the definite orders were postponed when the California labor political committee endorsed not only Alioto but other Democrats as well in the primary race.

That's "soft cash." So is the money which went to the teams of political specialists which labor poured into the recent series of special elections and primaries in Michigan, Pennsylvania, Ohio and California. None of it surfaces as money contributed to the candidate.

Since none of the answers to the 15 queries can be traced through individual national and international union records, this valuable information is destined to permanent darkness like royal artifacts sealed in an undiscovered pyramid.

Thus, for example, the total contributions listed in the replies reveal that $600,000 went to Sen. McGovern. Obviously far more than that was spent by a combine of AFL–CIO unions and independents such as the United Auto Workers and others inside labor.

There's something strange somewhere. Sam Dash, the Watergate Committee's chief counsel, said the "public should have the information." But the senators disagreed.

"The committee," Dash told me, "felt we shouldn't be intruding on the impeachment proceedings. So I do not have a report on the labor union material other than a general impression of the questionnaire. No, there won't be any hearings on these. We will look at them again. There's an issue of privacy here."

Thus the sluice gate was shut on at least one fount of information—the replies of national labor leaders when asked to put on record what their unions poured into the 1972 political war chests. Apparently the committee has some competent plumbers of its own when it wants to shut off a leak. Well, almost competent.

[From the Washington Star-News, Sept. 5, 1973]

1972 DONORS QUERIED

(By Martha Angle)

The special Senate Watergate committee has sent questionnaires to several hundred major campaign contributors in an effort to learn how millions of dollars were raised for last year's presidential election.

Committee sources said the questionnaires were mailed last week to "a couple of hundred individual contributors and a couple of hundred corporate officials" who helped finance the presidential bids of one or more candidates.

Although the Senate panel has thus far focused its attention almost exclusively on alleged illegal or unethical activities, by President Nixon's campaign aides, its probes of campaign financing is directed at both political parties.

The questionnaires ask contributors how they came to make political donations, whether large contributions were split up to avoid payment of the federal gift tax, whether corporations reimbursed their officers and employes for contributions supposedly made as individuals and whether the contributor gave money in the name of someone else.

A committee source said no affidavit or other form of oath was attached to the questionnaire but added, "it is of course an official query from an arm of the government and we can follow up if necessary."

The questionnaire represents just one step in the committee's staff investigation in preparation for the third and final phase of its investigation, which will focus on campaign financing.

Chief Counsel Samuel Dash said last week that a number of major corporate executives who made large campaign contributions last year will be called as witnesses during the final phase of the hearing.

Congress returns from its August recess today, but the Watergate committee will not hold its first executive session until Tuesday.

Public hearings are scheduled to resume the week of Sept. 17, with a half dozen witnesses left over from the Watergate break-in phase of the investigation, expected to testify first.

At least two of these witnesses, Watergate conspirator E. Howard Hunt and former White House special counsel Charles W. Colson, will serve as "transitional" witnesses testifying about both the Watergate scandal and other political espionage.

Before the recess, committee members had informally discussed the possibility of splitting into two subcommittees to conduct simultaneous hearings on political "dirty tricks" and campaign finances.

But sources said yesterday that it now appeared likely the panel will continue to operate as a whole since the subcommittee approach would stretch an already over-burdened staff too thin.

Committee staff members are preparing a confidential status report on the progress of their "dirty tricks" and campaign finance investigations which will be presented to the seven senators at next week's executive session, sources said.

Staff investigators have been scattered around the country during the recess interviewing prospective witnesses for the final two phases of the hearing.

Sources said it appears likely that political saboteur Donald Segretti will be offered limited immunity from prosecution in exchange for cooperation with the Senate committee.

Segretti has reportedly talked freely with Senate investigators and provided the names of others in the Nixon campaign undercover activities network.

Mr. President, I yield back the remainder of my time.

Mr. FANNIN. Mr. President, I want to commend my distinguished colleague from Idaho (Mr. MCCLURE) for his observations regarding the need for a thorough investigation of union political campaign contributions and activities.

It would, indeed, be a farce to issue a select committee report on campaign activities without a meaningful effort to examine the role of the unions.

Mr. President, in this morning's Washington Post there is an article concerning a committee staff report containing allegations that a milk producers group had paid $25,000 for computer services for one of the Democratic Presidential primary candidates in 1972.

I do not know whether this is true, but I do not believe it is very significant when compared with the hundreds of thousands—perhaps millions of dollars—worth of services that union organizations provide for candidates. One of the

big items which the unions offer is the use of union computers to aid their chosen candidates. I do not see any difference between a union doing $25,000 in computer work for a candidate, and the donation of $25,000 to pay for computer work. They are one and the same, and if it is bad for a person or an organization to pay $25,000 cash for campaign services, then it is equally bad for an organization—for a union—to use its union-owned or leased equipment to provide $25,000 worth of campaign services.

Mr. President, the picture that we get from the newspapers and television would indicate that the select committee has gone to great lengths to investigate possible corporate misdeeds, but has made the barest token effort to assess what the unions have done. This is the impression that has been given to the American people.

At a time when we hear a great deal of moralizing about not only being fair and evenhanded, but about the need to provide the public with evidence of such objectivity, we find that it appears to be sadly lacking.

Mr. President, the most astute political observers have estimated that the unions provide funds and services totaling from $60 million to $100 million for campaigning in Presidential election years. Union officials themselves have not refuted this, and they have made statements boasting that the AFL–CIO is the most potent single politician machine in America.

Union political activities should be the main focus of our campaign reform investigations, not an afterthought.

Any capable team of investigators can find hundreds of cases where unions have violated the letter or the spirit of our campaign laws.

Campaign reform is a very important matter, and it is time that all the cards be laid on the table for the American people. It would be grossly hypocritical for this Congress to pretend to have given a thorough study to Presidential campaign abuses without an in-depth investigation of the union role.

Mr. President, I have great admiration for the chairman and the ranking minority member of the select committee. I hope that they will consider this urgent matter and deal with it accordingly.

TRANSACTION OF ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. At this time, in accordance with the previous order, there will be a period of not to exceed 15 minutes for the transaction of routine morning business, with statements of each Senator limited to 3 minutes.

Is there morning business to be transacted at this time?

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

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. 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.

PRESENTATION OF A PETITION

Mr. THURMOND. Mr. President, on June 20, 1974, the General Assembly of the State of South Carolina adopted a concurrent resolution memorializing the Congress of the United States to take necessary action to relieve the beef price crisis at the producer level and specifically to curtail beef imports until prices paid to cattle producers are improved.

The resolution notes that the price of beef paid to cattle producers has dropped to approximately one-half of the price being paid several months ago while the cost of fertilizer, feed, fencing and other products necessary for the production of beef has continued to climb at a rapid rate. If this present structure continues many cattle producers will go out of business.

Mr. President, on behalf of myself and the junior Senator from South Carolina (Mr. HOLLINGS) I ask unanimous consent that this concurrent resolution be printed in the CONGRESSIONAL RECORD at the conclusion of my remarks, and that it be referred to the appropriate committee for proper consideration.

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

A concurrent resolution to memorialize the Congress of the United States to take necessary action to relieve the beef price crisis at the producer level and specifically curtail beef imports until prices paid to cattle producers are improved

Whereas, the price of beef paid to cattle producers has dropped to approximately one-half of the price being paid several months ago; and

Whereas, the cost of fertilizer, feed, fencing and other products necessary for the production of beef has continued to climb at a rapid rate; and

Whereas, despite the reduction in beef prices paid to the producers, the retail price to consumers continues to remain high; and

Whereas, continuation of the present price structure will result in many cattle producers going out of business, which unfortunate situation will eventually result in higher prices to the consumers in this country. Now, therefore, be it

Resolved by the House of Representatives, the Senate concurring: That the General Assembly by this resolution memorialize the Congress of the United States to take necessary action to relieve the beef price crisis at the producer level and specifically curtail beef imports until prices paid to cattle producers are improved, be it further

Resolved that copies of this resolution be forwarded to the Vice-President, the Speaker of the House of Representatives and each member of the South Carolina Congressional Delegation in Washington, D.C.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MONDALE, from the Committee on Labor and Public Welfare, without amendment:

H.R. 15296. An act to authorize the Commissioner of Education to carry out a program to assist persons from disadvantaged backgrounds to undertake training for the legal profession (Rept. No. 93–979).

By Mr. CANNON, from the Committee on Rules and Administration, with an amendment:

S. Con. Res. 93. Concurrent resolution relating to an inflation policy study (Rept. No. 93–982).

By Mr. RIBICOFF, from the Committee on Government Operations, with amendments:

S. 2744. A bill to reorganize and consolidate certain functions of the Federal Government in a new Energy Research and Development Administration and in a new Nuclear Safety and Licensing Commission in order to promote more efficient management of such functions (Rept. No. 93–980).

ENERGY REORGANIZATION ACT OF 1974

Mr. RIBICOFF. Mr. President, from the Committee on Government Operations, I submit a report on S. 2744 to reorganize and consolidate certain functions of the Federal Government in a new Energy Research and Development Administration and in a new Nuclear Safety and Licensing Commission in order to promote more efficient management of such functions.

I ask unanimous consent that the bill, as reported, be printed at this point in the RECORD.

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

S. 2744

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

SHORT TITLE

SECTION. 1. This Act may be cited as the "Energy Reorganization Act of 1974".

DECLARATION OF PURPOSE

SEC. 2. (a) The Congress hereby declares that the general welfare and the common defense and security require effective action to develop, and increase the efficiency and reliability of use of, all energy sources to meet the needs of present and future generations, to increase the productivity of the national economy and strengthen its position in regard to international trade, to make the Nation self-sufficient in energy, to advance the goals of restoring, protecting, and enhancing environmental quality, and to assure public health and safety.

(b) The Congress finds that, to best achieve these objectives, improve Government operations, and assure the coordinated and effective development of all energy sources, it is necessary to establish an Energy Research and Development Administration to bring together and direct Federal activities relating to research and development on the various sources of energy, to increase the efficiency and reliability in the use of energy, and to carry out the performance of other functions, including the Atomic Energy Commission's military and production activities: *Provided*, That, in establishing an Energy Research and Development Administration to achieve these objectives, the Congress intends that no energy technology be given an unwarranted priority.

(c) The Congress further declares and finds that it is in the public interest that the licensing and related regulatory functions of the Atomic Energy Commission be separated from the performance of the other functions of the Commission, and that this separation be effected in an orderly manner, pursuant to this Act, assuring adequacy of technical and other resources necessary for the performance of each.

(d) The Congress further declares that it is in the public interest and is hereby stated to be the policy of Congress that small business concerns be given an opportunity to participate, insofar as is possible, in a fair and equitable proportion of grants, contracts,

purchases, and other Federal activities relating to research, and development, and demonstration of sources of energy efficiency and utilization of energy and conservation of energy.

TITLE I—ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION

ESTABLISHMENT

SEC. 101. There is hereby established an independent executive agency to be known as the Energy Research and Development Administration (hereinafter in this Act referred to as the "Administration").

OFFICERS

SEC. 102. (a) There shall be at the head of the Administration an Administrator of Energy Research and Development (hereinafter in this Act referred to as the "Administrator"), who shall be appointed from civilian life by the President by and with the advice and consent of the Senate. A person may not be appointed as Administrator within five years after release from active duty as a commissioned officer of a regular component of an Armed Force. The Administrator shall receive compensation at the rate now or hereafter prescribed for offices and positions at level II of the Executive Schedule (5 U.S.C. 5313). The Administration shall be administered under the supervision and direction of the Administrator, who shall be responsible for the efficient and coordinated management of the Administration.

(b) There shall be in the Administration a Deputy Administrator, who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall receive compensation at the rate now or hereafter prescribed for offices and positions at level III of the Executive Schedule (5 U.S.C. 5314). The Deputy Administrator shall have special responsibility, subject to the Administrator's authority, for international cooperation in all energy and related environmental research and development.

(c) The President shall appoint the Administrator and Deputy Administrator from among individuals who, by reason of their training and experience are specially qualified to manage a full range of energy research and development programs.

(d) There shall be in the Administration six Assistant Administrators, one of whom shall be responsible for fossil energy, another for nuclear energy, another for environment and safety, another for conservation, another for solar, geothermal, and advanced energy systems, and another for defense programs. The Assistant Administrators shall be appointed by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate now or hereafter prescribed for offices and positions at level IV of the Executive Schedule (5 U.S.C. 5315). The President shall appoint each Assistant Administrator from among individuals who, by reason of training and experience, are specially qualified to manage the energy technology area assigned to such Assistant Administrator.

(e) There shall be in the Administration a General Counsel who shall be appointed by the Administrator and who shall serve at the pleasure of and be removable by the Administrator. The General Counsel shall receive compensation at the rate now or hereafter prescribed for offices and positions at level V of the Executive Schedule (5 U.S.C. 5316).

(f) There shall be in the Administration not more than eight additional officers appointed by the Administrator, who shall serve at the pleasure of and be removable by the Administrator and shall receive compensation at the rate now or hereafter prescribed for offices and positions at level V of the Executive Schedule (5 U.S.C. 5316).

(g) The Division of Military Application transferred to and established in the Administration by section 104(d) of this Act shall be under the direction of a Director of Military Application, who shall be appointed by the Administrator and who shall serve at the pleasure of and be removable by the Administrator and shall be an active commissioned officer of the Armed Forces serving in general or flag officer rank or grade. The functions, qualifications, and compensation of the Director of Military Application shall be the same as those provided under the Atomic Energy Act of 1954, as amended, for the Assistant General Manager for Military Application.

(h) Officers appointed pursuant to this section shall perform such functions as the Administrator shall specify from time to time.

(i) The Deputy Administrator (or in the absence or disability of the Deputy Administrator, or in the event of a vacancy in the office of the Deputy Administrator, an Assistant Administrator, the General Counsel or such other official, determined according to such order as the Administrator shall prescribe) shall act for and perform the functions of the Administrator during any absence or disability of the Administrator or in the event of a vacancy in the office of the Administrator.

RESPONSIBILITIES OF THE ADMINISTRATOR

SEC. 103. (a) The responsibilities of the Administrator shall include, but not be limited to—

(1) exercising central responsibility for policy planning, coordination, support, and management of research and development programs respecting all energy sources, including assessing the requirements for research and development in regard to various energy sources in relation to near-term and long-range needs, policy planning in regard to meeting those requirements, undertaking programs for the optimal development of the various forms of energy sources, managing such programs, and disseminating information resulting therefrom;

(2) encouraging and conducting research, development and demonstration of commercial feasibility and practical applications of the extraction, conversion, storage, transmission, and utilization phases related to the development and use of energy from fossil, nuclear, solar, geothermal, and other energy sources; including such nonnuclear research and development programs as may hereafter be authorized by the Congress;

(3) engaging in and supporting environmental, biomedical, physical, and safety research related to the development of energy sources and utilization technologies;

(4) taking into account the existence, progress, and results of other public and private research and development activities, including those activities of the Federal Energy Administration relating to the development of energy resources using currently available technology in promoting increased utilization of energy resources, relevant to the Administration's mission in formulating its own research and development programs;

(5) participating in and supporting cooperative research and development projects which may involve contributions by public or private persons or agencies, of financial or other resources to the performance of the work;

(6) developing, collecting, distributing, and making available for distribution, scientific and technical information concerning the manufacture or development of energy and its efficient extraction, conversion, transmission, and utilization;

(7) encouraging and conducting research and development in energy conservation, which shall be directed toward the goals of reducing total energy consumption to the maximum extent practicable, and toward maximum possible improvement in the efficiency of energy use. Development of new and improved conservation measures shall be conducted with the goal of the most expeditious possible application of these measures; and

(8) encouraging and participating in international cooperation in energy and related environmental research and development.

(b) In carrying out his responsibilities under this Act, the Administrator shall consult with the Administrator of the Small Business Administration and take the appropriate action to help assure that small business concerns receive an opportunity to participate in a fair and equitable proportion of grants, contracts, purchases, and other Federal activities relating to research, development, and demonstration of sources of energy, efficiency and utilization of energy and conservation of energy.

ABOLITION AND TRANSFERS

SEC. 104. (a) The Atomic Energy Commission is hereby abolished. Sections 21 and 22 of the Atomic Energy Act of 1954, as amended (42 U.S.C. 2031 and 2032) are repealed.

(b) All other functions of the Commission, the Chairman and members of the Commission, and the officers and components of the Commission are hereby transferred or allowed to lapse pursuant to the provisions of this Act.

(c) There are hereby transferred to and vested in the Administrator all functions of the Atomic Energy Commission, the Chairman and members of the Commission, and the officers and components of the Commission, except as otherwise provided in this Act.

(d) The General Advisory Committee established pursuant to section 26 of the Atomic Energy Act of 1954, as amended (42 U.S.C. 2036), the Patent Compensation Board established pursuant to section 157 of the Atomic Energy Act of 1954, as amended (42 U.S.C. 2187), and the Divisions of Military Application and Naval Reactors established pursuant to section 25 of the Atomic Energy Act of 1954, as amended (42 U.S.C. 2035), are transferred to the Energy Research and Development Administration and the functions of the Commission with respect thereto, and with respect to relations with the Military Liaison Committee established by section 27 of the Atomic Energy Act of 1954, as amended (42 U.S.C. 2037), are transferred to the Administrator.

(e) There are hereby transferred to and vested in the Administrator such functions of the Secretary of the Interior, the Department of the Interior, and officers and components of such department—

(1) as relate to or are utilized by the Office of Coal Research established pursuant to the Act of July 1, 1960 (74 Stat. 336; 30 U.S.C. 661–668);

(2) as relate to or are utilized in connection with fossil fuel energy research and development programs and related activities conducted by the Bureau of Mines "energy centers" and synthane plant to provide greater efficiency in the extraction, processing, and utilization of energy resources for the purpose of conserving those resources, developing alternative energy resources, such as oil and gas secondary and tertiary recovery, oil shale and synthetic fuels, improving methods of managing energy-related wastes and pollutants, and providing technical guidance needed to establish and administer national energy policies;

(3) as relate to or are utilized for underground electric power transmission research; and

(4) as relate to the acquisition, production, distribution, and storage of helium.

(f) There are hereby transferred to and vested in the Administrator such functions of the National Science Foundation as relate to or are utilized in connection with—

(1) solar heating and cooling development; and

(2) geothermal power development.

(g) To the extent necessary or appropriate to perform functions and carry out programs transferred by this Act, the Administrator and Commission may exercise, in relation to the functions so transferred, any authority or part thereof available by law, including appropriation Acts, to the official or agency from which such functions were transferred.

(h) In the exercise of his responsibilities under section 103, the Administrator shall utilize to the fullest extent practicable the technical and management capabilities of other executive agencies having facilities, personnel, or other resources which can assist or advantageously be expanded to assist in carrying out such responsibilities. The Administrator shall consult with the head of each agency with such facilities, personnel, or other resources and assign, with their consent, responsibility for specific programs or projects in energy research and development as appropriate: *Provided*, That (1) such assignments shall be in addition to and not detract from the basic mission responsibilities of the agency, and (2) such assignments shall be carried out under the policy guidance of the Administrator.

TRANSFER OF PERSONNEL AND OTHER MATTERS

SEC. 105. (a) Except as provided in the next sentence the personnel employed in connection with, and the personnel positions, assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available to or to be made available in connection with the functions and programs transferred by this Act, are, subject to section 202 of the Budget and Accounting Procedures Act of 1950 (31 U.S.C. 581c), correspondingly transfered for appropriate allocation. Personnel positions expressly created by law, personnel occupying those positions on the effective date of this Act, and personnel authorized to receive compensation at the rate prescribed for offices and position at levels II, III, IV, or V of the Executive Schedule (5 U.S.C. 5313–5316) on the effective date of this Act shall be subject to the provisions of subsection (c) of this section and section 301 of this Act.

(b) Except as provided in subsection (c), transfer of nontemporary personnel pursuant to this Act shall not cause any such employee to be separated or reduced in grade or compensation for one year after such transfer.

(c) Any person who, on the effective date of this Act, held a position compensated in accordance with the Executive Schedule prescribed in chapter 53 of title 5 of the United States Code, and who, without a break in service, is appointed in the Administration to a position having duties comparable to those performed immediately preceding his appointment shall continue to be compensated in his new position at not less than the rate provided for his previous position.

ADMINISTRATIVE PROVISIONS

SEC. 106. (a) The Administrator is authorized to prescribe such policies, standards, criteria, procedures, rules, and regulations as he may deem to be necessary or appropriate to perform functions now or hereafter vested in him.

(b) The Administrator shall engage in such policy planning, and perform such program evaluation analyses and other studies, as may be necessary to promote the efficient and coordinated administration of the Administration and properly assess programs toward the achievement of its missions.

(c) Except as otherwise expressly provided by law, the Administrator may delegate any of his functions to such officers and employees of the Administration as he may designate, and may authorize such successive redelegations of such functions as he may deem to be necessary or appropriate.

(d) Except as provided in section 102 and in section 104(d), the Administrator may organize the Administration as he may deem to be necessary or appropriate.

(e) The Administrator is authorized to establish, maintain, alter, or discontinue such State, regional, district, local, or other field offices as he may deem to be necessary or appropriate to perform functions now or hereafter vested in him.

(f) The Administrator shall cause a seal of office to be made for the Administration of such device as he shall approve, and judicial notice shall be taken of such seal.

(g) The Administrator is authorized to establish a working capital fund, to be available without fiscal year limitation, for expenses necessary for the maintenance and operation of such common administrative services as he shall find to be desirable in the interests of economy and efficiency. There shall be transferred to the fund the stocks of supplies, equipment, assets other than real property, liabilities, and unpaid obligations relating to the services which he determines will be performed through the fund. Appropriations to the fund, in such amounts as may be necessary to provide additional working capital, are authorized. The working capital fund shall recover, from the appropriations and funds for which services are performed, either in advance or by way of reimbursement, amounts which will approximate the costs incurred, including the accrual of annual leave and the depreciation of equipment. The fund shall also be credited with receipts from the sale or exchange of its property, and receipts in payment for loss or damage to property owned by the fund.

(h) Each department, agency, and instrumentality of the executive branch of the Government is authorized to furnish to the Administrator, upon his request, any information or other data which the Administrator deems necessary to carry out his duties under this title.

PERSONNEL AND SERVICES

SEC. 107. (a) The Administrator is authorized to select, appoint, employ, and fix the compensation of such officers and employees, including attorneys, pursuant to section 161d of the Atomic Energy Act of 1954, as amended (42 U.S.C. 2201(d)) as are necessary to perform the functions now or hereafter vested in him to prescribe their functions.

(b) The Administrator is authorized to obtain services as provided by section 3109 of title 5 of the United States Code.

(c) The Administrator is authorized to provide for participation of military personnel in the performance of his functions. Members of the Army, the Navy, the Air Force, or the Marine Corps may be detailed for service in the Administration by the appropriate military Secretary, pursuant to cooperative agreements with the Secretary, for service in the Administration in positions other than a position the occupant of which must be approved by and with the advice and consent of the Senate.

(d) Appointment, detail, or assignment to, acceptance of, and service in, any appointive or other position in the Administration under this section shall in no way affect the status, office, rank, or grade which such officers or enlisted men may occupy or hold, or any emolument, perquisite, right, privilege, or benefit incident to or arising out of any such status, office, rank, or grade. A member so appointed, detailed, or assigned shall not be subject to direction or control by his Armed Force, or any officer thereof, directly or indirectly, with respect to the responsibilities exercised in the position to which appointed, detailed, or assigned.

(e) The Administrator is authorized to pay transportation expenses, and per diem in lieu of subsistence expenses, in accordance with chapter 57 of title 5 of the United States Code for travel between places of recruitment and duty, and while at places of duty, of persons appointed for emergency, temporary, or seasonal services in the field service of the Administration.

(f) The Administrator is authorized to utilize, on a reimbursable basis, the services of any personnel made available by any department, agency, or instrumentality, including any independent agency of the Government.

(g) The Administrator is authorized to establish advisory boards, in accordance with the provisions of the Federal Advisory Committee Act (Public Law 92–463), to advise with and made recommendations to the Administrator on legislation, policies, administration, research, and other matters.

(h) The Administrator is authorized to employ persons who are not citizens of the United States in expert, scientific, technical, or professional capacities whenever he deems it in the public interest.

POWERS

SEC. 108. (a) The Administrator is authorized to exercise his powers in such manner as to insure the continued conduct of research and development and related activities in areas or fields deemed by the Administrator to be pertinent to the acquisition of an expanded fund of scientific, technical, and practical knowledge in energy matters. To this end, the Administrator is authorized to make arrangements (including contracts, agreements, and loans) for the conduct of research and development activities with private or public institutions or persons, including participation in joint or cooperative projects of a research, developmental, or experimental nature; to make payments (in lump sum or installments, and in advance or by way of reimbursement, with necessary adjustments on account of overpayments or underpayments); and generally to take such steps as he may deem necessary or appropriate to perform functions now or hereafter vested in him. Such functions of the Administrator under this Act as are applicable to the nuclear activities transferred pursuant to this title shall be subject to the provisions of the Atomic Energy Act of 1954, as amended, and to other authority applicable to such nuclear activities. The nonnuclear responsibilities and functions of the Administrator referred to in sections 103 and 104 of this Act shall be carried out pursuant to the provisions of this Act, applicable authority, existing immediately before the effective date of this Act, or in accordance with the provisions of chapter 4 of the Atomic Energy Act of 1954, as amended (42 U.S.C. 2051–2053).

(b) Except for public buildings as defined in the Public Buildings Act of 1959, as amended, and with respect to leased space subject to the provisions of Reorganization Plan Numbered 18 of 1950, the Administrator is authorized to acquire (by purchase, lease, condemnation, or otherwise), construct, improve, repair, operate, and maintain facilities and real property as the Administrator deems to be necessary in and outside of the District of Columbia. Such authority shall apply only to facilities required for the maintenance and operation of laboratories, research and testing sites and facilities, quarters, and related accommodations for employees and dependents of employees of the Administration, and such other special-purpose real property as the Administrator deems to be necessary in and outside the District of Columbia. Title to any property or interest therein, real, personal, or mixed, acquired pursuant to this section, shall be in the United States.

(c)(1) The Administrator is authorized to provide, construct, or maintain, as necessary and when not otherwise available, the following for employees and their dependents stationed at remote locations:

(A) emergency medical services and supplies;

(B) food and other subsistence supplies;

(C) messing facilities;

(D) audiovisual equipment, accessories, and supplies for recreation and training;

(E) reimbursement for food, clothing, medicine, and other supplies furnished by such employees in emergencies for the temporary relief of distressed persons;

(F) living and working quarters and facilities; and

(G) transportation for school-age dependents of employees to the nearest appropriate educational facilities.

(2) The furnishing of medical treatment under subparagraph (A) of paragraph (1) and the furnishing of services and supplies under paragraphs (B) and (C) of paragraph (1) shall be at prices reflecting reasonable value as determined by the Administrator.

(3) Proceeds from reimbursements under this section shall be deposited in the Treasury and may be withdrawn by the Administrator to pay directly the cost of such work or services, to repay or make advances to appropriations or funds which do or will bear all or a part of such cost, or to refund excess sums when necessary; except that such payments may be credited to a service or working capital fund otherwise established by law, and used under the law governing such funds, if the fund is available for use by the Administrator for performing the work or services for which payment is received.

(d) The Administrator is authorized to acquire any of the following described rights if the property acquired thereby is for use in, or is useful to, the performance of functions vested in him:

(1) copyrights, patents, and applications for patents, designs, processes, specifications, and data;

(2) licenses under copyrights, patents, and applications for patents; and

(3) releases, before suit is brought, for past infringement of patents or copyrights.

(e) Subject to the provisions of chapter 12 of the Atomic Energy Act (42 U.S.C. 2161–2166), and other applicable law, the Administrator shall disseminate scientific, technical, and practical information acquired pursuant to this title through information programs and other appropriate means, and shall encourage the dissemination of scientific, technical, and practical information relating to energy so as to enlarge the fund of such information and to provide that free interchange of ideas and criticism which is essential to scientific and industrial progress and public understanding.

(f) The Administrator is authorized to accept, hold, administer, and utilize gifts, and bequests of property, both real and personal, for the purpose of aiding or facilitating the work of the Administration. Gifts and bequests of money and proceeds from sales of other property received as gifts or bequests shall be deposited in the Treasury and shall be disbursed upon the order of the Administrator. For the purposes of Federal income, estate, and gift taxes, property accepted under this section shall be considered as a gift or bequest to the United States.

COUNCIL ON ENERGY POLICY

SEC. 109. (a) The Congress finds and declares that—

(1) there are many Federal agencies, created at different times and for different purposes to handle specialized problems, all directly or indirectly involved in the establishment of energy policy;

(2) there is no comprehensive national energy policy but instead Federal energy activities consist of a myriad of laws, regulations, actions, and inactions resulting in narrow, short range, and often conflicting decisionmaking by individual agencies without adequate consideration of the impact on the overall energy policy, not future national energy needs; and

(3) as a consequence of not having a comprehensive national energy policy, the Nation faces mismanagement of energy resources, unacceptably high adverse environmental impacts, inadequate incentives for efficient utilization and conservation of energy resources, shortages of supply, and soaring energy prices.

(b) Therefore, it is declared to be the purpose of the Congress to protect and promote the interest of the people of the United States as energy users by establishing a Council on Energy Policy to serve as a focal point for—

(1) the collection, analysis, and interpretation of energy statistics and data necessary to formulate policies for wise energy management and conservation and to anticipate social, environmental, and economic problems associated with existing and emerging energy technologies;

(2) the coordination of all energy activities of the Federal Government, and provision of leadership to State and local governments and other persons involved in energy activities; and

(3) the preparation, after consultation with other interested organizations and agencies, of a long-range comprehensive plan (hereinafter referred to as the "energy plan") for energy development, utilization, and conservation to foster improvement in the efficiency of energy production and utilization, reduction of the adverse environmental impacts of energy production and utilization, conservation of energy resources for the use of future generations, reduction of excessive energy demands, and development of new technologies to produce clean energy.

(c)(1) The policies, regulations, and public laws of the United States shall be interpreted and administered to the fullest extent possible in accordance with the policies set forth in this section; and

(2) All agencies of the Federal Government shall to the fullest extent possible—

(A) utilize a systematic interdisciplinary approach which will insure the integrated use of both physical and social sciences in producing, conserving, and utilizing the Nation's energy resources;

(B) submit prior to the review process established pursuant to the Budget and Accounting Act of 1972, as amended, to the Council on Energy Policy established by this section for comment all legislative recommendations and reports, to the extent that such recommendations and reports deal with or have a bearing on energy matters;

(C) gather data and information pursuant to guidelines promulgated by the Council on Energy Policy; develop analytical techniques for the management, conservation, use, and development of energy resources, and make such data available to the Council on Energy Policy;

(D) recognize the worldwide and long-range character of energy concerns and, where consistent with the foreign policy of the United States, lend appropriate support to initiatives, resolutions, and programs designed to foster international cooperation in anticipating and resolving energy-related problems;

(d) There shall be established in the Executive Office of the President a Council on Energy Policy (hereinafter referred to as the "Council"). The Council shall be composed of three members who shall be appointed by the President to serve at his pleasure by and with the advice and consent of the Senate. The President shall at the time of nomination designate one of the members of the Council to serve as Chairman. Each member shall be a person, who as a result of his training, experience, and attainment, is well qualified to analyze and interpret energy trends and information of all kinds; to appraise programs and activities of the Federal Government in light of the energy needs of the Nation; to be conscious of and responsive to the envirenmental, social, cultural, economic, scientific, and esthetic needs and interests of the Nation; and to formulate a national energy plan and recommend national policies with respect to wise energy management.

(e)(1) The Council shall serve as the principal adviser to the President on energy policy and shall exercise leadership in the formulation of Government policy concerning domestic and international issues relating to energy.

(2) The Council shall make recommendations to the President and the Congress for resolving conflicts between the policies relating to energy of different Federal agencies and recommend measures to improve the implementation of Federal energy policies or the management of energy resources with particular emphasis upon policies and activities involving two or more departments or independent agencies.

(3) The Council shall develop within eighteen months after the date of enactment of this Act and thereafter shall annually update an energy plan for energy development, utilization, and conservation in the United States to carry out the purposes as stated in subsection (b) of this section. Copies of such plans shall be distributed on January 1 of each year to the President, to the Congress, and to all Federal and States agencies concerned with energy, and upon request to local agencies and nongovernmental entities.

(4) The Council shall promptly review all legislative recommendations and reports sent to Congress to the extent that such recommendations and reports have a bearing on energy matters, and it shall send to the President and the involved Federal agency a statement in writing of its position and the reasons therefor.

(5) The Council shall keep Congress fully and currently informed of all of its activities. Neither the Council nor its employees may refuse to testify before or submit information to Congress or any duly authorized committee thereof.

(6) The Council shall conduct annual public hearings on the energy plan and may hold public hearings when there is substantial public interest in other pending matters.

(7) In carrying out its collection, analysis, and interpretation of energy statistics function, the Council shall, as quickly as possible and after appropriate study, promulgate guidelines for the collection and initial analysis of energy data by other Federal agencies, after published notice in the Federal Register and opportunity for comment. Such guidelines shall be designed to make such data compatible, useful, and comprehensive. Where relevant data is not now available or reliable and is beyond the authority of other agencies to collect, then the Council shall recommend to the Congress the enactment of appropriate legislation. Pending congressional consideration, the Council may gather such data directly. The Council shall have the power to require by special or general orders any person to submit in writing such energy data as the Council may prescribe. Such submission shall be made within such reasonable period and under oath or otherwise as the Council may direct.

(f)(1) In exercising its powers, functions, and duties, the Council shall—

(A) consult with the Interagency Energy Advisory Committee established under subsection (g) of this section and with representatives of science, industry, agriculture, labor, conservation organizations, State and local governments, and other groups, as it deems advisable; and

(B) employ a competent, independent staff which shall utilize, to the fullest extent possible, the services, facilities, and information (including statistical information) of public and private agencies and organizations, and individuals, to avoid duplication of effort and expense, thus assuring that the Council's activities will not unnecessarily overlap or conflict with similar activities authorized by law and performed by other agencies.

(2) Members of the Council shall serve

full time and the Chairman of the Council shall be compensated at the rate provided for level II of the Executive Schedule Pay Rates (5 U.S.C. 5313). The other members of Council shall be compensated at the rate provided for level IV of the Executive Schedule Pay Rates (5 U.S.C. 5315).

(3) The Council may employ such officers and employees as may be necessary to carry out its functions. The Council may also employ and fix the compensation of such experts, consultants, or contractors to conduct detailed studies as may be necessary for the caring out of its functions to the same extent as is authorized under section 3109 of title 5, United States Code (but without regard to the last sentence thereof).

(g) (1) There is also created in the Executive Office of the President an interagency Energy Resources Advisory Committee (hereinafter in this section referred to as the "Energy Committee"). The Energy Committee shall be composed of the Chairman of the Council, the Secretary of the Interior, the Administrator of the Federal Energy Administration, the Administrator of the Energy Research and Development Administration, Secretary of State, the Secretary of the Treasury, Director, Office of Management and Budget, and such other officials of the Federal Government as the President may designate. The Chairman of the Energy Committee shall be selected by its members.

(2) It shall be the duty and function of the Energy Committee to assist the Council in insuring communication and coordination among Energy Committee member agencies in the development of energy resources, and in such other matters as the Council may determine.

(3) The Chairman of the Energy Committee may not refuse to testify before the Congress or any duly authorized committee thereof regarding the activities of the Energy Committee or other matters concerning interagency coordination of energy policy and activities.

(4) This subsection (g) shall be effective no later than sixty days after the enactment of this Act or such earlier date as the President shall prescribe and publish in the Federal Register, and shall terminate upon enactment of a permanent department responsible for energy and natural resources or two years after such effective date, whichever shall occur first.

(h) The Council shall prepare and submit to the President and the Congress on or before January 1, 1975, and annually thereafter, an energy report to accompany the energy plan. This report shall include—

(1) an estimate of energy needs of the United States for the ensuing ten-year period to meet the requirements of the general welfare of the people of the United States and the commercial and industrial life of the Nation;

(2) an estimate of the domestic and foreign energy supply on which the United States will be expected to rely to meet such needs in an economic manner with due regard for the protection of the environment, the conservation of natural resources, and the implementation of foreign policy objectives;

(3) current and forseeable trends in the price, quality, management, and utilization of energy resources and the effects of those trends on the social, environmental, economic, and other requirements of the Nation;

(4) a catalog of research and development efforts funded by the Federal Government to develop new technologies, to forestall energy shortages, to reduce waste, to foster recycling, and to encourage conservation practices; and recommendations for developing technology capable of improving the quality of the environment, increasing efficiency, and protecting employee health and safety in energy industries;

(5) recommendations for improving the energy data and information available to the Federal agencies by improving monitoring systems, standardizing data, and securing additional needed information;

(6) a review and appraisal of the adequacy and appropriateness of technologies, procedures, and practices (including competitive and regulatory practices), employed by Federal, State, and local governments and nongovernmental entities to achieve the purposes of this section; and

(7) recommendations concerning the level of funding for the development and application of new technologies, as well as new procedures and practices which the Council may determine to be required to achieve the purposes of this section and improve energy management and conservation together with recommendations for additional legislation, including the preparation of the reorganization recommendations required by section 110 of this Act.

(i) (1) Copies of any communications, documents, reports, or information received or sent by any member of the Council shall be made available to the public upon identifiable request, and at reasonable cost, unless such information may not be publicly released under the terms of paragraph (2) of this subsection.

(2) The Council or any officer or employee of the Council shall not disclose information obtained under this section which concerns or relates to a trade secret referred to in section 1905 of title 18, United States Code, except that such information may be disclosed in a manner designed to preserve its confidentiality—

(A) to other Federal Government departments, agencies, and officials for official use upon request;

(B) to committees of Congress having jurisdiction over the subject matter to which the information relates;

(C) to a court in any judicial proceeding under court order formulated to preserve the confidentiality of such information without impairing the proceedings; and

(D) to the public in order to protect their health and safety after notice and opportunity for comment in writing or for discussion in closed session within fifteen days by the party to whom the information pertains (if the delay resulting from such notice and opportunity for comment would not be detrimental to the public health and safety). In no event shall the names or other means of identification of injured persons be made public without their express written consent. Nothing contained in this section shall be deemed to require the release of any information described by subsection (b) of section 552, title 5, United States Code, or which is otherwise protected by law from disclosure to the public.

(j) (1) The Comptroller General of the United States shall continuously monitor and evaluate the operations of the Council including its reporting requirements. Upon his own initiative or upon the request of a committee of the Congress or, to the extent personnel are available, upon the request of a Member of Congress, the Comptroller General shall (A) conduct studies of existing statutes and regulations governing Federal energy programs, (B) review the policies and practices of Federal agencies administering such programs, (C) review and evaluate the procedures followed by such agencies, in gathering, analyzing, and interpreting energy statistics, data, and information related to the management and conservation of energy, including but not limited to data related to energy costs, demand, industry structure, environmental impacts, and research and development, and (D) evaluate particular projects or programs. The Comptroller General shall have access to such data from any public or private source whatever, notwithstanding the provisions of any other law, as is necessary to carry out his responsibilities under this section and shall report to the Congress at such time as he deems appropriate with respect to Federal energy programs, including his recommendations for such modifications in existing laws, regulations, procedures, and practices as will, in his judgment, best serve the Congress in the formulation of a national energy policy.

(2) In carrying out his responsibilities as provided in paragraph (1) of this subsection, the Comptroller General shall give particular attention to the need for improved coordination of the work of the Federal Government related to energy policies and programs and the attendant need for a central source of energy statistics and information.

(3) The Comptroller General or any of his authorized representatives in carrying out his responsibilities under this section shall have access to any books, documents, papers, statistics, data, information, and records of any private organization relating to the management and conservation of energy, including but not limited to energy costs, demand, supply, reserves, industry structure, environmental impacts, and research and development. The Comptroller General may require any private organization to submit in writing such energy data as he may prescribe. Such submission shall be made within such reasonable period and under oath or otherwise as he may direct.

(4) To assist in carrying out his responsibilities, the Comptroller General may sign and issue subpenas requiring the production of the books, documents, papers, statistics, data, information, and records referred to in paragraph (3) of this subsection.

(5) In case of contumacy, or refusal to obey a subpena of the Comptroller General issued under this section, by any person who resides, is found to transacts business within the jurisdiction of any district court of the United States, such district court shall, upon the request of the Comptroller General, have jurisdiction to issue to such person an order requiring such person to comply forthwith. Failure to obey such an order is punishable by such court as a contempt of court.

(6) Reports submitted by the Comptroller General to the Congress shall be available to the public at reasonable cost and upon identifiable request, except that the Comptroller General may not disclose to the public any information which could not be disclosed to the public by the Council under the provisions of subsection (i) (2) if the information were held by the Council.

(k) (1) There are authorized to be appropriated to carry out the provisions of this section not to exceed $1,000,000 for fiscal year ending June 30, 1975, $2,000,000 for fiscal year ending June 30, 1976, and $4,000,000 for each fiscal year thereafter.

(2) All sums appropriated under this section shall remain available for obligation or expenditure in the fiscal year for which appropriated and in the fiscal year next following.

FUTURE REORGANIZATION

SEC. 110. (a) Not later than January 31, 1975, the President shall transmit to the Congress his recommendations for such organizational arrangements for the management of energy and natural resources by the Federal Government as he deems advisable. Such recommendations shall include—

(1) the appropriate organizational arrangements for long-term implementation of the functions of the Energy Research and Development Administration and of the Federal Energy Administration, and the energy related functions of the Department of the Interior,

(2) the appropriate means for improving coordination among the energy activities of the Federal Government, and

(3) the appropriate organizational arrangements to coordinate energy functions with other natural resources management functions of the Federal Government.

(b) This report shall replace and serve the purposes of the report required by section 15(a)(4) of the Federal Energy Administration Act.

COORDINATION WITH ENVIRONMENTAL EFFORTS

SEC. 111. The Administrator is authorized to establish programs to utilize research and development performed by other Federal agencies to minimize the adverse environmental effects of energy projects. The Administrator of the Environmental Protection Agency, as well as other affected agencies and departments, shall cooperate fully with the Administrator in establishing and maintaining such programs, and in establishing appropriate interagency agreements to develop cooperative programs and to avoid unnecessary duplication.

TITLE II—NUCLEAR SAFETY AND LICENSING COMMISSION

ESTABLISHMENT AND TRANSFERS

SEC. 201. (a) There is established an independent regulatory commission to be known as the Nuclear Safety and Licensing Commission which shall be composed of five members, each of whom shall be a citizen of the United States. The President shall designate one member of the Commission as Chairman thereof to serve as such during Chairman during his absence. The Chairman may from time to time designate any other member of the Commission as Acting Chairman to act in the place and stead of the Chairman during his absence. The Chariman (or the Acting Chairman in the absence of the Chairman) shall preside at all meetings of the Commission and a quorum for the transaction of business shall consist of at least three members present. Each member of the Commission, including the Chairman, shall have equal responsibility and authority in all decisions and actions of the Commission, shall have full access to all information relating to the performance of his duties or responsibilities, and shall have one vote. Action of the Commission shall be determined by a majority vote of the members present. The Chairman (or Acting Chairman in the absence of the Chairman) shall be the official spokesman of the Commission in its relations with the Congress, Government agencies, persons, or the public, and, on behalf of the Commission, shall see to the faithful execution of the policies and decisions of the Commission, and shall report thereon to the Commission from time to time or as the Commission may direct. The Commission shall have an official seal which shall be judicially noticed.

(b)(1) Members of the Commission shall be appointed by the President, by and with the advice and consent of the Senate.

(2) The President is selecting the members of the Commission, shall have due regard to a fair representation of expertise in nuclear safety technology, health science, and environmental science.

(3) Appointments of members pursuant to this subsection shall be made in such a manner that not more than three members of the Commission shall be members of the same political party.

(c) Each member shall serve for a term of five years, each such term to commence on July 1, except that of the five members first appointed to the Commission, one shall serve for one year, one for two years, one for three years, one for four years, and one for five years, to be designated by the President at the time of appointment.

(d) Such initial appointments shall be submitted to the Senate within sixty days of the signing of this Act. Any individual who is serving as a member of the Atomic Energy Commission at the time of the enactment of this Act, and who may be appointed by the President to the Commission, shall be appointed for a term designated by the President, but which term shall terminate not later than the end of his present term as a member of the Atomic Energy Commission, without regard to the requirements of subsections (b) (2) and (3) of this section. Any subsequent appointment of such individuals shall be subject to the provisions of this section.

(e) The Chairman shall receive compensation at the rate now or hereafter prescribed for offices and positions at level II of the Executive Schedule (5 U.S.C. 5313). Other members shall receive compensation at the rate now or hereafter prescribed for offices and positions at level III of the Executive Schedule (5 U.S.C. 5314).

(f) Any member of the Commission may be removed by the President for inefficiency, neglect of duty, or malfeasance in office. No member of the Commission shall engage in any business, vocation, or employment other than that of serving as a member of the Commission.

(g) There are hereby transferred to the Commission all the licensing and related regulatory functions of the Atomic Energy Commission, the Chairman and members of the Commission, the General Counsel, and other officers and components of the Commission—which functions officers, components, and personnel are excepted from the transfer to the Administrator by section 104(c) of this Act.

(h) In addition to other functions and personnel transferred to the Commission, there are also transferred to the Commission—

(1) the Advisory Committee on Reactor Safeguards, the Atomic Safety and Licensing Board Panel, and the Atomic Safety and Licensing Appeal Panel;

(2) all personnel whose primary responsibility is research related to confirmatory assessment of the safety of reactors licensed under the provisions of the Atomic Energy Act of 1954 as amended, and of this Act, with the exception of such personnel as the Director of the Office of Management and Budget determines are necessary to assist in reactor developmental research.

LICENSING AND RELATED REGULATORY FUNCTIONS RESPECTING SELECTED ADMINISTRATION FACILITIES

SEC. 202. Notwithstanding the exclusions provided for in section 110a. or any other provisions of the Atomic Energy Act of 1954, as amended (42 U.S.C. 2140(a)), the Nuclear Safety and Licensing Commission shall, except as otherwise specifically provided by section 110b, of the Atomic Energy Act of 1954, as amended (42 U.S.C. 2140(b)), or other law, have licensing and related regulatory authority pursuant to chapters 6, 7, 8, and 10 of the Atomic Energy Act of 1954, as amended, as to the following facilities of the Administration:

(1) demonstration Liquid Metal Fast Breeder Reactors when operated as part of the power generation facilities of an electric utility system, or when operated in any other manner for the purpose of demonstrating the commercial feasibility of such a reactor for a power generation system;

(2) other demonstration nuclear reactors—except those in existence on the effective date of this Act—when operated as part of the power generation facilities of an electric utility system, or when operated in any other manner for the purpose of demonstrating the commercial feasibility of such a reactor for a power generation system;

(3) facilities used primarily for the receipt and storage of high-level radioactive wastes resulting from activities licensed under such Act; and

(4) Retrievable Surface Storage Facilities and other facilities authorized for the express purpose of subsequent long-term storage of high-level radioactive waste generated by the Administration, which are not used for, or are part of, research and development activities.

OFFICE OF NUCLEAR SAFETY RESEARCH

SEC. 203. (a) There is hereby established in the Nuclear Safety and Licensing Commission an Office of Nuclear Safety Research under the direction of a Director of Nuclear Safety Research who shall be appointed by the Commission, who shall report directly to the Commission, and who shall serve at the pleasure of and be removable by the Commission. The Director shall receive compensation at the rate now or hereafter prescribed for officers and positions at level IV of the Executive Schedule (5 U.S.C. 5315).

(b) Subject to the provisions of this Act, the Director of Nuclear Safety Research shall engage in or contract for research which the Director recommends and the Commission deems necessary for the discharge of the licensing and related regulatory functions of the Commission.

(c) In order to carry out the provisions of subsection (b) of this section, the Administrator of the Energy Research and Development Administration and the head of every other Federal agency shall—

(1) cooperate with respect to the establishment of priorities for the furnishing of such research services as requested by the Commission for the conduct of its functions;

(2) furnish to the Commission, when requested, on a reimbursable basis, through its own facilities or by contract or other arrangement, such research services as the Commission deems necessary for the conduct of its functions; and

(3) consult and cooperate with the Nuclear Safety and Licensing Commission on research and development matters of mutual interest including the provision of information on, and of physical access to, Administration facilities for the sole purpose of assisting the Commission to acquire the expertise necessary to perform its licensing and regulatory functions, as provided in this Act.

(d) Nothing in subsections (a) and (b) of this section or section 201 of this Act shall be construed to limit in any way the functions of any office of the Administration relating to the safety of activities within the jurisdiction of the Administration.

BUREAU OF NUCLEAR MATERIALS SECURITY

SEC. 204. (a) There is hereby established in the Nuclear Safety and Licensing Commission a Bureau of Nuclear Materials Security under the direction of a Director of Nuclear Materials Security, who shall be appointed by the Commission, who shall report directly to the Commission, and who shall serve at the pleasure of and be removable by the Commission. The Director shall receive compensation at the rate now or hereafter prescribed for officers and positions at level IV of the Executive Schedule (5 U.S.C. 5315).

(b) Subject to the provisions of this Act, the Director of Nuclear Materials Security shall—

(1) recommend regulations relating to safeguarding against threats, thefts, and sabotage involving special nuclear materials, high-level radioactive wastes, and nuclear facilities resulting from all activities licensed under the Atomic Energy Act of 1954, as amended;

(2) enforce such regulations which are promulgated by the Commission;

(3) monitor, test, and recommend upgrading internal accounting systems for special nuclear materials licensed under the Atomic Energy Act of 1954, as amended;

(4) develop, in consultation and coordination with the Energy Research and Development Administration, contingency plans for dealing with threats, thefts, and sabotage relating to special nuclear materials, high-level radioactive wastes and nuclear facilities resulting from all activities licensed under the Atomic Energy Act of 1954, as amended;

(5) conduct a thorough review of the desirability and feasibility of establishing a security agency within the Bureau or execute

some or all of the functions of the Bureau, and report his recommendations to the Commission within one year of the effective date of this Act; and such report shall be transmitted to the Congress by the Commission as soon as it is received; and

(6) engage in or contract for research which the Director of Materials Security deems necessary for the discharge of the functions of the Bureau.

(c) Nothing in this section shall be construed to limit in any way the functions of any office of the Energy Research and Development Administration relating to the safeguarding of special nuclear materials, high-level radioactive wastes and nuclear facilities resulting from all activities within the jurisdiction of the Administration pursuant to this Act.

NONCOMPLIANCE

SEC. 205. (a) Any individual director, officer, or employee of a firm constructing, owning, operating, or supplying the components of any facility or activity which is licensed or otherwise regulated pursuant to the Atomic Energy Act of 1954 as amended, or pursuant to this Act, who obtains information reasonably indicating that such facility or activity or basic components supplied to such facility or activity—

(1) fails to comply with the Atomic Energy Act of 1954, as amended, or any applicable rule, regulation, order, or license of the Commission, or

(2) contains a defect which could create a substantial safety hazard,

shall immediately notify the Commission of such failure to comply, or of such defect, unless such person has actual knowledge that the Commission has been adequately informed of such defect or failure to comply.

(b) Any person who knowingly fails to provide the notice required by subsection (a) of this section shall be subject to a civil penalty in an amount equal to the amount provided by section 234 of the Atomic Energy Act of 1954, as amended.

(c) Any person who knowingly and willfully fails to provide the notice required by subsection (a) of this section shall be subject to a criminal penalty of a fine not to exceed $50,000 or imprisonment of not more than one year, or both.

(d) The requirements of this section shall be prominently posted on the premises of any facility licensed or otherwise regulated pursuant to the Atomic Energy Act of 1954, as amended.

(e) The Commission is authorized to conduct such reasonable inspections and other enforcement activities as needed to insure compliance with the provisions of this section.

INFORMATION AND STUDIES

SEC. 206. (a) The Commission shall accept requests made in good faith for relevant studies or reports from any party to a licensing proceeding or rulemaking hearing. If such studies or reports are existing, the Commission shall make them available to the requesting party in a timely manner, subject to appropriate provisions of existing law regarding public disclosure. If such studies or reports must be especially prepared, the Atomic Safety and Licensing Board shall determine, subject to review under normal Commission review procedures, if such studies or reports are reasonably necessary for the requesting party to present its position in the proceeding or hearing, and are in the public interest. The requesting party shall be promptly notified of any determination by the Board or by the Commission.

(b) When it has been determined that studies or reports must be especially prepared at the request of a party, the Commission shall prepare such studies or reports, request them to be prepared by other Federal agencies, or have them prepared by contract. Such studies or reports shall be funded by the Commission: *Provided*, That the Commission shall seek contributions or reimbursement, in whole or in part, to the extent that the party requesting such studies or reports is financially capable of providing such contributions or reimbursement.

(c) When the Commission, in making a determination under subsection (a) of this section, shall be of the opinion that such determination involves a controlling question of law as to which there is substantial ground for difference of opinion and that an immediate appeal from the determination may materially advance the ultimate termination of the litigation, it shall so state in writing in such determination. The Court of Appeals for the District of Columbia may thereupon, in its discretion, permit an appeal to be taken from such determination, if application is made to it within ten days of the time the requesting party is notified of the determination of the Commission: *Provided, however*, That application for an appeal hereunder shall not stay proceedings of the Commission unless the Commission or the court of appeals or a judge thereof shall so order.

(d) Studies and reports made available by the Commission pursuant to this section shall be offered as part of the record of the proceeding or hearing.

ABNORMAL OCCURRENCE REPORTS

SEC. 207. The Commission shall submit to the Congress each quarter a report listing for that period any abnormal occurrences at any facility or activity which is licensed or otherwise regulated pursuant to the Atomic Energy Act of 1954 as amended, or pursuant to this Act. Each such report shall contain—

(1) the date and place of each occurrence;

(2) the nature of each incident;

(3) the cause or causes of each; and

(4) any action taken to prevent reoccurrence;

the Commission shall also provide as wide dissemination to the public of the information specified in clauses (1) and (2) of this section as reasonably possible within five days of its receiving information of each abnormal occurrence and shall provide as wide dissemination to the public as reasonably possible of the information specified in clauses (3) and (4) as soon as such information becomes available to it.

OTHER OFFICERS

SEC. 208. (a) The Commission shall appoint a Director of Nuclear Reactor Safety who shall report directly to the Commissions who shall serve at the pleasure of and be removable by the Commission and who shall receive compensation at the rate now or hereafter prescribed for officers and positions at level IV of the Exceutive Schedule (5 U.S.C. 5315).

(b) There shall be in the Commission not more than nine additional officers appointed by the Commission who shall serve at the pleasure of and be removable by the Commission and who shall receive compensation at the rate now or hereafter prescribed for officers and positions at level V of the Executive Schedule (5 U.S.C. 5316).

TITLE III—MISCELLANEOUS AND TRANSITIONAL PROVISIONS

TRANSITIONAL PROVISIONS

SEC. 301. (a) Except as otherwise provided in this Act, whenever all of the functions or programs of an agency, or other body, or any component thereof, affected by this Act, have been transferred from that agency, or other body, or any component thereof affected by this Act, the agency, or other body, or component thereof shall lapse. If an agency, or other body, or any component thereof, lapses pursuant to the preceding sentence, each position and office therein which was expressly authorized by law, or the incumbent of which was authorized to receive compensation at the rate prescribed for an office or position at level II, III, IV, or V of the Executive Schedule (5 U.S.C. 5313–5316), shall lapse.

(b) All orders, determinations, rules, regulations, permits, contracts, certificates, licenses, and privileges—

(1) which have been issued, made, granted, or allowed to become effective by the President, any Federal department or agency or official thereof, or by a court of competent jurisdiction, in the performance of functions which are transferred under this Act, and

(2) which are in effect at the time this Act takes effect,

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked by the President, the Administrator, the Commission, or other authorized officials, a court of competent jurisdiction, or by operation of law.

(c) The provisions of this Act shall not affect any proceeding pending, at the time this section takes effect, before the Atomic Energy Commission or any department or agency (or component thereof) functions of which are transferred by this Act; but such proceedings, to the extent that they relate to functions so transferred, shall be continued. Orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made pursuant to such orders, as if this Act had not been enacted; and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or revoked by a duly authorized official, by a court of competent jurisdiction, or by operation of law. Nothing in this subsection shall be deemed to prohibit the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could have been discontinued if this Act had not been enacted.

(d) Except as provided in subsection (f)—

(1) the provisions of this Act shall not affect suits commenced prior to the date this Act takes effect, and

(2) in all such suits proceedings shall be had, appeals taken, and judgments rendered, in the same manner and effect as if this Act had not been enacted.

(e) No suit, action, or other proceeding commenced by or against any officer in his official capacity as an officer of any department or agency, functions of which are transferred by this Act, shall abate by reason of the enactment of this Act. No cause of action by or against any department or agency, functions of which are transferred by this Act, or by or against any officer thereof in his official capacity shall abate by reason of the enactment of this Act. Causes of actions, suits, actions, or other proceedings may be asserted by or against the United States or such official as may be appropriate and, in any litigation pending when this section takes effect, the court may at any time, on its own motion or that of any party, enter any roder which will give effect to the provisions of this section.

(f) If, before the date on which this Act takes effect, any department or agency, or officer thereof in his official capacity, is a party to a suit, and under this Act any function of such department, agency, or officer is transferred to the Administrator or Commission, or any other official, then such suit shall be continued as if this Act had not been enacted, with the Administrator or Commission, or other official, as the case may be, substituted.

(g) Final orders and actions of any official or component in the performance of functions transferred by this Act shall be subject to judicial review to the same extent and in the same manner as if such orders or actions had been made or taken by

the officer, department, agency, or instrumentality in the performance of such functions immediately preceding the effective date of this Act. Any statutory requirements relating to notices, hearings, action upon the record, or administrative review that apply to any function transferred by this Act shall apply to the performance of those functions by the Administrator or Commission, or any officer or component.

(h) With respect to any function transferred by this Act and performed after the effective date of this Act, reference in any other law to any department or agency, or any officer or office, the functions of which are so transferred, shall be deemed to refer to the Administration, the Administrator or Commission, or other office or official in which this Act vests such functions.

(i) Nothing contained in this Act shall be construed to limit, curtail, abolish, or terminate any function of the President which he had immediately before the effective date of this Act; or to limit, curtail, abolish, or terminate his authority to perform such function; or to limit, curtail, abolish, or terminate his authority to delegate, redelegate, or terminate any delegation of functions.

(j) Any reference in this Act to any provision of law shall be deemed to include, as appropriate, references thereto as now or hereafter amended or supplemented.

(k) Except as may be otherwise expressly provided in this Act, all functions expressly conferred by this Act shall be in addition to and not in substitution for functions existing immediately before the effective date of this Act and transferred by this Act.

INCIDENTAL DISPOSITIONS

SEC. 302. The Director of the Office of Management and Budget is authorized to make such additional incidental dispositions of personnel, personnel positions, assets, liabilities, contracts, property records, and unexpended balances of appropriations, authorizations, allocations, and other funds held, used, arising from, available to or to be made available in connection with functions transferred by this Act, as he may deem necessary or appropriate to accomplish the intent and purposes of this Act.

DEFINITIONS

SEC. 303. As used in this Act—

(1) any reference to "function" or "functions" shall be deemed to include references to duty, obligation, power, authority, responsibility, right, privilege, and activity, or the plural thereof, as the case may be; and

(2) any reference to "perform" or "performance", when used in relation to functions, shall be deemed to include the exercise of power, authority, rights, and privileges.

AUTHORIZATION FOR APPROPRIATIONS

SEC. 304. (a) Except as otherwise provided by law, appropriations made under this Act shall be subject to annual authorization.

(b) Beginning in fiscal year 1976, and in every fiscal year thereafter, in the absence of a specific nonnuclear energy research and development policy enacted by Congress for the Administration, of the amounts appropriated for the nondefense programs of the Administration, not less than 7 per centum shall be available for each of the research and development functions assigned to each of the nondefense Assistant Administrators under subsection 102(d) of this Act.

(c) Authorization of appropriations to the Commission shall reflect the need for effective licensing and other regulation of the nuclear power industry in relation to the growth of such industry.

COMPTROLLER GENERAL AUDIT

SEC. 305. (a) Section 166, "Comptroller General Audit" of the Atomic Energy Act of 1954, as amended, shall be deemed to be applicable, respectively, to the nuclear and nonnuclear activities under title I and to the activities under title II.

(b) The Comptroller General of the United States shall audit, review, and evaluate the implementation of the provisions of title II of this Act by the Nuclear Safety and Licensing Commission—

(1) Not less than fifty-four months nor more than sixty months after the effective date of this Act, the Comptroller General shall prepare and submit to the Congress a report on his audit, which shall contain, but not be limited to, the following:

(A) an evaluation of the effectiveness of the licensing and related regulatory activities of the Commission and the operations of the Office of Nuclear Safety Research and the Bureau of Nuclear Materials Security;

(B) an evaluation of the effect of such Commission activities on the efficiency, effectiveness, and safety with which the activities licensed under the Atomic Energy Act of 1954, as amended, are carried out;

(C) recommendations concerning any legislation he deems necessary, and the reasons therefor, for improving the implementation of title II.

(2) Copies of the report shall be furnished to the Chairman, Nuclear Safety and Licensing Commission, the chairman of the Senate Committee on Government Operations, the chairman of the Committee on Government Operations of the House of Representatives, and the chairman of the Joint Committee on Atomic Energy.

REPORTS

SEC. 306. (a) The Administrator shall, as soon as practicable after the end of each fiscal year, make a report to the President for submission to the Congress on the activities of the Administration during the preceding fiscal year. Such report shall include a statement of the short-range and long-range goals, priorities, and plans of the Administration together with an assessment of the progress made toward the attainment of those objectives and toward the more effective and efficient management of the Administration and the coordination of its functions.

(b) During the first year of operation of the Administration, the Administrator, in collaboration with the Secretary of Defense, shall conduct a thorough review of the desirability and feasibility of transferring to the Department of Defense or other Federal agencies the functions of the Administrator respecting military application and restricted data, and within one year after the Administrator first takes office the Administrator shall make a report to the President, for submission to the Congress, setting forth his comprehensive analysis, the principal alternatives, and the specific recommendations of the Administrator and the Secretary of Defense.

(c) The Commission shall, as soon as practicable after the end of each fiscal year, make a report to the President for submission to the Congress on the activities of the Commission during the preceding fiscal year. Such report shall, in layman's language, include a statement of the short-range and long-range goals, priorities, and plans of the Commission as they relate to the relative benefits, costs, and risks of commercial nuclear power. Such assessment shall be based on a complete accounting of the Commission's activities and findings in the following areas—

(1) insuring the safe design of nuclear powerplants and other licensed facilities;

(2) investigating abnormal occurrences and defects in nuclear powerplants and other licensed facilities;

(3) safeguarding special nuclear materials at all stages of the nuclear fuel cycle;

(4) investigating suspected, attempted, or actual thefts of special nuclear materials in the licensed sector and developing contingency plans for dealing with such incidents;

(5) insuring the safe, permanent disposal of high-level radioactive wastes through the licensing of nuclear activities and facilities;

(6) protecting the public against the hazards of low-level radioactive emissions from licensed nuclear activities and facilities.

INFORMATION TO COMMITTEES

SEC. 307. Except as provided in section 304(b) of this Act, the Administrator shall keep the appropriate congressional committees fully and currently informed with respect to all of the Administration's activities.

TRANSFER OF FUNDS

SEC. 308. The Administrator, when authorized in an appropriation Act, may, in any fiscal year, transfer funds from one appropriation to another within the Administration: *Provided*, That no appropriation shall be either increased or decreased pursuant to this section by more than 5 per centum of the appropriation for such fiscal year.

CONFORMING AMENDMENTS TO CERTAIN OTHER LAWS

SEC. 309. Subchapter II (relating to Executive Schedule pay rates) of chapter 53 of title 5, United States Code, is amended as follows:

(1) Section 5313 is amended by striking out "(8) Chairman, Atomic Energy Commission." and inserting in lieu thereof "(8) Chairman, Nuclear Safety and Licensing Commission.", and by adding at the end thereof the following:

"(22) Administrator of Energy Research and Development.".

(2) Section 5314 is amended by striking out "(42) Members, Atomic Energy Commission." and inserting in lieu thereof "(42) Members, Nuclear Safety and Licensing Commission.", and by adding at the end thereof the following:

"(60) Deputy Administrator, Energy Research and Development Administration.".

(3) Section 5315 is amended by striking out paragraph (50), and by adding at the end thereof the following:

"(99) Assistant Administrators, Energy Research and Development Administration (6);

"(100) Director of Nuclear Reactor Safety, Nuclear Safety and Licensing Commission;

"(101) Director of Nuclear Materials Security, Nuclear Safety and Licensing Commission;

"(102) Director of Nuclear Safety Research, Nuclear Safety and Licensing Commission;

(4) Section 5316 is amended by striking out paragraphs (29), (69), and (102), by striking out "(62) Director of Regulation, Atomic Energy Commission."; by striking out "(81) General Counsel of the Atomic Energy Commission," and inserting in lieu thereof "(81) General Counsel of the Nuclear Safety and Licensing Commission.", and by adding at the end thereof the following:

"(133) General Counsel, Energy Research and Development Administration.

"(134) Additional officers, Energy Research and Development Administration (8).

"(135) Additional officers, Nuclear Safety and Licensing Commission (9).".

SEPARABILITY

SEC. 310. If any provision of this Act, or the application thereof to any person or circumstance, is held invalid, the remainder of this Act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

EFFECTIVE DATE AND INTERIM APPOINTMENTS

SEC. 311. (a) This Act shall take effect one hundred and twenty days after the date of enactment, or on such earlier date as the President may prescribe and publish in the Federal Register; except that any of the officers provided for in this Act may be nominated and appointed, as provided by this Act, at any time after the date of enactment of this Act. Funds available to any department

or agency (or any official or component thereof), any functions of which are transferred to the Administrator and the Commission by this Act, may, with the approval of the President, be used to pay the compensation and expenses of any officer appointed pursuant to this subsection until such time as funds for that purpose are otherwise available.

(b) In the event that any officer required by this Act to be appointed by and with the advice and consent of the Senate shall not have entered upon office on the effective date of this Act, the President may designate any officer, whose appointment was required to be made by and with the advice and consent of the Senate and who was such an officer immediately prior to the effective date of this Act, to act in such office until the office is filled as provided in this Act. While so acting, such persons shall receive compensation at rates provided by this Act for the respective offices in which they act.

TITLE IV—SEX DISCRIMINATION

SEC. 401. No person shall on the ground of sex be excluded from participation in, be denied a license under, be denied the benefits of, or be subjected to discrimination under any program or activity carried on or receiving Federal assistance under any title of this Act. This provision will be enforced through agency provisions and rules similar to those already established, with respect to racial and other discrimination, under title VI of the Civil Rights Act of 1964. However, this remedy is not exclusive and will not prejudice or cut off any other legal remedies available to a discriminatee.

DOMESTIC FOOD ASSISTANCE PROGRAMS—REPORT OF A COMMITTEE (S. REPT. 93-978)

Mr. McGOVERN, from the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3458) to amend the Agriculture and Consumer Protection Act of 1973, the Food Stamp Act of 1964, and for other purposes, submitted a report thereon, which was ordered to be printed.

ORDER FOR COMMITTEES TO FILE REPORTS ON WEDNESDAY, JULY 3

Mr. MANSFIELD. Mr. President, I ask unanimous concent that all committees be authorized to file reports on Wednesday, July 3.

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

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

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

By Mr. MANSFIELD:

S. 3706. A bill for the relief of Janice Elaine Groves and her daughter, Anna Groves. Referred to the Committee on the Judiciary.

By Mr. TUNNEY (for himself and Mr. TAFT):

S. 3707. A bill to provide a tax credit incentive for increased savings. Referred to the Committee on Finance.

By Mr. JACKSON (for himself and Mr. FANNIN) (by request):

S. 3708. A bill to amend the Wild and Scenic Rivers Act by designating certain rivers for study as potential additions to the National Wild and Scenic Rivers System. Referred to the Committee on Interior and Insular Affairs.

By Mr. CURTIS:

S. 3709. A bill to amend the Internal Revenue Code of 1954 to permit the amortization over a 5-year period of new facilities for the production of fertilizer. Referred to the Committee on Finance.

S. 3710. A bill to provide that certain applications and other documents required to be filed with executive departments and agencies shall be considered as timely filed if they are timely mailed. Referred to the Committee on Government Operations.

By Mr. STEVENS:

S. 3711. A bill for the relief of Mrs. Yu Sil Kang (nee Kim). Referred to the Committee on the Judiciary.

By Mr. RIBICOFF (for himself and Mr. WEICKER):

S. 3712. A bill to provide one additional permanent district judgeship for the district of Connecticut. Referred to the Committee on the Judiciary.

By Mr. KENNEDY (for himself, Mr. BUCKLEY, Mr. BIDEN, and Mr. SCHWEIKER):

S. 3713. A bill to amend the Health Programs Extension Act of 1973. Referred to the Committee on Labor and Public Welfare.

By Mr. HARTKE (for himself and Mr. BAYH):

S. 3714. A bill to authorize the repayment of certain Federal-aid highway funds by the State of Indiana. Referred to the Committee on Public Works.

By Mr. THURMOND:

S. 3715. A bill to provide for the establishment of a national cemetery in the State of South Carolina. Referred to the Committee on Veterans' Affairs.

By Mr. ABOUREZK:

S. 3716. A bill to facilitate the transfer of science and technology and increase cooperation between the United States and other nations through the full utilization of global telecommunication services. Referred to the Committee on Government Operations.

By Mr. HUMPHREY (for himself, Mr. MCINTYRE, Mr. CHILES, Mr. CASE, Mr. WILLIAMS, Mr. METZENBAUM, Mr. HART, Mr. HATHAWAY, Mr. STEVENSON, Mr. NELSON, Mr. METCALF, Mr. PROXMIRE, Mr. RIBICOFF, Mr. STAFFORD, Mr. HUGHES, Mr. PASTORE, Mr. MONDALE, Mr. BROOKE, and Mr. MUSKIE):

S. 3717. A bill to extend the Emergency Petroleum Allocation Act of 1973. Referred to the Committee on Interior and Insular Affairs.

By Mr. ERVIN:

S. 3718. A bill for the relief of Leah Maureen Anderson. Referred to the Committee on the Judiciary.

By Mr. WILLIAMS (for himself, Mr. JAVITS, and Mr. BENTSEN):

S. 3719. A bill to amend the Urban Mass Transportation Act of 1964 to provide increased assistance for mass transportation systems. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. JACKSON (for himself and Mr. HASKELL):

S. 3720. A bill to authorize the allocation of supplies of materials and equipment associated with the production of energy supplies. Referred to the Committee on Interior and Insular Affairs.

By Mr. GRAVEL:

S. 3721. A bill to provide that an individual who has attained age 65 will not be required to pay the social security tax on his first $2,400 of wages and self-employment income. Referred to the Committee on Finance.

By Mr. DOMENICI (for himself and Mr. HUMPHREY):

S. 3722. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for certain expenses incurred for installation of solar heating and cooling systems. Referred to the Committee on Finance.

By Mr. HART:

S. 3723. A bill to regulate commerce by discouraging needless depletion of natural resources and by encouraging resource recovery and reuse through programs and incentives for recycling and for converting waste into usable energy, and for other purposes. Referred to the Committee on Public Works, by unanimous consent.

By Mr. ABOUREZK:

S. 3724. A bill to provide for the efficient development of the natural resources of the Navajo and Hopi Reservations for the benefit of its residents, to assist the members of the Navajo and Hopi Tribes in becoming economically fully self-supporting, to resolve a land dispute between the Navajo and Hopi Tribes, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. DOLE:

S. 3725. A bill to raise the Veterans' Administration to the status of an executive department of the Government to be known as the "Department of Veterans' Affairs." Referred to the Committee on Government Operations.

By Mr. ROBERT C. BYRD (for Mr. CRANSTON):

S.J. Res. 223. Joint resolution extending the authority of the Small Business Administration. Passed, without amendment.

By Mr. MONTOYA (for himself, Mr. MCINTYRE, Mr. STEVENSON, Mr. HUMPHREY, Mr. KENNEDY, Mr. HART, Mr. PERCY, Mr. MANSFIELD, and Mr. MCGOVERN):

S.J. Res. 224. Joint resolution to authorize and request the President to issue annually a proclamation designating January of each year as "March of Dimes Birth Defects Prevention Month." Referred to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND RESOLUTIONS

By Mr. TUNNEY (for himself and Mr. TAFT):

S. 3707. A bill to provide a tax credit incentive for increased savings. Referred to the Committee on Finance.

Mr. TUNNEY. Mr. President, last Thursday I offered for myself and the Senator from Ohio (Mr. TAFT) amendment No. 1509 to the debt ceiling bill, and I ask unanimous consent that a slightly modified version of that amendment be printed as a bill in the RECORD at the conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. (See exhibit 1.)

Mr. TUNNEY. Mr. President, we introduce this bill in order to suggest to the Senate what seems to me to be a new and innovative solution to several major economic problems facing our country today. We believe our bill would contribute a great deal toward:

First, slowing the rapid rate of increase in the prices of new homes, mortgage payments, and residential rentals;

Second, dealing with the problem of massive unemployment in the construction trades;

Third, providing a means of access to

"inflation-protected" savings for moderate or average-income savers; and

Fourth, helping reduce general inflationary pressures by inducing a voluntary increase in savings.

The bill itself is reasonably simple. It would provide a tax credit equal to the increase in interest income earned in the current year over interest income earned in the previous year, up to a maximum of $100. All savings accounts and all certificates of deposit which pay no more than 7½ percent would be covered. The credit would be available for 3 years beginning with 1974.

A short example illustrates the tax credit idea proposed in my amendment.

In 1973 a taxpayer has $1,000 in a 5-percent savings account and earns $50 interest for the year.

At the beginning of 1974 the taxpayer increases his or her savings to $2,000 and earns $100 in interest.

Under my proposal, the taxpayer could claim a tax credit of $50—the amount of the increase in interest income.

The principle of this policy is very simple. For each dollar of increased interest income, up to $100, a saver gets $1 of tax credit.

Dollar-for-dollar matching, up to the $100 limit, makes savings much more attractive. In this example the total return on increased savings of $1,000 is $100. The effective rate of interest is 10 percent—a rate sufficient to fully offset the rate of inflation expected in 1974.

What would this tax credit cost?

Preliminary Treasury estimates suggest that the cost would range from $1 billion to $1.5 billion. Since these estimates seem very high, I have asked Treasury for an explanation of the assumptions and calculations employed in their formulation. I would like to point out, however, that the lower Treasury figure, $1 billion, implies that the credit would produce an increase in qualifying savings of between $20 and $25 billion next year. Compare this with the fact that the total increase in savings for 1974 is now expected to be only $6.7 billion. Note also that much of this $6.7 billion would not qualify for the credit since a major portion would be undertaken by those who invest in high-interest certificates of deposit and by those whose increased interest income would vastly exceed the proposed $100 tax credit ceiling. The inevitable conclusion is either that Treasury expects that my amendment will produce a net increase of $18 to $20 billion in additional savings or the Treasury has vastly overestimated the cost. In either event, the term "cost" is somewhat illusory in this context since the proposed tax credit represents basically a return to taxpayers of their own money in return for their performance of a socially useful task; namely, increasing personal savings.

Mr. President, I cannot stress too strongly the importance of increasing personal savings. According to the Department of Commerce, savings, measured as a percentage of disposable personal income, has steadily declined from 8.1 percent in 1970 to 6.6 percent in the first quarter of 1974. It is these savings, of course, which provide the backbone for the home mortgage market and a very substantial part of the capital needed for expansion of basic productive capacity.

Just yesterday, Treasury Secretary William Simon testified before the Joint Economic Committee that the survival of our economy will require that future rates of capital formation be considerably higher than those which have prevailed heretofore.

Improvement of our housing stock, provision of new systems of urban transportation, rebuilding some of our basic industries, cleaning up the environment, and developing major new energy supplies will, as the Secretary testified—

> Require an immense volume of new investment capital, far above and beyond the normal requirements to replace aging schools, industrial plants, and all of the other conventional needs.

If I may quote just a bit further from the Secretary's testimony:

> Inflation is the bitter enemy of the saving-investment process. What reason is there for any worker to put aside part of his paycheck every week if his return on that saving is no higher—or even less—than the rate of inflation?

Mr. President, declining rates of new savings combined with more and more rapid growth in the demand for credit have produced massive disintermediation.

Billions have flowed from savings banks, savings and loans, and other major mortgage institutions which are severely limited in their ability to offer high interest rates into Treasury bills, high-grade corporate or AA utility bonds which pay 9 percent or more.

In April the federally insured savings and loans had a net outflow of $335 million while the savings banks sustained a net outflow of $650 million—the worst outflow on record.

Mortgage money is getting tougher and tougher to find, and it is getting more expensive. In May, for the 12th month in a row, interest rates on home mortgages rose to an all-time high.

Mr. President, this is much more than a problem of having to pay an extra percentage point or having to wait an extra month or two more to find home financing. The steady increase in interest rates, due to the failure of savings to adequately supply credit for the mortgage market, has priced more and more Americans out of the market for home ownership. Between 1965 and 1973, the income of wage and salary earners increased 57 percent.

While home prices increased less than 57 percent, the average monthly mortgage payment increased 85 percent. This means that, since 1965, the full amount of the real increased cost of home ownership, and the reason why fewer and fewer Americans can afford to own their own homes, has come from increases in mortgage interest rates. We must act soon to increase the supply of mortgage money or face a long-term worsening of our national housing picture.

Every year, our national need for new housing units grows by 2.5 million units. Today's rate of production is only 1.5 million units. During the first quarter of 1974, 440 construction firms collapsed. More firms will fail in the second quarter. Almost half a million workers in the construction trades are unemployed. Their unemployment rate of 10.3 percent is about double that for the labor force as a whole. Housing starts in the first 4 months of this year were off 30 percent over the same period last year. In May they declined 38 percent below the rate for the same month last year.

The current rate of production in housing, 1.5 million starts per year, will surely lead to intensified inflationary pressures on rents and home prices. History demonstrates this very clearly—1965 to 1970 was an extended period of housing production deficiency. During these years, the housing component of the Consumer Price Index rose 25 percent and was a major contributing factor in the overall increase of 23 percent in the cost of living. Of course, increases in housing costs and rent create a self-sustaining inflationary momentum which helps to build pressure for future rounds of wage-and-price increases.

Let us not be deceived by recent administration actions in this area. These efforts to pump an additional $10 billion into the mortgage market through the Government National Mortgage Association, the Federal Home Loan Bank System, and the Federal Home Loan Mortgage Corporation will be helpful. Clearly, however, the effect has been insufficient to bring about a recovery from the current housing depression. What is needed is the kind of stimulus the Treasury department indicates would be provided by my amendment.

In closing, Mr. President, I should like to emphasize several key points.

First, the legislation which I am offering and will attach as an amendment to the first likely vehicle that comes to the floor from the Finance Committee, covers all savings accounts in commercial banks, savings and loans, mutual savings banks, and credit unions. It covers certificates of deposit of less than $10,000. The tax credit provided cannot exceed $100 per taxable entity. It rewards only increases in savings and provides no tax windfalls for existing savings. The $100 tax credit ceiling and the limitation to savings instruments which pay no more than 7½ percent insure that most of the benefit accrues to moderate- and middle-income savers who would otherwise have no access to the inflation protection they badly need.

Second, this bill is counterinflationary in a number of significant ways. By increasing savings as much as $20 billion or more, assuming the Treasury estimate is right—I do not happen to think they are right, but assuming that they are, this amendment will make available a much more adequate supply of credit to finance needed growth in the Nation's housing stock. Borrowing costs will decline while housing production and employment in the construction trades will increase and the runaway inflation of housing costs will be substantially moderated. Increased savings will also reduce the pressure of consumption spend-

ing while providing needed capital to finance expansion of productive capacity in shortage-plagued industries.

Finally, this bill offers a measure of equity to the millions of ordinary citizens who lack the resources or sophistication to take advantage of high-interest certificates of deposit or similar securities. As my earlier example showed, the prime benefit goes to the small saver who can substantially boost the rate of return on his or her savings through the proposed tax credit.

Mr. President, one of the things important to note here is that if a person does have substantial resources, he or she can go to the Eurodollar market and buy certificates of deposits in the amount of $100,000 and receive 13½ percent interest

Mr. President, I think we need to give the small and average savers in this country a break. The best way to do this is to give him a small tax credit for increasing his savings. I believe this will achieve a significant result. The Treasury Department certainly feels that it will. I also feel that the temper of the Senate is ripe for this kind of legislation. There was a strong attitude expressed by the Senate in the past few days in opposition to inflationary tax cuts. I think the Senate was right in rejecting tax cuts at this time. The bill I am introducing would provide $20 billion or more of additional savings which would significantly help the national economy at a time when there is a critical demand for capital, when interest rates are at record levels, and when the average person feels that he has to spend his money today in order to get full value, recognizing that if it is saved until tomorrow, it will have depreciated substantially in value.

Thank you, Mr. President.

EXHIBIT 1

S. 3707

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that 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. CREDIT FOR INTEREST ON SAVINGS.

"(a) In General.—In the case of an individual there is allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the amount by which the interest on savings received by the taxpayer during the taxable year exceeds the amount of the interest on savings received by the taxpayer during the preceding taxable year.

"(b) Limitation.—The amount of credit allowed under this section for any taxable year shall not exceed $100 ($50 in the case of a married individual making (a separate return of tax).

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

"(1) Interest on savings.—The term 'interest on savings' means interest or dividends received on money deposited in a savings account or a time deposit with a financial institution.

"(2) Savings account.—The term 'savings account' means an interest-bearing deposit or account which is not payable on a specified date or at the expiration of a specified time after the date of deposit (although the individual who maintains the deposit or account may be required by the financial institution with which the deposit or account is maintained to give notice in writing of an intended withdrawal not less than 30 days before wthdrawal is made).

"(3) Time deposit.—The term 'time deposit' means a deposit of less than $10,000 which is payable on a specified date or at the expiration of a specified time after the date of deposit and which bears a rate of interest no greater than the maximum rate which may be paid by financial institutions under regulations prescribed under the amendments made by the Act entitled "An Act to provide for the more flexible regulation of maximum rates of interest or dividends payable by banks and certain other financial institutions on deposits or share accounts, to authorize higher reserve requirements on time deposits at member banks, to authorize open market operations in agency issues by the Federal Reserve banks, and for other purposes", approved September 21, 1966 (Public Law 89–579).

"(4) Financial institution.—The term 'financial institution' means—

"(A) a commercial or mutual savings bank whose deposits and accounts are insured by the Federal Deposit Insurance Corporation or otherwise insured under State law;

"(B) a savings and loan, building and loan, or similar association the deposits and accounts of which are insured by the Federal Savings and Loan Insurance Corporation or otherwise insured under State law; or

"(C) a credit union the deposits and accounts of which are insured by the National Credit Union Administration Share Insurance Fund or otherwise insured under State law."

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

"Sec. 42. Credit for interest on savings.
"Sec. 43. Overpayment of tax.".

(c) The amendments made by this section apply to taxable years beginning after December 31, 1973, and ending before January 1, 1977.

Mr. TAFT. Mr. President, I am pleased to be the cosponsor of S. 3707, which provides a tax credit for interest on new savings.

The concept of allowing a tax break on savings is one which I have advocated for years. My bill in this Congress, S. 321, would provide a tax exemption for the first $500 of interest on savings. The Tunney bill is a more limited approach, but it is consistent with my efforts and a much needed initiative.

I realize that these proposals have a considerable cost, but I believe that they also would bring major benefits if adopted at this time. We all know that the housing sector of the economy is in depression, in large part because mortgage credit is either totally unavailable or available only at exorbitant interest costs. By encouraging an increase in the savings funds provided to savings and loan associations and other institutions which can then be invested in housing, proposals to provide more favorable taxation of savings interest would increase the flow of money to be used for mortgage lending in a very direct fashion. Savings and loan associations alone, to which much of the increase in savings would go, have provided about 45 percent of America's home loan money.

Indeed, each tax dollar spent in this way will be likely to generate many more dollars in mortgage money. In turn, this would generate jobs and income in the construction sector, which would result in increased tax receipts.

At the same time, this approach would be anti-inflationary during a period of rapid inflation. It would encourage consumers to save rather than to spend money, which would be of considerable value as long as inflationary shortages in the economy persist. It would also allow thrift institutions to compete more effectively for funds with other forms of investments whose attractiveness has increased with inflation, even though the interest rate on savings has been held at an artificially low level by the Government in an attempt to limit mortgage interest and other interest costs.

In addition to the advantages which are of particular value at the present time, there is a good case for legislation of this type based on equity. Both dividends and capital gains income receive tax advantages, but income from savings receive none. Furthermore, such legislation may be much more likely to assist persons with modest income than the other tax advantages on income which I have pointed out.

I am hopeful that the Finance Committee will soon see fit to hold hearings on my bill, the Tunney-Taft proposal, and similar legislation which would help to accomplish the same important goals.

By Mr. JACKSON (for himself and Mr. FANNIN) (by request):

S. 3708. A bill to amend the Wild and Scenic Rivers Act by designating certain rivers for study as potential additions to the National Wild and Scenic Rivers System. Referred to the Committee on Interior and Insular Affairs.

Mr. JACKSON. Mr. President, by request, I send to the desk on behalf of myself and the Senator from Arizona (Mr. FANNIN) a bill to amend the Wild and Scenic Rivers Act by designating certain rivers for study as potential additions to the National Wild and Scenic Rivers System.

This draft legislation was submitted to the Committee on Interior and Insular Affairs by the Secretary of the Interior in lieu of legislation presently pending before the committee. The Department has included many new wild and scenic rivers from around the Nation. I am introducing the bill as a courtesy to the Department, and such introduction in no way means that the Senator from Arizona (Mr. FANNIN) and I necessarily are familiar with or endorse any of the proposals contained in the Secretary's recommendations.

I ask unanimous consent that the report accompanying the proposal from the Secretary of the Interior be printed in the RECORD at this point in my remarks.

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

U.S. DEPARTMENT OF THE INTERIOR,
Washington, D.C., June 19, 1974.

HON. HENRY M. JACKSON,
Chairman, Committee on the Interior and Insular Affairs, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This responds to your request for the views of this Department on several bills dealing with additions

to the study list of possible wild and scenic rivers, as well as certain bills designating rivers as components of the Wild and Scenic reports. We recommend against enactment of the following bills: S. 30 (Colorado River in Utah); S. 449 (Colorado River in Colorado); S. 2151 (Cahaba, Alabama); S. 2216 (Sipsey Fork, Alabama); S. 2319 (several rivers in Colorado); S. 2386 (American, California), S. 2443 (Upper Mississippi, Minnesota); S. 2691 (Kettle, Minnesota); S. 3130 (Shepaug, Connecticut); S. 3186 (Tuolumne, California); S. 3628 (Illinois River in Oklahoma). We recommend the enactment of the attached substitute bill in their stead.

The substitute bill constitutes the results of an analysis conducted by an interagency committee, consisting of members of this Department and the Department of Agriculture, for the purpose of setting priorities among rivers which have been suggested as additions to the wild and scenic rivers study list. Such a list of priority rivers as that embodied in the substitute bill has become necessary, we believe, because the studies are costly and complicated and because the manpower needed to conduct them is limited. Moreover, the time permitted for such studies has, in effect, recently been constricted by an amendment to the Wild and Scenic Rivers Act from 5 years to 3 complete fiscal years. (P.L. 93–279). In addition, there is already an obligation on the part of this Department and others to complete by 1978 study of several of the 27 rivers originally earmarked for study in the Act. To place rivers, in addition to those selected by the interagency group, on the list of rivers to be studied would compromise the ability of this Department and others to complete existing and projected studies and to devote proper care and attention to them. The failure of a river to appear on the list contained in our substitute bill does not necessarily mean that it should not be studied. Rather, it is the judgment of the interagency committee and of the Administration that rivers on the list should be studied first. Accordingly, we recommend enactment of the comprehensive substitute bill, in lieu of the individual bills before the Committee.

As required by section 5(c) of the Act, we shall study first those rivers most likely to be developed, particularly for energy purposes. This statutory requirement is reinforced by the Administration's goal of achieving energy self-sufficiency under Project Independence. Thus far, we have identified four rivers where energy-related development is likely: the Sweetwater, Wyoming; the Little Missouri, North Dakota; the White, Colorado and Utah; and the Yellowstone, Wyoming and Montana. We will carry out studies of these rivers within 1 year of the date of enactment of our proposed substitute bill. Other rivers are likely to be added to this high-priority group as a result of studies now being done in preparing the blueprint for Project Independence.

We would also point out that there is an additional reason why S. 30 and S. 2691 should not be enacted: both bills would designate components of the Wild and Scenic Rivers System, without the benefit of study as to its suitability for such designation. We believe that it is inconsistent with the purpose of the Wild and Scenic Rivers Act to add new components directly to section 3 of the Act, creating "instant rivers." The Act states explicitly, in section 1(c), that one of its purposes is to prescribe the methods by which additional components may be added to the system from time to time. It then provides such procedures in sections 4 and 5. As the Senate Report, No. 491, 90th Congress, 1st session, on S. 119 stated:

"(T)he committee is cognizant that there are many other rivers throughout the United States which may qualify for the system. The bill establishes procedures by which these may be added." At page 6.

The Office of Management and Budget has advised that the presentation of the enclosed legislative proposal and of this report is in accord with the program of the President.

Sincerely yours,

JOHN C. WHITAKER,
Acting Secretary of the Interior.

"(36) American, California: The North Fork from Mountain Meadow Lake to the Auburn Reservoir and the lower 7.5 miles of the North Fork of the North Fork.

"(37) Shenandoah, Virginia and West Virginia: the main stem, the North Fork from Front Royal to Brocks Gap, and the South Fork from Front Royal to Waynesboro.

"(38) Sweetwater, Wyoming: the main stem from its source to the confluence with Chimney Creek.

"(39) Cacapon, West Virginia: the entire river.

"(40) Columbia, Washington: the main stem from Priest Rapids Dam to McNary Reservoir.

"(41) Guadalupe, Texas: the entire river from its source to New Braunfels but excluding Canyon Reservoir.

"(42) John Day, Oregon: the main stem downstream from North Fork and the North Fork downstream from Baldy Creek and Granite Creek downstream from Clear Creek.

"(43) Little Missouri, North Dakota: the main stem from Marmarth to Garrison Reservoir (Lake Sakakawea).

"(44) Loxahatchee, Florida: the entire river including its tributary, North Fork.

"(45) Niobrara, Nebraska: the main stem from Antelope Creek to Sparks Gauging Station.

"(46) Tangipahoa, Louisiana and Mississippi: the entire river.

"(47) White, Colorado and Utah: the entire river.

"(48) Wisconsin, Wisconsin: the main stem from Prairie du Sac to the mouth.

"(49) Yellowstone, Wyoming and Montana: the main stem from Yellowstone Lake to Pompey's Pillar and its tributary, Clark's Fork.

"(50) Blackfoot, Montana: the main stem from Landers Fork to Milltown Dam.

"(51) Colorado, Colorado and Utah: the main stem from the confluence of the Gunnison River to the confluence of the Dolores River including the Dolores River below the proposed McPhee Dam but excluding the segment from one mile above Highway 90 to the confluence of the San Miguel River.

"(52) Delta, Alaska: the main stem from its source to Black Rapids.

"(53) Gulkana, Alaska: the entire river including its tributaries, West and Middle Forks.

"(54) Madison, Montana: the main stem from Earthquake Lake to Ennis Lake.

"(55) Ogeechee, Georgia: the entire river.

"(56) Owyhee, Oregon: the main stem from the Idaho State line downstream to the Owyhee Reservoir. *Provided however,* That the authority of the Chief of Engineers to undertake emergency flood control work along the Owyhee River under the authority of section 5 of the Flood Control Act of 1941 (55 Stat. 650), as amended (33 U.S.C. 701n), shall not be affected by study of this river.

"(57) Salt, Arizona: the main stem from its source to Stewart Mountain Dam.

"(58) Snake, Wyoming: the main stem from its source to Palisades Reservoir, excluding Jackson Lake. *Provided however,* That study of this river shall not affect the authority of the Chief of Engineers to undertake maintenance work for the flood protection project along the Snake River authorized by the Flood Control Act of 1950 (64 Stat. 180), nor shall it affect the authority of the Chief of Engineers to undertake emergency flood control work along the Snake River under the authority of section 5 of the Flood Control Act of 1941 (55 Stat. 650), as amended (33 U.S.C. 701n).

"(59) Wenatchee, Washington: entire river, including Lake Wenatchee, and its tributaries, the Chiwawa and White Rivers."

By Mr. CURTIS:

S. 3709. A bill to amend the Internal Revenue Code of 1954 to permit the amortization over a 5-year period of new facilities for the production of fertilizer. Referred to the Committee on Finance.

Mr. CURTIS. Mr. President, today I am introducing legislation to provide a tax incentive to encourage the construction of new fertilizer production facilities in this country. At the present time there is in my opinion a domestic shortage in fertilizer production of about 20 percent. There is an enormous foreign demand also. This shortage in fertilizer will have a serious impact on the growth in the production of grains and food items in the near future, since, as everyone knows, there is a direct relationship between the use of fertilizer and agricultural productivity.

Because many of the present fertilizer production facilities are reconverted World War II ammunition plants whose efficiency is low and are nearing the end of their useful life, this situation is going to become more acute. At the same time there is growing demand for fertilizer in the emerging nations to help them meet their increasing food requirements. The measure I am introducing today would constitute a positive step toward alleviating the growing gulf between supply and demand for fertilizer products.

The purpose of this bill is to provide for 5-year amortization of the depreciable cost of a new facility which is certified by the Secretary of Agriculture as one to be used primarily in the production of fertilizer. It must be a new facility acquired after April 26, 1974, or a facility the construction or reconstruction or erection of which is completed after April 26, 1974. In the latter case, the fast amortization applies only to the portion of the facility which is constructed, et cetera, after April 26, 1974. An election is to be made to take advantage of 60-month amortization effective with the month following the month in which the facility is completed or acquired, or with the taxable year succeeding the taxable year in which the facility is completed or acquired. Once the amortization period is begun, the fast amortization will not apply to subsequent additions or improvements to the facility.

Appropriate provisions are included for the recapture of the accelerated deductions in the event of early disposition of the fertilizer facility to prevent any abuse of this tax incentive. This is done by bringing the amortization deductions within the scope of the depreciation recapture provisions of sections 1245 and 1250.

In view of the seriousness of the problem created by the shortage in fertilizer production facilities, I am hopeful that this matter will receive early attention by the Congress.

By Mr. CURTIS:

S. 3710. A bill to provide that certain applications and other documents required to be filed with executive departments and agencies shall be considered as timely filed if they are timely mailed.

Referred to the Committee on Government Operations.

Mr. CURTIS. Mr. President, I have received several complaints from constituents who attempted to comply with time deadlines in applying for Federal grants, only to be thwarted by the unreliable U.S. Postal Service. As an example, I would like to include in the RECORD, with the Senate's unanimous consent, two letters written by Floyd Marian, which describe the time bind he confronted in preparing his application for a grant for special Indian education, his sincere efforts to get the application in on time, and the final rejection of his grant application due to the tardy mail service.

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

APRIL 22, 1974.

Mr. ROBERT MINTZ,
Chief, Support Operations Branch,
Application Control Board,
Washington, D.C.

DEAR MR. MINTZ: We received notification today that our application for award from the U.S. Office of Education was rejected. The rejection was because the application arrived after the published closing date. The amount of the possible grant was small, $1,060, however, it is disheartening to the writers as well as the Indian Parents Council to have the application rejected on this basis.

Are there any means of appeal to this rejection? The actual paperwork was completed March 7 and in order to give proper public notice the hearing on the proposal was not held until March 12. The chairman of the Indian Parent Advisory Council signed the form on March 13. The application was mailed on March 13. The application was stamped as having been received March 19. The mails are sometimes slow, but this seems to be excessive. We complied to the best of our ability to have the application in your hands before the deadline date. Are there any means of appeal or is this final?

Thank you for your kind consideration and cooperation.

Yours truly,

FLOYD MARIAN,
Director of Federal Projects.

HASTINGS PUBLIC SCHOOLS,
Hastings, Nebr., April 22, 1974.

Senator CARL T. CURTIS,
New Senate Office Building,
Washington, D.C.

DEAR SENATOR CURTIS: Recently this school district made application for a grant for Special Indian Education under Part A, Title IV (Indian Education Act), P.L. 92-318. The application was mailed March 13 and we received notification today, April 22, that the application was not accepted. The reason for non-acceptance was because it arrived after the published closing date, March 15.

The amount of the grant was very small, $1,060, and hardly worth thinking about. However, considering the short amount of time given to organize, plan and make application for the grant and to have it rejected because of late arrival and not on the merits of the proposed project makes us, school officials and Indian parents, disappointed and a little angry at this rejection.

I know that there is little if anything that can be done, but I did want to express our feelings on this rejection.

Yours truly,

FLOYD MARIAN,
Director of Federal Projects.

Mr. CURTIS. I see no reason why a conscientious applicant who completes the paperwork and mails his application in what he considers to be adequate time to meet the specified deadline, should be refused the grant simply because the application was processed unduly slowly by the Postal Service. In an attempt to solve this problem, I propose herewith a bill to provide that certain applications and other documents required to be filed with executive departments and agencies shall be considered as timely filed if they are timely mailed. I send this bill to the desk and ask that it be appropriately referred. I ask unanimous consent that this bill be printed in the RECORD.

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

S. 3710

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) if—

(1) under any law of the United States, or any rule or regulation issued thereunder, any application for a grant, loan, or other assistance or benefit provided or authorized by such law, or any other document, is required to be filed within a prescribed period or on or before a prescribed date with an officer, department, agency, or other instrumentality of the executive branch, and

(2) after such period or such date, such application or document is delivered by United States mail to such officer, department, agency, or instrumentality,

the date of the United States postmark stamped on the envelope or other wrapper in which such application or document is mailed shall be deemed to be the date on which such application or document was filed and received by such officer, department, agency, or instrumentality.

(b) Subsection (a) shall apply only if—

(1) the postmark date falls within the prescribed period or on or before the prescribed date for filing the application or other document, and

(2) the application or other document was, within the time prescribed by paragraph (1), deposited in the mail in the United States in an envelope or other appropriate wrapper, postage prepaid, properly addressed to the officer, department, agency, or instrumentality of the executive branch with which the application or document is required to be filed.

(c) Subsection (a) shall not apply to—

(1) any application or other document if the law which requires or authorizes such application or document provides that it must be filed by a means other than by mailing, or

(2) any return, claim, statement, or other document to which section 7502 of the Internal Revenue Code of 1954 applies.

SEC. 2. The Director of the Office of Management and Budget shall prescribe regulations providing for the uniform application of the first section of this Act by all officers, departments, agencies, and instrumentalities of the executive branch.

By Mr. HARTKE (for himself and Mr. BAYH):

S. 3714. A bill to authorize the repayment of certain Federal-aid highway funds by the State of Indiana. Referred to the Committee on Public Works.

Mr. HARTKE. Mr. President, I introduce on behalf of myself and Senator BAYH a bill which will enable the State of Indiana to embark upon a program to build highways which will give the people of our State access to public recreation areas.

With the assistance of the Federal Government, several reservoirs have been constructed in Indiana. Although these reservoirs afford Hoosiers with an unparalleled opportunity for recreation and an enjoyment of nature, the road system prevents all but a handful of the State's residents from taking advantage of that opportunity.

The legislation I introduce today will open up these recreational areas to the people of Indiana. It enables the State of Indiana to return $1,936,894 which it had received from the Federal Government in the form of highway assistance. That money was used to pay approximately 2 percent of the cost of the East-West Toll Road—Interstate 80/90—in Indiana. The repayment of that money will enable the State of Indiana to enter into an agreement with the Indiana Toll Road Commission—which operates the East-West Toll Road—to finance the construction of mini toll roads which will permit access to reservoir recreation areas. If that money were not repaid, the conditions which were attached to it by the Federal Government would prohibit the State from entering into an agreement with the toll road commission.

Mr. President, the Federal Government made it possible for these reservoirs to be constructed in Indiana knowing that they would create useful public recreation facilities. But there are no public roads to reach the reservoirs at the present time. The bill I have introduced today makes it possible for the reservoirs to achieve their full recreational potential and is in keeping with the Federal public works program which built the reservoirs.

The only solution to this dilemma is the bill which I introduce today. Indiana does not have the money to build these new highways out of its general revenues, and the State presently gets about 40 cents back in Federal highway aid for every dollar it contributes to the highway trust fund. The problem is made even more bleak by the impoundment of some $20 million in Federal highway assistance.

This bill will enable Indiana to create a pool of highway toll revenues to help finance the construction of the "mini" toll roads. Its concept has twice been endorsed by the Indiana State Legislature, and it has received the official support of the Indiana Toll Road Commission and Gov. Otis R. Bowen.

I urge the Public Works Committee to give this legislation its early and favorable consideration.

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

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

S. 3714

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That upon repayment by the State of Indiana to the Treasurer of the United States of the sum of $1,936,894 which is the amount of Federal-aid highway funds received for the construction of the following interchanges with the east-west toll road (interstate route 80/90) in northern Indiana:

(1) the interchange in interstate route 69 with such toll road in Steuben County, Indiana;

(2) the interchange of interstate route 80 with such toll road in Lake County, Indiana;

(3) the interchange of interstate route 65 with such toll road in Lake County;

then such east-west toll road (interstate route 80/90) in northern Indiana shall be free of all restrictions with respect to the imposition and collection of tolls or other charges thereon or for the use thereof contained in title 23, United States Code, or in any regulation or agreement thereunder. The amount to be repaid shall be deposited to the credit of the appropriation for "Federal Aid Highway (Trust Fund)". Such repayment shall be credited to the unprogramed balance of the Federal-aid highway funds of the same class apportioned to the State of Indiana. The amount so credited shall be in addition to all other funds then apportioned to such State and shall be available for expenditure in accordance with the provisions of title 23, United States Code. Any agreement heretofore entered into by the head of any department, agency, or instrumentality of the United States, the Indiana Toll Road Commission, and the State of Indiana, Acting by and through the Indiana State Highway Commission, which is inconsistent with this Act, is hereby abrogated to the extent of such inconsistency.

Mr. BAYH. Mr. President, I join my senior colleague (Mr. HARTKE) in introducing this legislation to permit the State of Indiana to return to the Federal Government approximately $1.9 million in highway assistance received some years ago from the Department of Transportation. The purpose of the proposed payback is to free the State from contracts entered into when it received these funds for interchanges with the East-West Toll Road in northern Indiana.

Wide support for this proposal has been expressed in Indiana. Enabling legislation has been enacted twice by the Indiana State Legislature. The proposal has the strong support of Indiana's distinguished Governor, Otis R. Bowen. I request unanimous consent to include in the RECORD at the conclusion of my remarks a letter I recently received from Governor Bowen on this issue in which he endorsed the legislation we are introducing today. In addition, companion legislation has been introduced in the House of Representatives by all 11 Indiana Representatives.

As explained to my office by State representatives, the legislation is necessary for Indiana to embark on a new road building program, at the State level, for so-called mini-toll roads which would provide citizens access to large reservoirs. We are in the remarkable situation in which access to reservoirs, built with public funds and offering valuable recreational opportunities, is severely limited because of the lack of highway funds. The problem has been worsened by the impoundment of Federal highway assistance which, according to the Indiana Washington office, has thus far cost Indiana about $20 million.

To help meet the need for access roads to reservoirs in Indiana the State would like to create a central pool of toll road revenues. However, this cannot be done unless it is free from its prior commitment to the Department of Transportation regarding future collections on the East-West Toll Road. And the only way this can be accomplished is to pass the legislation we are introducing today to permit the State to return these funds to the Federal Government.

Mr. President, this is a straightforward case of giving the State of Indiana the option to decide at the State level how it can best meet the local highway needs of its citizens. It may be said fairly that this legislation does not involve any substantive change in Federal highway policy, but merely responds to a specific problem in a single State. Since this is an issue about which the State government feels strongly I see no reason why the Congress should not respect the wishes of the State of Indiana. I hope this simple and unique measure can receive speedy, affirmative action.

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

OFFICE OF THE GOVERNOR,
Indianapolis, Ind., June 17, 1974.

Hon. BIRCH BAYH,
Old Senate Office Building,
Washington, D.C.

DEAR BIRCH: In an effort to move forward on one of Indiana's high priority highway programs, Don Newman, our Indiana liaison, and Richard A. Boehning, Chairman of the Indiana State Highway Commission, have been working with you and the rest of our Congressional delegation on proposed legislation which would allow Indiana to implement the mini-toll road concept. The mini-toll program received Indiana legislative approval some years ago and was updated in the recent 1974 session of the Indiana General Assembly. One of the problems in the financing of any such mini-toll road involves certain provisions in three contracts which were executed by the Indiana State Highway Commission, the Indiana Toll Road Commission and the federal government many years ago. The proposed legislation would abrogate these three contracts and allow Indiana to proceed with the program. This Congressional action would be similar to that successfully initiated by other states in similar circumstances.

I have been informed that Don Newman has furnished you with information concerning the technicalities of the program and of the legislation. I certainly endorse the legislation and urge that you use your best efforts in seeking its passage as soon as possible so that Indiana can move forward in implementing its mini-toll program.

Kindest personal regards,

OTIS R. BOWEN, M.D.,
Governor.

By Mr. THURMOND:

S. 3715. A bill to provide for the establishment of a national cemetery in the State of South Carolina. Referred to the Committee on Veterans' Affairs.

Mr. THURMOND. Mr. President, I am pleased to introduce a bill to provide for a national cemetery in the State of South Carolina.

Two national cemeteries already exist in South Carolina—one in Beaufort and one in Florence. The cemetery in Florence has only 400 remaining spaces, while the Beaufort Cemetery has about 6,000. There are now 309,000 veterans in South Carolina. Mr. President, at the present time, a national cemetery may be authorized only by legislation. The Senate Veterans' Affairs Committee will be reviewing the National Cemetery System later in this session. At that time, I am hopeful that this legislation will receive most careful attention.

Mr. President, I send the bill to the desk for appropriate reference and ask unanimous consent that the text appear at this point in the RECORD.

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

S. 3715

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Administrator of Veterans' Affairs is authorized and directed to establish a national cemetery in the State of South Carolina. Such cemetery shall be established at or near the city of Columbia, South Carolina, if the Administrator determines that such a location is desirable and practicable for such purpose. The Administrator is authorized to use as a site for such cemetery any federally owned lands in such State which are surplus to the needs of the department or agency of the Government having jurisdiction over such lands and are deemed by the Administrator to be suitable for the location thereon of a national cemetery. In the event the Administrator determines that no such federally owned lands are available as a site for such cemetery, he is authorized to acquire by donation, purchase, condemnation, or otherwise such lands as in his judgment are required as a site for such cemetery.

SEC. 2. The head of any department or agency of the Government having jurisdiction over any lands in the State of South Carolina which are surplus to the needs of such department or agency and which are deemed by the Administrator of Veterans' Affairs to be suitable for the location thereon of the national cemetery provided for by the first section of this Act is authorized and directed, upon request by the Administrator of Veterans' Affairs, to transfer such lands to the Veterans' Administration.

SEC. 3. The Administrator of Veterans' Affairs is authorized and directed to provide for the care and maintenance of the national cemetery established under authority of this Act.

SEC. 4. The appropriation of such sums as may be necessary to carry out the provisions of this Act is hereby authorized.

By Mr. ABOUREZK:

S. 3716. A bill to facilitate the transfer of science and technology and increase cooperation between the United States and other nations through the full utilization of global telecommunication services. Referred to the Committee on Government Operations.

Mr. ABOUREZK. Mr. President, I am introducing a bill, along with Congressman RICHARD HANNA in the House of Representatives, which would facilitate the transfer of science and technology to less developed countries throughout the world.

This legislation would establish an international institute to mediate the transfer of information by identifying what technology is available, by arranging for its distribution, and by assisting in establishing communication centers for receiving scientific and technological information in the requesting countries. In addition, the institute would provide technology assessments connected with the use of information on particular projects.

The activities of the institute would be carried out under the guidance of an

interagency council, representing every U.S. agency which has substantial foreign and technological responsibilities. These activities include the inventory, coordination and dissemination of all nonclassified and nonproprietary governmental scientific and technical information to other countries upon request. It would also establish a mechanism to provide the recipient countries, on a reimbursable basis, with referrals and access to copyrighted and proprietary information and consulting services of American firms.

While most of us have become painfully aware that existing technology taken "off the shelf" is of little value in meeting the needs of developing nations, it could be adapted or tailored to fit the requirements of these nations should an improved system of coordinating the flow of scientific and technical information be established.

We must recognize, however, that the gap between developed and developing countries includes more than simply a matter of providing equipment and services. It also includes a severe shortage of education and opportunities in less developed countries, especially in the fields of science and technology.

For all too long now, the United States has nearly monopolized its technical expertise and scientific information—albeit for a number of good reasons. Nevertheless, we have been the beneficiaries of these advancements while others in the world, many with the wealth, will, and capacity to utilize much of this priceless information, have been forced to watch from the sidelines. While in the short run, the effects of this unintentional policy or practice have been somewhat negligible, the long-term effects will be profound. Whereas to the extent that other nations are aided, the rest of the world benefits, it follows that to the extent that they are forgotten or neglected, the rest of the world sacrifices.

Although the effect of this legislation may not be that less developed countries are transformed into modern, industrialized societies in the U.S. mold, I am convinced that its enactment would help immeasurably in the development and assistance of many of these countries throughout the world. New systems are needed to meet new demands, and the number of demands for greater technological improvement has been unprecedented in recent years.

Never before in the history of this country has there been a greater need for the community of nations to work together on constructive and progressive activities rather than those that contribute to distrust and conflict. This legislation will allow us to serve that need through a refined communication system among nations as well as an improved coordination and dissemination of American scientific and technological information.

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

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

S. 3716

A bill to facilitate the transfer of science and technology and increase cooperation between the United States and other nations through the full utilization of global telecommunication services

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

TITLE I—SHORT TITLE, DECLARATION OF POLICY AND DEFINITIONS

SHORT TITLE

SEC. 101. This Act may be cited as the "International Science and Technology Act of 1974".

DECLARATION OF POLICY AND PURPOSE

SEC. 102. (a) The Congress declares that it is in the best interests of the United States to develop a sound and unified international science and technology policy which will contribute to the attainment of one or more of the following objectives:

(1) To provide an institutional structure which will serve global needs for the effective transfer and use of science and technology.

(2) To provide a centralized telecommunication management facility in the United States with the aim of facilitating science and technology transfer with lesser developed countries.

(3) To provide assistance to the less developed countries in identifying and establishing counterpart telecommunication management centers.

(4) Through this institutional structure and assistance, to help build technological self-capacity that will enhance and enrich global trade, and to further promote international understanding and cooperation between all nations.

(5) To provide a focal point for all United States agencies and activities which will coordinate international activities in science and technology with the objective of increasing effectiveness and decreasing duplication.

(6) To assist in resolving major global problems such as population, food, resources, environment, and large scale catastrophies.

(b) It is the purpose of this Act to insure fuller international usage of earth-orbiting satellites and the data obtained from them for the benefit of all nations. These include satellites for the observation of weather, of the land, and of the oceans, and for telecommunications. The institutional structure provided by this Act is designed to become a major factor in facilitating the procurement and transfer of technology data obtained from earth-orbiting satellites.

(c) It is anticipated and urged that developing nations adopt a complementary and like institutional framework so that the intended enrichment of science and technology flow will more effective and surely be achieved.

DEFINITIONS

SEC. 103. As used in this Act (unless the context otherwise requires)—

(1) the term "science and technology" refers to basic science data, information, and education, ranging from applied science to engineering technology, and includes all manner of hardware and software technology and related educational activities;

(2) the term "technology transfer" includes both science and technology and describes the process of collection, documentation, and successful dissemination and use of scientific and technical data by any and all modes of communication, with the transfer taking place when the data involved is successfully adapted and applied in a useful way;

(3) the term "technology assessment" refers to a form of policy research which provides a balanced appraisal of the nature, significance, status, and merit of a technology program and assesses the consequence as desirable, undesirable, or uncertain;

(4) the term "Institute" refers to the International Science and Technology Transfer Institute established by section 201;

(5) the term "Council" refers to the group of senior advisors, organized as provided in section 202, that provide policy and technical evidence to the director and staff of the Institute on a regular basis;

(6) the term "telecommunication" refers to any mode of communication between nations, and within nations, which uses meaningful signals, and includes voice, slow scan video, teletype, facsimile, computer retrieval, interactive television, and cathode ray devices; and

(7) the term "telecommunication management centers" refers to the national centers which are associated with the United States in an international communications network to facilitate the transfer of technology and culture between nations.

TITLE II—FEDERAL COORDINATION PLANNING AND REGULATION

IMPLEMENTATION OF POLICY

SEC. 201. (a) In order to achieve the objectives and carry out the purposes of this Act, there is hereby established an institute to be known as the International Science and Technology Transfer Institute (hereinafter in this Act referred to as the "Institute").

(b) The Institute shall operate as a semi-autonomous United States activity, utilizing an Advisory Council as described in section 202 for policy and technical guidance.

ADVISORY COUNCIL

SEC 202. (a) The Council shall be composed of—

(1) the Director of the National Science Foundation (or his delegate),

(2) the Deputy Director for International Programs in the National Aeronautics and Space Administration (or, as alternate, the Director of the Office of Technology Utilization in such Administration),

(3) the Assistant Secretary of State for Scientific Affairs (or, as alternate, the Director of Science and Technology in the Agency for International Development),

(4) the Director of the Office of Telecommunications in the Department of Health, Education, and Welfare (or his delegate),

(5) the Deputy Director of the Office of Technology Assessment (or his delegate),

(6) the Director of the National Bureau of Standards (or his delegate),

(7) the Secretary of the Interior (or his delegate),

(8) the Secretary of Commerce (or his delegate),

(9) the Secretary of Agriculture (or his delegate),

(10) the Secretary of the Smithsonian Institution,

(11) the Director of the Office of Telecommunications Policy (or his delegate),

(12) the Chairman of the Atomic Energy Commission (or his delegate),

(13) the Administrator of the Environmental Protection Agency (or his delegate), and

(14) the Director of Defense Research and Engineering in the Department of Defense (or his delegate),

and such additional members as the Council determines by majority vote, but not to exceed a total of twenty-one.

(b) Members of the Council need not be full-time officers or employees of the United States. Members of the Council shall be reimbursed for expenses incurred in their service on the Council, but shall receive no pay (or additional pay) on account of such service.

(c) Eleven members of the Council shall constitute a quorum, but a lesser number may hold hearings.

(d) The Chairman of the Council shall be the Director of the National Science Foundation or his delegate.

(e) The Council shall meet regularly, or more frequently at the call of the Chairman or a majority of its members.

(f) The Council may invite the participation as advisors of the International Bank for Reconstruction and Development, the Ford Foundation, the Rockefeller Foundation, or any other entity or individual involved in international economic or technical development concerning any matter within the scope of the Institute's work.

DIRECTOR

SEC. 203. (a) The Institute shall have a Director who shall be appointed by the Chairman of the Council, and who shall be paid at the rate of basic pay in effect for level 5 of the Executive Schedule.

(b) Subject to the advice of the Council, the Director may appoint and fix the pay of such personnel as he deems desirable to assist him in carrying out the daily operations of the Institute.

(c) The Director and staff of the Institute may be appointed without regard to the provisions of title 5 of the United States Code governing appointments in the competitive service, and such staff may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

(d) Subject to such rules as may be adopted by the Council, the Director may procure temporary and intermittent services to the same extent as is authorized by section 3109(b) of title 5 of the United States Code.

(e) Upon request of the Council the head of any Federal agency is authorized to detail, on a reimbursable basis, any of the personnel of such agency to the Commission to assist it in carrying out its duties under this Act.

FUNCTIONS

SEC. 204. (a) The Council shall advise the Institute on standards and procedures concerning—

(1) the translation of information transmitted by the Institute pursuant to this Act;

(2) the hours of operation of the Institute's communication center;

(3) encouraging countries which have a communication center established under this Act to establish an entity similar to the Institute to permit greater coordination with the Institute;

(4) using the Institute's communication center and the communication center of any less developed country to provide support for and encourage the transfer of science, technology, culture, and other information from such less developed country to researchers and institutions in the United States; and

(5) using the Institute's communication center to transmit information to the communication center in any less developed country during a natural disaster in such country.

(b) When so authorized by the Council, any member or agent of the Council may take any action which the Council is authorized to take by this section.

(c) The Council or the Director of the Institute may secure directly from any department or agency of the United States information necessary to enable it to carry out this Act. Upon request of the Chairman of the Council or the Director the head of such department or agency shall furnish such information to the Council or the Institute.

(d) The Institute may use the United States mails in the same manner and upon the same conditions as any other department or agency of the United States.

(e) The Director of the Institute, with the approval of the Council, shall establish procedures—

(1) to enable the Institute to monitor on an ongoing basis discoveries, inventions, and research developments in science and technology (including satellite applications thereof), made in the United States, or made at any location with financial assistance from the United States Government, or made at any location by a corporation or any other person which is owned or controlled by a United States citizen;

(2) to obtain by purchase or gift any information concerning any discovery, invention, or development included in paragraph (1) from the individual who owns the patent or copyright for such discovery, invention, or development, or (if no one owns such patent or copyright) from the individual who makes such discovery, invention, or development; and

(3) to encourage, stimulate, and sponsor enhanced and improved communication between scientists and technologists in the United States and their counterparts in less developed countries.

(f) The Institute shall retain all information it obtains under subsection (e)(2) and shall disseminate such information to foreign persons pursuant to section 205. In fulfilling its duties under subsection (e)(1), the Institute may not violate any aspect of confidentiality concerning any such discovery, invention, or development which is imposed by the person who makes the discovery, invention, or development. Any information the Institute obtains under subsection (e)(2) may not be obtained in violation of any copyright, by infringement of any patent, or in violation of any law protecting unpublished materials.

REQUEST FOR INFORMATION BY OTHER COUNTRIES

SEC. 205. (a) To enable its nationals and other persons to receive information retained by the Institute under section 204, a country shall comply with the provisions of this section.

(b) Any less developed friendly country shall submit a request to the Council for permission to receive information retained by the Institute under section 204. The Council shall approve any such request if (1) the requesting country agrees not to apply customs duties or other charges on information received in that country from the Institute under this Act, (2) the requesting country agrees not to charge any fee not authorized by section 207(b) to any person in that country for requesting or receiving any information under this Act, and (3) the Council determines that its approval of the requesting country is in the United States national interest. After approving a foreign country's request under this subsection, if the Council determines that the country violates clause (1) or (2), it shall prohibit such country from receiving information under this Act until the Council determines that the country no longer violates either such clause.

(c) Immediately after the approval under subsection (b) of the request from a developing country, the Director of the Institute shall send members of the Institute's staff to that country. The members of the staff and officials of that country shall jointly determine (1) the complexity of the communication center which that country needs in order to obtain information from the Institute's communication center in the United States, and (2) the amount of funds, if any, the Institute will contribute toward the costs of establishing and maintaining that country's communication center. In determining the amount to contribute under clause (2), the members of the staff and officials of that country shall only consider that country's per capita income and how it compares with the per capita income of other countries whose requests are approved by the Council under subsection (b). The higher a developing country's per capita income, the less the Institute shall contribute under clause (2), in an amount which the Council and officials of that country shall jointly prescribe.

TRANSMITTAL OF INFORMATION TO FOREIGN COUNTRIES

SEC. 206. (a) Immediately after the establishment of a communication center in any less developed country under section 205, the Institute shall establish and maintain a communication center in the United States which shall be used to receive requests for information retained by the Institute under section 204 from foreign countries' communications centers and to transmit that information to those countries' communications centers. The Institute shall receive any request for such information from a less developed country's communication center if the request originated from (1) any national of such country, or (2) any foundation, corporation, international organization, or any other person for such person's project in such country. In the transmission of any such information by the Institute it may translate whatever information the Council deems appropriate. Such transmission shall include telephone, facsimile, microfiche, microfilm, microform, slow scan video, teletype, computer retreval, and interactive television and cathode ray devices.

(b) For the purposes of any transmission between the United States and a less developed Country's communication centers, the Institute and such country shall lease the requisite number of telecommunication capacity, and the cost of such leasing shall be shared by the Institute and such country in a manner agreed upon by the Council and the government of such country.

(c) Any country requesting information under this Act shall establish procedures for persons under subsection (a)(1) and (2) to submit requests to that country's government for the government to transmit through its communication center to the Institute.

OTHER FUNCTIONS

SEC. 207. (a) In addition to its other obligations under this Act, the Institute—

(1) shall transmit to less developed friendly countries which have a communication center for the purposes of this Act recommendations constituting a technology assessment for any project in that country which uses information transmitted from the Institute's communication center pursuant to this Act (and in formulating such recommendations the Institute may, to the extent feasible, use information obtained under section 241 of the Foreign Assistance Act of 1961);

(2) shall encourage any less developed country with a communication center established under this Act to conform the industrial and product standards involved in any project for which information is transmitted from the Institute to the relevant international industrial and product standards; and

(3) may enter into an agreement with a less developed country with a communication center established under this Act to supply such country on an ongoing basis bibliographies, computer program abstracts, or whatever other information, maintained by the United States Government, that the Council and such country determine concern substantive areas which are critical for such country's economic, social, scientific, or technological development.

(b) The Institute may charge a less developed country with a communication center established under this Act for the following services provided to such country on the basis of a request from such country to the Institute:

(1) obtaining material not retained by the Institute under section 204 which is needed to answer a request for information made by the less developed country under this Act;

(2) technical assistance by the Institute's staff concerning an economic or social development project, if such assistance occurs after the assistance by such staff under section 205(c); and

(3) management advice by the Institute's staff concerning an economic or social development project.

The less developed country which is charged for services provided under this subsection may pass the amount of such charge on to the person managing the economic or social development project for which the services are obtained.

PARTICIPATION BY PARTICULAR COUNTRIES

SEC. 208. Because of the potential interest indicated by the governments of Colombia, Indonesia, and the Arab countries of the Middle East, immediately after the date of enactment of this Act the Secretary of State shall send a copy of such Act and an accompanying letter to each such government inviting the government to participate in the program authorized by this Act.

AUTHORIZATION OF APPROPRIATIONS

SEC. 209. There are authorized to be appropriated sums as may be necessary to carry out this Act.

By Mr. HUMPHREY (for himself, Mr. MCINTYRE, Mr. CHILES, Mr. CASE, Mr. WILLIAMS, Mr. METZENBAUM, Mr. HART, Mr. HATHAWAY, Mr. STEVENSON, Mr. NELSON, Mr. METCALF, Mr. PROXMIRE, Mr. RIBICOFF, Mr. STAFFORD, Mr. HUGHES, Mr. PASTORE, Mr. MONDALE, Mr. BROOKE, and Mr. MUSKIE):

S. 3717. A bill to extend the Emergency Petroleum Allocation Act of 1973. Referred to the Committee on Interior and Insular Affairs.

PLIGHT OF INDEPENDENT OIL FIRMS REQUIRES EXTENSION OF MANDATORY ALLOCATION PROGRAM

Mr. HUMPHREY. Mr. President, as chairman of the Subcommittee on Consumer Economics of the Joint Committee on Economics, I held hearings on June 13 on the "Plight of the Independent Oil Firms."

The hearings attempted to solicit and evaluate more information about the increasingly desperate situation of independent competitors in the oil industry. The subcommittee heard testimony from Dr. John Sawhill, Acting Director of the Federal Energy Office, and from several representatives of national independent gasoline marketers and refiners. And, an evaluation has been made of an FEO report on the declining market of independent nonbranded gasoline marketers.

I believe action must be taken to address the serious problems of the independents in the United States before they lose their competitive viability completely.

INDEPENDENTS' MARKET SHARE PLUMMETING

Since the days of John D. Rockefeller, control of the oil industry has been heavily concentrated. However, a few independent competitors have remained at each stage of its operations—in crude production, refining, and marketing. There are just enough such competitors, in fact, to inject a degree of competition into what otherwise would be very tightly knit oligopoly.

The tight supply situation beginning in late 1972 brought very harsh consequences for many independent refiners and marketers. They could not obtain adequate supplies, and many independent marketers perished in the squeeze. It was at this point that both Houses of Congress saw fit to pass, over the administration's strenuous objections, the Emergency Petroleum Allocation Act of 1973. This act required the administration to impose mandatory supply allocation with the purposes, among others, of—

(1) Preserving the competitive viability of independent refiners, small refiners, nonbranded independent marketers, and branded independent marketers; and

(2) Equitable distribution of crude oil . . . and refined petroleum products at equitable prices among all . . . sectors of the petroleum industry, including independent refiners, small refiners, and so forth. . . .

This language seems clear enough, and one might have thought that it would suffice to see that these objectives would be carried out. The mandatory allocation program authorized by the act has been in effect now for several months With the development of the two-tier price system for crude oil and many divergent prices for products, however, most independents found themselves obliged to depend on higher proportions of high-priced oil than major oil companies. This is in part because many of them depend heavily on very high-priced imports.

With the relaxation in April of the most extreme part of the shortage, the independents' market share began to erode sharply again as they were underpriced by the majors. Now it appears that most of those independent refiners and marketers who have survived may be wiped out by their inability to compete in terms of price.

A consultant's report to the FEO which Mr. Sawhill made available, shows that the market share of independent nonbranded-gasoline marketers slumped from nearly 28 percent in May 1972—just 2 years ago—to about 22 percent in March 1974. Between March and April, however, it is estimated to have plummeted to the range of 18 percent, and this decline is continuing. So the big oil companies already have grabbed over one-third of the independents' gasoline market. A similar encroachment is occurring at the refining level. If anything is to be done to stabilize the situation, it better be done fast.

The major companies also are expanding their control at the expense of their own franchised dealers. In a limited but growing number of cases, successful stations have been taken over by the companies, and the men who have built up the businesses have been turned out. I understand that the companies then can declare themselves to be "new customers" under the FEO rules and can assign the station a larger supply quota than it previously got. Other ruses of this kind keep cropping up whereby the majors are extending their grasp on the refining and marketing sectors of the business even during this period of supply controls.

FEO RESPONSE INADEQUATE

What is the Federal Energy Office doing, meanwhile, to help to maintain the independents as a viable force as required by the Allocation Act? It has taken a few halting steps to try to make oil available to companies with supply deficiencies, but its steps to date have not come to grips with the problem of widely diverse prices.

Many independent operators who have been forced by circumstances to turn to FEO for help have reported precious little willingness in that organization to help. In one case, the applicant was told that he would have to be showing actual losses before lower cost supplies could be assigned. Another apparently was told to use up all its inventories and to cut its ties to its regular suppliers before help would be forthcoming. Now, that kind of help will not do the job.

In general, the FEO seems to be very reluctant to use the power that it clearly has to force the major companies to cooperate to carry out the objectives of the Allocation Act. Now it is reported that the FEO is considering phasing out both price controls and the mandatory allocation for some fuels as early as this August. FEO officials have said that they are working on a plan to selectively decontrol prices of oil and petroleum products, possibly to begin at the end of the summer and phasing through February 28, 1975.

Mr. Sawhill admits that FEO has failed to solve the problem of the declining market of independent nonbranded gasoline marketers, but FEO is already moving into a phaseout of the mandatory allocation regulations. The law is very explicit. The FEO is required to preserve the competitive viability of the independents. It is not time to phase out the regulations. It is time to address the problem of the independents directly. Congress must make sure that this program is to be continued for a sufficient duration to assure that the competitive position of small independent operators around the country is not further eroded.

Mr. President, it is time to take some initial steps to help the consumers and to address the plight of the independent oil refiners and independent gasoline marketers in America. Therefore, Senator THOMAS J. MCINTYRE and I, together with others, are introducing a bill to extend the Emergency Petroleum Allocation Act of 1973 to June 30, 1976.

Mr. President, I ask unanimous consent that an article, entitled "Energy Office May Phase Out Controls and Allocations for Some or All Fuels," by Les Gapay which appeared in the Wall Street Journal, be included at this point in the RECORD.

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

[From the Wall Street Journal, June 7, 1974]

ENERGY OFFICE MAY PHASE OUT CONTROLS AND ALLOCATIONS FOR SOME OR ALL FUELS

(By Les Gapay)

WASHINGTON.—The Federal Energy Office is considering phasing out both price controls and the mandatory allocation program for some, and possibly all, fuels.

Officials said that the agency is working on a plan to selectively decontrol prices of oil and petroleum products, possibly to begin at the end of the summer and phasing through next Feb. 28, when the law for such authority expires. However, sources say it's doubtful either step will be enacted before fall.

Moreover, one knowledgeable Energy Office official said that gasoline prices probably would be the last to be decontrolled, possibly this fall or winter when use drops from the summer peak driving season. One fear is that decontrol of the price of "old" crude oil, produced at pre-1972 output levels, currently set at a ceiling of $5.25 a barrel and accounting for 62% of the nation's crude output, may push its price to levels that could add several cents to the retail price of gasoline. The price of "new" crude, or that above 1972 output levels, as well as that from low-output "stripper" wells, isn't controlled.

A price-decontrol plan is being prepared for energy chief John Sawhill by the agency's top pricing official, Charles Owens, who is leaving the energy office at the end of this month. The energy office took over fuel-price regulation from the Cost of Living Council late last year.

Officials cautioned that there hasn't been a high-level Nixon administration decision on how fast to end any fuel-price controls, but policy makers are leaning toward decontrol by next February.

The problem being faced is which petroleum products to decontrol first. The administration is reluctant to move too fast because decontrol might result in higher retail prices and be met by opposition from the public and in Congress. Administration officials expect there will be efforts in Congress to extend the pricing authority for fuels beyond next Feb. 28.

Underlining public opposition to higher prices, consumer advocate Ralph Nader plans today to release internal energy office memos and reports, which he says admit that the price increase last December allowing old oil to go to $5.25 from $4.25 a barrel couldn't be justified on economic grounds. Mr. Nader said the $1 boost was unwarranted and costs consumers $2.5 billion to $3 billion a year.

Mr. Sawhill has said he thinks fuel prices, including gasoline, have reached a peak. But some energy office insiders privately predict the average gasoline price might go up another couple of cents in the next few months. According to energy office surveys, the nationwide average retail price for regular gasoline as of May 10 was 53.9 cents a gallon, including an 11.7 cents average for federal and state taxes. Last October, the average retail price for regular, including tax was 39.4 cents. Officials said that any termination of price controls would be done in a gradual approach to minimize its impact.

As for ending the fuel allocation system, jet fuel, propane and residual fuel oil are likely to be the first exempted.

In his recent economic address, President Nixon said the increase in fuel supplies since the end of the Arab oil embargo should permit the government to withdraw from petroleum-allocation, and he directed Mr. Sawhill to give him a plan to do that. Yesterday, in answer to questions after a speech here, Mr. Sawhill said the government would "deallocate to the extent we can" before the expiration of the fuel allocation law mandated by Congress, also next Feb. 28.

Mr. Sawhill added, though, that gasoline allocations would have to continue through this summer, although some products in adequate supply might be phased out of the allocation program soon. He mentioned jet fuel, propane and residual fuel oil, which is heavily used by utilities. Mr. Sawhill said public hearings would be held before allocation of any fuel is ended, indicating that such moves wouldn't become final until at least the end of the summer.

Mr. Sawhill said supplies of residual fuel are high and he didn't foresee any power brownouts this summer, a view in apparent conflict with a recent Federal Power Commission report that said tight fuel supplies for utilities could be a problem. A few utilities recently have been drawing on their inventories rather than purchasing high-priced new fuel supplies and have been notified by the energy office that the agency frowned on such a practice.

Some energy office insiders fear that they mightn't be able legally, or even realistically, to end the fuel-allocation program as President Nixon wants. Some officials think congressional action would be needed to end allocations for certain fuels. They also privately worry that supplies of heating oil might be tight this winter and ending such allocations might be hard to justify.

Energy officials also say that although supplies of most other fuels are in about balance with current demand, because of conservation and the impact of recent price increases, they mightn't remain at adequate levels later this year or next year. Some top administration officials, like budget chief Roy Ash and White House Economic Adviser Herbert Stein, want a quick end to the allocation program. Mr. Sawhill is known to want further study. In public pronouncements he often states the need to maintain allocations to protect the independent sector of the oil industry from losing its share of the market. Protection of the independents was one of the provisions in the mandatory fuel allocation program Congress passed last November.

In another area, Mr. Sawhill yesterday reiterated that the "government clearly must play a more important role" in international agreements between oil companies and oil-producing nations. "The question is what should we do about it," he said, a matter that is being studied within the administration. He said he personally opposes having the government enter into specific price discussions between oil companies and foreign countries, and instead favors requiring the companies to the details of their negotiations with the energy office prior to any final agreements.

By Mr. WILLIAMS (for himself, Mr. JAVITS, and Mr. BENTSEN):

S. 3719. A bill to amend the Urban Mass Transportation Act of 1964 to provide increased assistance for mass transportation systems. Referred to the Committee on Banking, Housing and Urban Affairs.

THE NATIONAL MASS TRANSPORTATION ASSISTANCE ACT

Mr. WILLIAMS. Mr. President, by now it must be self-evident to anyone who has lived through the energy crisis or who realizes that our streets are choked with private cars, that our air is polluted with exhaust fumes and that we may be running out of gasoline that our Nation's mass transportation systems must be improved.

Even before the energy crisis, the need for massive infusions of Federal assistance for mass transportation was obvious. Billions of Federal dollars are necessary if we are to build the new rapid transit systems which our Nation's continually expanding urban areas so badly need, while at the same time preserving our already existing systems which now teeter on the verge of financial insolvency due to ever-increasing operating deficits.

Six national urban centers now have operational rail rapid transit systems—New York, Boston, Philadelphia, Chicago, San Francisco, and Cleveland. These systems must be improved and their services expanded as these cities overflow their traditional boundaries. An additional rail system is currently under construction—in the District of Columbia—and three others—Atlanta, Baltimore, and Pittsburgh—have received Federal grants and are ready to proceed.

Thus, 10 cities of over 1 million in population are now receiving or applying for Federal assistance for equiping or constructing mass transit systems. There are four additional cities—Denver, Miami, Buffalo, and Los Angeles—where efforts are now being made to raise the local share for new rail rapid transit systems, and five others—Detroit, St. Louis, Houston, Dallas, and Tampa—which hope to construct rail systems over the next decade.

Unfortunately, the administration has seen fit to fund the urban mass transit program at a dollar figure of a little over a billion dollars a year. Such a figure will not meet the needs of these cities, much less the rest of our Nation. To make matters worse, the Department of Transportation has, in my opinion, over the past several years undertaken a deliberate policy of discouraging new rail mass transportation systems, the very systems which are most needed if we are to meet the mass transit needs of the 1970's and 1980's.

In addition, as we all know, the issue of operating subsidies is still unresolved, even though our Nation's mass transit systems are now receiving over $600 million a year in support from State and local governments. This has required fare increases for which the harried rider receives no benefits either in improved service or in modern equipment. And these fare increases have, over the years, resulted in decreasing ridership, increased deficits, leading to public takeovers, abandoned transit lines, and entire areas of our Nation without any means of public transportation. If this trend is to be reversed, the issue of Federal operating assistance for urban mass transit must be resolved in a positive manner. Mass transit assistance cannot be limited to capital improvements. As the February 26, 1973, report of the Joint Economic Committee states:

> The arguments for restricting direct mass transportation aid to capital expenses are without basis.
>
> Furthermore, a grant to subsidize capital but not operating expenses encourages wasteful, premature replacement, over-capitalization of technology and inadequate maintenance, which are likely to be extremely costly.

Currently, all but two of our country's commuter rail lines have operating deficits as do one-third of all of bus companies. Over the past decade, the number of municipalities forced to initiate local programs for operating assistance has increased by nearly 400 percent. Operating assistance is essential if we are to bring hope and stability out of the chaos and confusion which now besets our Nation's transit policies. The need is indisputable. And improved urban mass transportation is a national problem which must be solved on a national basis.

In solving the mass transportation crisis on a national basis, the needs of cities of under 50,000 in population must

not be ignored. The senior Senator from West Virginia—Senator RANDOLPH, the chairman of the Committee on Public Works—has over the years been one of our leading advocates for improved urban mass transportation, especially in cities that are not part of the great metropolitan complexes. His work has been invaluable in pointing out the needs of cities of under 50,000 in population—needs which are too often overlooked when we speak about urban mass transportation. As a result of Senator RANDOLPH's work, any national urban mass transportation bill must take special cognizance of these needs and earmark Federal funds for their fulfillment.

Mr. President, because of the urgency of meeting our Nation's commitment to urban mass transportation, I am today introducing legislation which would provide $18 billion in contract authority over a 5-year period of time. This amount of money and the 5-year contract authority provisions will, in my opinion, provide the long-term funding and Federal commitment which is so urgently needed to fulfill our Nation's transit needs.

Under the National Mass Transportation Assistance Act, $12.5 billion would be made available at the rate of $2.5 billion a year for capital grants on an 80–20 Federal-local matching basis to construct and improve rapid rail, light rail, and bus systems throughout our Nation. This money would not only be allocated for the construction and upgrading of rail transportation systems in our larger cities, but would also be available for capital grants to areas where bus service must be improved.

An additional $5 billion would be made available at the rate of $1 billion a year for either operating assistance or minor capital improvements. Under my proposal, the choice would be made at the local level as to whether the community would spend its share of Federal funds for bus replacements, minor capital improvements, or for operating assistance. In other words, a revenue-sharing program—a program which in the past this administration has wholeheartedly espoused. Under this section's provisions, the $1 billion in authorized funds would be distributed by formula to the urbanized areas of each State.

One-half of the total amount would be distributed in accordance with the ratio of the population of the area to the total population of the United States.

One-fourth of the total amount would be governed by the ratio of work trips traveled on the mass transportation system in the urbanized area, to the total number of work trips in all such areas throughout the country.

One-fourth of the total would be distributed according to the ratio of mass transportation vehicle-miles traveled in the urbanized area to the total mass transportation vehicle-miles traveled in all urbanized areas throughout the country.

The Federal share for such grants would not exceed 80 percent of the cost of the project, with the remaining funds being provided by the applicant.

State or local tax revenues which are used for the operation of mass transportation services in the area involved may be credited toward the non-Federal share of the cost of the project.

Finally, one-half billion dollars would be earmarked over the 5-year period at a rate of $100 million a year for non-urban mass transportation on a population basis. And in cognizance of the special needs of our senior citizens, any applicant receiving formula funds under the National Mass Transportation Assistance Act would be required to provide for one-half fares for the elderly during non-peak hours.

Mr. President, in the past, the Federal Government has not hesitated to aid in the development of a variety of forms of transportation—from the construction of the transcontinental railroad to the promotion of the maritime and aviation industries and most recently, the completion of an interstate highway system.

A national interest has been recognized and Federal dollars have been spent. Now there is a great national stake in maintaining, upgrading, expanding, and improving our Nation's mass transportation systems. The issue of mobility and the quality of life afforded the thousands upon thousands of our citizens who must now depend upon urban mass transportation is now at stake.

The U.S. Conference of Mayors, at its recent meeting in San Diego, fully recognized the need for the massive infusion of Federal funds which the National Urban Mass Transportation Assistance Act provides when it adopted the following resolution:

URGENT NEED FOR NEW TRANSPORTATION LEGISLATION

Whereas, the House Rules Committee has delayed indefinitely Congressional action on the Conference Report on S. 386, the Emergency Urban Mass Transportation Assistance Act of 1974; and

Whereas, new Federal legislation to establish a program of operating assistance to maintain and improve mass transportation systems is still urgently needed, particularly because of continued inflation and the energy crisis; and

Whereas, new Federal legislation to comply with the Urban Mass Transportation Assistance Act's requirement for a biennial update of capital assistance authorizations is needed in 1974; and

Whereas, new Federal legislation is needed to provide the opportunity for cities to have a legal right for funds for new fixed guideway transit systems, especially because the Department of Transportation has discouraged and opposed the construction of new fixed guideway transit systems, and has not defined costs and benefits in such a way as to permit optimization of the social, economic, environmental, and energy benefits of new fixed guideway transit systems, thus further contributing to the decline of our nation's cities and disregarding local needs and priorities; and

Whereas, the Congress is now considering several proposals to assist urban mass transportation.

Now, therefore, be it resolved that the United States Conference of Mayors calls upon the Congress to adopt this year a major new mass transportation assistance law that will provide, at a minimum:

(1) A $3.6 billion a year program for at least 5 years for public mass transportation operating and capital expenses;

(2) Direct application by cities or regional transportation operating agencies to the Federal Government, without a state veto;

(3) A guaranteed and adequate level of Federal funding for urbanized areas which recognizes their size, programs, and need. The Secretary of DOT shall include construction and extension of fixed guideway transit systems as projects eligible for funding under this legislation.

Federal grants should be distributed in a fair and equitable manner based upon, but not limited to, previously approved projects that require additional funding, and such other factors as public mass transit usage, commitment of local funds, and relative population of the urbanized area eligible for assistance;

(4) The Federal matching share shall be 80 percent for a capital assistance project, and the Federal matching share shall be 50 percent for an operating assistance project; and

(5) Projects shall be selected by States and cities with transportation responsibilities and shall be in accordance with and consistent with the continuous, comprehensive, and cooperative transportation planning process carried out by the chief elected officials of general purpose local governments through an areawide planning agency under Section 134 of the Federal-Aid Highway Act; such areawide agency shall be constituted by adequate and proportional representation of its constituent members.

Mr. President, in my opinion, the National Urban Mass Transportation Assistance Act fully meets the objectives of the U.S. Conference of Mayors' resolution. It should and must be acted upon at the earliest possible date.

Mr. President, I now ask that the full text of the National Urban Mass Transportation Assistance Act be printed in the RECORD.

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

S. 3719

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Mass Transportation Assistance Act of 1974."

INCREASE IN CAPITAL FEDERAL ASSISTANCE

SEC. 2. Section 3(a) of the Urban Mass Transportation Act of 1964 is amended by striking the second sentence and inserting in lieu thereof the following: "Eligible facilities and equipment should include buses, busways, new rail and other fixed guideway systems, improvements and extensions of rail and other fixed guideway systems, rail and other fixed guideway systems rolling stock, land (but not public highways) and other real and personal property needed for an efficient and coordinated mass transportation system."

AUTHORIZATION

SEC. 3. The first section of 4(c) of the Urban Mass Transportation Act of 1964 is amended by striking out "$6,100,000,000" and inserting in lieu thereof "$15,600,000,000".

TRANSPORTATION PLANNING

SEC. 4. Section 3(a) of the Urban Mass Transportation Act of 1964 is amended—

(1) by inserting "(1)" after "Sec. 3. (a)";

(2) by redesignating clauses (1) and (2) of the third sentence as clauses (A) and (B) respectively;

(3) by striking out the sixth and seventh sentences; and

(4) by adding at the end thereof the following:

"(2) It is declared to be in the national interest to encourage and promote the development of transportation systems, embracing various modes of transport in a manner that will serve the States and local communities efficiently and effectively. To accomplish this objective the Secretary shall cooperate with the States in the development

of long-range plans and programs which are properly coordinated with plans for improvements in other affected forms of transportation and which are formulated with due consideration to their probable effect on the future development of urban areas of more than fifty thousand population. The development of projects in urbanized areas under this section shall be based upon a continuing, cooperative, and comprehensive planning process covering all modes of surface transportation and carried on by the States and the governing bodies of local communities in accordance with this paragraph. The Secretary shall not approve any project in an urbanized area after July 1, 1976, under this section unless he finds that such project is based on a continuing comprehensive transportation planning process carried on in conformance with the objectives stated in this paragraph."

FORMULA GRANT PROGRAM

SEC. 5. (a) The Urban Mass Transportation Act of 1964 is amended by striking out section 5 and inserting in lieu thereof the following new section:

"FORMULA GRANTS

"SEC. 5. (a) (1) The Secretary shall apportion the sums authorized by subsection (b) for apportionment in fiscal years 1975 and 1976 for expenditure in urbanized areas or parts thereof within a State on the basis of a formula under which each urbanized area or part thereof within a State will be entitled to receive an amount equal to the sum of—

"(A) one-half of the total amount so apportioned in the ratio which the population in the urbanized area or parts thereof in each State bears to the total population in all the urbanized areas in all the States as shown by the latest available Federal Census;

"(B) one-fourth of the total amount so apportioned in the ratio which the total mass transportation vehicle miles traveled in such urbanized area or parts thereof in each State bears to the total mass transportation vehicle miles traveled in all the urbanized areas in all the States; and

"(C) one-fourth of the total amount is apportioned in the ratio which the total workers using public transportation to work in the urbanized area bears to the total workers using public transport in all urbanized areas as shown by the latest available Federal Census.

"(a) (2) The Governor, responsible local officials, and public operators of transportation services, with the concurrence of the State and local public bodies providing financial support for transit services, in accordance with the procedures required under section 5(e)(2), shall designate a recipient (designated recipient) to receive and dispense the funds apportioned under paragraph (1) hereof, with the concurrence of the Secretary. Each such designated recipient shall be a State agency or local public body and shall be composed of representatives of the State and duly elected public officials or their designees, and other officials of local governments having jurisdiction in such urbanized areas, except that in any case in which a State agency is responsible under State law for financing, construction, and operation, directly by lease, contract, or otherwise public transportation services, the Secretary shall designate such State agency as the designated recipient to receive and dispense funds apportioned under paragraph (1) above.

"(b) (1) To finance grants under this section, the Secretary shall incur obligations on behalf of the United States in the form of grant agreements or otherwise in aggregate amounts not to exceed $5,000,000,000.

"(2) Sums apportioned to the designated recipient of any urbanized area or to the Governor under subsection (a) (which shall be in addition to any amounts available to finance such activities under section 3 of this Act), shall be available for obligation by the recipient or the Governor for a period of two years after the close of the fiscal year for which such sums are apportioned, and any amounts so apportioned remaining unobligated at the end of such period shall lapse and shall be returned to the Treasury for deposit as miscellaneous receipts.

"(3) There are authorized to be appropriated for liquidation of the obligations incurred under this section $1,000,000,000 prior to July 1, 1975, which amount may be increased to $2,000,000,000 prior to July 1, 1976, $3,000,000,000 prior to July 1, 1977, $4,000,000,000 prior to July 1, 1978, and $5,000,000,000 prior to July 1, 1979.

"(c) (1) The Secretary may approve as a project under this section, on such terms and conditions as he may prescribe, (A) the acquisition, construction and improvement of facilities and equipment for use, by operation or lease or otherwise, in mass transportation service, and (B) the payment of operating expenses to improve or to continue such service by operation, lease, contract or otherwise.

"(2) The Secretary shall issue such regulations as he deems necessary to administer this subsection and subsection (d), including regulations regarding maintenance of effort by States, local governments, and local public bodies, the appropriate definition of operating expenses, and requirements for improving the efficiency of transit services.

"(d) The Federal share payable on account of any project financed with funds made available under this section shall not exceed 80 per centum of the cost of the project. The remainder of the cost of the project shall be provided from sources other than Federal funds. Federal funds available for expenditure for mass transportation projects under this section shall be supplementary to and not in substitution for the average amount of State and local government funds and other revenues expended on the operation of mass transportation service in the area involved for the two fiscal years preceding the fiscal year for which the funds are made available; but nothing in this sentence shall be construed as preventing State or local tax revenues in the area involved from being credited (to the extent necessary) toward the non-Federal share of the cost of the project for purposes of the preceding sentence.

"(e) (1) As soon as practicable after the apportionment pursuant to subsection (a) has been made for any fiscal year, any applicant desiring to avail himself of the benefits of this section shall submit to the Secretary for his approval a program, or programs, of proposed projects for the utilization of the funds authorized. The Secretary shall act upon programs submitted to his as soon as practicable, and he may approve a program in whole or in part.

"(2) It is declared to be in the national interest to encourage and promote the development of transportation systems, embracing various modes of transport in a manner that will serve the States and local communities efficiently and effectively. To accomplish this objective the Secretary shall cooperate with the States in the development of long-range plans and programs which are properly coordinated with plans for improvements in other affected forms of transportation and which are formulated with due consideration to their probable effect on the future development of urban areas of more than fifty thousand population. The development of projects in urbanized areas under this section shall be based upon a continuing, cooperative, and comprehensive planning process covering all modes of surface transportation and carried on by the States and the governing bodies of local communities in accordance with this paragraph. The Secretary shall not approve any project in an urbanized area after July 1, 1976, under this section unless he finds that such project is based on a continuing comprehensive transportation planning process carried on in conformance with the objectives stated in this paragraph.

"(f) (1) The Governor or the designated recipient of the urbanized area shall submit to the Secretary for his approval such surveys, plans, specifications, and estimates for each proposed project as the Secretary may require. The Secretary shall act upon such surveys, plans, specifications, and estimates as soon as practicable after they are submitted, and his approval of any such project shall be deemed a contractual obligation of the Federal Government for the payment of its proportional contribution thereto.

"(2) In approving the plans, specifications, and estimates for any proposed project under this section, the Secretary shall assure that possible adverse economic, social, and environmental effects relating to the proposed project have been fully considered in developing the project, and that the final decisions on the project are made in the best overall public interest, taking into consideration the need for fast, safe, and efficient transportation, public services, and conservation of environment and natural resources, and the costs of eliminating or minimizing any such adverse effects, including—

"(A) air, noise, and water pollution;

"(B) destruction or disruption of manmade and natural resources, esthetic values, commnuity cohesion, and the availability of public facilities and services;

"(C) adverse employment effects, and tax and property value losses;

"(D) injurious displacement of people, businesses, and farms; and

"(E) disruption of desirable community and regional growth.

"(g) Upon submission for approval of a proposed project under this section, the Governor or the designated recipient of the urbanized area shall certify to the Secretary that he or it has conducted public hearings (or has afforded the opportunity for such hearings) and that these hearings included (or were scheduled to include) consideration of the economic and social effects of such projects, its impact on the environment, including requirements under the Clean Air Act, the Federal Water Pollution Control Act, and other applicable Federal environmental statutes, and its consistency with the goals and objectives of such urban planning as has been promulgated by the community. Such certification shall be accompanied by (1) a report which indicates the consideration given to the economic, social, environmental and other effects of the proposed project, including, for construction projects, the effects of its location or design, and the consideration given to the various alternatives which were raised during the hearing or which were otherwise considered, and (2) upon the Secretary's request, a copy of the transcript of the hearings.

"(h) (1) The Secretary may discharge any of his responsibilities under this section with respect to a project under this section upon the request of any Governor or designated recipient of the urbanized area by accepting a certification by the Governor or his designee, or by the designated recipient of the urbanized area, if he finds that such project will be carried out in accordance with State laws, regulations, directives, and standards establishing requirements at least equivalent to those contained in, or issued pursuant to, this section.

"(2) The Secretary shall make a final inspection or review of each such project upon its completion and shall require an adequate report of its estimated and actual cost, as well as such other information as he determines to be necessary.

"(3) The Secretary shall promulgate such

guidelines and regulations as may be necessary to carry out this subsection.

"(4) Acceptance by the Secretary of a certification under this section may be rescinded by the Secretary at any time if, in his opinion, it is necessary to do so.

"(5) Nothing in this section shall affect or discharge any responsibility or obligation of the Secretary under any other Federal law, including the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), section 4 (f) of the Department of Transportation Act (49 U.S.C. 1653(f)), title VI of the Civil Rights Act of 1964 (42 U.S.C. 200(d) et seq.), title VIII of the Act of April 11, 1968 (Public Law 90-284, 42 U.S.C. 3601 et seq.), and the Uniform Relocation Assistance and Land Acquisition Policies Act of 1970 (42 U.S.C. 4601 et seq.).

"(l)(1) As soon as practicable after the plans, specifications, and estimates for a specific project under this section have been approved, the Secretary shall enter into a formal project agreement with the Governor or designated recipient of the urbanized area. Such project agreement shall make provision for non-Federal funds required for the State's or designated recipient's pro rata share of the cost of the project.

"(2) The Secretary may rely upon representations made by the applicant with respect to the arrangements or agreements made by the Governor or the designated recipient where a part of the project involved is to be constructed at the expense of, or in cooperation with, local subdivisions of the State.

"(j)(1) The Secretary may in his discretion, from time to time as the work progresses, make payments to the applicant for costs of construction incurred by him or it on a project. Such payments shall at no time exceed the Federal share of the costs of construction incurred to the date of the voucher covering such payment plus the Federal share of the value of the materials which have been stockpiled in the vicinity of such construction in conformity to plans and specifications for the project. Such payments may also be made in the case of any such materials not in the vicinity of such construction if the Secretary determines that because of required fabrication at an offsite location the materials cannot be stockpiled in such vicinity.

"(2) After completion of a project in accordance with the plans and specifications, and approval of the final voucher by the Secretary, an applicant shall be entitled to payment out of the sums apportioned to him of the unpaid balance of the Federal share payable on account of such project.

"(3) No payment shall be made under this section except for a project covered by a project agreement.

"(4) In making payments pursuant to this section, the Secretary shall be bound by the limitations with respect to the permissible amounts of such payments contained in subsection (d).

"(5) Such payments shall be made to such official or officials or depository as may be designated by the Governor or designated recipient of the urbanized area and authorized under the laws of the State to receive public funds of the State.

"(k) The Secretary shall not approve any project under this section unless he finds that such project is needed to carry out a program, meeting criteria established by him, for a unified or officially coordinated urban transportation system as a part of the comprehensively planned development of the urban area, and is necessary for the sound, economic and desirable development of such area. A project under this section may not be undertaken unless the responsible public officials of the urbanized area in which the project is located have been consulted and, except for projects solely to pay operating expenses, their views considered with respect to the corridor, location, and design of the project.

"(l) The Secreary shall not approve any project under this section unless the applicant agrees and gives satisfactory assurances, in such manner and form as may be required by the Secretary and in accordance with such terms and conditions as the Secretary may prescribe, that the rates charged elderly and handicapped persons during nonpeak hours for transportation utilizing or involving the facilities and equipment of the project financed with assistance under this section will not exceed one-half of the rates generally applicable to other persons, whether the operation of such facilities and equipment is by the applicant or is by another entity under lease or otherwise.

"(m)(1) The provisions of section 13(c) and section 3(e)(4) shall apply in carrying out mass transportation projects under this section.

"(2) The provision of assistance under this section shall not be construed as bringing within the application of Chapter 15 of title 5, United States Code, any nonsupervisory employee of an urban mass transportation system (or of any other agency or entity performing related functions) to whom such chapter is otherwise inapplicable."

(b) Section 4(a) of such Act is amended by striking out "Except as specified in section 5, no" and inserting in lieu thereof "No."

RURAL TRANSIT ASSISTANCE

SEC. 6. (a) The Secretary is authorized to make grants to assist States and their political subdivisions in financing and construction and operation of facilities and equipment for use in providing public mass transportation service in areas not within urbanized areas. Only July 1 of each fiscal year, the Secretary shall apportion the sums authorized to be appropriated for this subsection for such fiscal year among the States in the ratio in which the population of all those areas within this subsection in each State bears to the total population of all such areas in all States, as shown by the latest available Federal Census.

(b) To finance grants under this section, the Secretary is authorized to incur obligations on behalf of the United States in the form of grant agreements or otherwise in an aggregate amount not to exceed $500,000,000.

(c) The Federal grant for any project assisted under this section shall be in an amount not to exceed 80 per centum of the cost of the project. The remainder of the cost of the project cost shall be provided, in cash, from sources other than Federal funds. Such remainder may be provided in whole or in part from other than public sources, and any public or private transit system funds so provided shall be solely from undistributed cash surpluses, replacement or depreciation funds or reserves available in cash, or new capital. No refund or reduction of the remainder of the project cost shall be made at any time unless there is at the same time a refund of a proportional amount of the Federal grant.

DATA AND FINANCIAL REPORTING SYSTEMS

SEC. 7. Section 15 of the Urban Mass Transportation Act of 1964 is amended by striking out the entire section and inserting in lieu thereof the following:

"REPORTING SYSTEM

"SEC. 15. (a) The Secretary shall, by January 10, 1977, develop, test, and prescribe a reporting system to accumulate public mass transportation financial and operating information by uniform categories and a uniform system of accounts and records. Such systems shall be designed to assist in meeting the needs of individual public mass transportation systems, Federal, State, and local governments, and the public for information on which to base planning for public transportation services, and shall contain information appropriate to assist in the making of public sector investment decisions at all levels of government. The Secretary is authorized to develop and test these systems in consultation with interested persons and organizations. The Secretary is authorized to carry out this subsection independently, or by grant or contract (including working arrangments with other Federal, State, or local government agencies). The Secretary is authorized to request and receive such information or data as he deems appropriate from public or private sources.

"(b) After July 1, 1978, the Secretary shall not make any grant under section 5 unless the applicant for such grant and any person or organization to receive benefits directly from that grant are each subject to both the reporting system and the uniform system of accounts and records prescribed under subsection (a) of this section."

ELIGIBILITY OF QUASI-PUBLIC DEVELOPMENT CORPORATIONS

SEC. 8. (a) The first sentence of section 3(a)(1) of the Urban Mass Transportation Act of 1964 is amended by inserting "(A)" after "financing", and by inserting before the period at the end thereof the following: ", and (B) the establishment and organization of public or quasi-public transit corridor development corporations or entities".

(b) Section 3(a) of such Act is amended by inserting after the second sentence the following new sentence: "Eligible facilities and equipment may also include real property including land (but not public highways), within the entire zone affected by the construction and operation of transit improvements, including station sites, needed for an efficient and coordinated mass transportation system which is compatible with socially, economically, and environmentally sound patterns of land use."

COORDINATION OF URBAN MASS TRANSIT PROGRAMS WITH MODEL CITIES PROGRAMS

SEC. 9. Section 103(a) of the Demonstration Cities and Metropolitan Development Act of 1966 is amended—

(1) by redesignating paragraphs (4) and (5) as paragraphs (5) and (6) respectively, and

(2) by inserting after paragraph (3) the following new paragraph:

"(4) any program which includes a transportation component as a project or activity to be undertaken meets the requirements of section 3(e) of the Urban Mass Transportation Act of 1964;".

INVESTIGATION OF SAFETY HAZARDS IN URBAN MASS TRANSPORTATION SYSTEMS

SEC. 10. The Secretary of Transportation shall investigate unsafe conditions in any facility, equipment, or manner of operation financed under the Urban Mass Transportation Act of 1964 which creates a serious hazard of death or injury for the purpose of determining its nature and extent and the means which might best be employed to eliminate or correct it. If the Secretary determines that such facility, equipment, or manner of operation is unsafe, he shall require the State or local public body or agency to submit to the Secretary a plan for correcting the unsafe facility, equipment, or manner of operation, and the Secretary may withhold further financial assistance to the applicant until such plan is approved or implemented.

FARES FOR ELDERLY AND HANDICAPPED PERSONS

SEC. 11. Nothing contained in this title shall require the charging of fares to elderly and handicapped persons.

TITLE II—FARE-FREE MASS TRANSPORTATION DEMONSTRATIONS

SEC. 201. The Secretary of Transportation (hereinafter referred to as the "Secretary")

shall enter into such contracts or other arrangements as may be necessary for research and the development, establishment, and operation of demonstration projects to determine the feasibility of fare-free urban mass transportation systems.

SEC. 202. Federal grants or payments for the purpose of assisting such projects shall cover not to exceed 80 per centum of the cost of the project involved, including operating costs and the amortization of capital costs for any fiscal year for which such contract or other arrangement is in effect.

SEC. 203. The Secretary shall select cities or metropolitan areas for such projects in accordance with the following:

(1) to the extent practicable, such cities or metropolitan areas shall have a failing or nonexistent or marginally profitable transit system, a decaying central city, automobile-caused air pollution problems, and an immobile central city population;

(2) several projects should be selected from cities or metropolitan areas of differing sizes and populations;

(3) a high level of innovative service must be provided including the provision of cross-town and other transportation service to the extent necessary for central city residents and others to reach employment, shopping, and recreation; and

(4) to the extent practicable, projects utilizing different modes of mass transportation shall be approved.

SEC. 204. The Secretary shall study fare-free systems assisted pursuant to this title, and other financially assisted urban mass transportation systems providing reduced fares for the purpose of determining the following:

(1) the effects of such systems on (A) vehicle traffic and attendant air pollution, congestion, and noise, (B) the mobility of urban residents, and (C) the economic viability of central city business;

(2) the mode of mass transportation that can best meet the desired objectives;

(3) the extent to which frivolous ridership increases as a result of reduced fare or fare-free systems;

(4) the extent to which the need for urban highways might be reduced as a result of reduced fare or fare-free systems; and

(5) the best means of financing reduced fare or fare-free transportation on a continuing basis.

SEC. 205. The Secretary shall make annual reports to the Congress on the information gathered pursuant to section 204 of this title and shall make a final report of his finding, including any recommendations he might have to implement such findings, not later than June 30, 1976.

SEC. 206. In carrying out the provisions of this title, the Secretary shall provide advisory participation by interested State and local government authorities, mass transportation systems management personnel, employee representatives, mass transportation riders, and any other persons that he may deem necessary or appropriate.

SEC. 207. There are hereby authorized to be appropriated not to exceed $20,000,000 for each of the fiscal years ending on June 30, 1975, and June 30, 1976, respectively, to carry out the provisions of this title.

Mr. JAVITS. Mr. President, I am pleased to join with the Senator from New Jersey on introduction of this critically important legislation to aid the Nation's urban and rural areas in the development, improvement, and operation of their mass transit systems. We in the Senate have been attempting for over 3 years now to authorize Federal aid to urban mass transit. Yet despite Senate passage of several measures to achieve this necessary goal, barriers have prevented enactment of any legislation. I believe that we have now come up with a bill that meets all reasonable objections, that provides the needed assistance in a fair and equitable manner, that will not be inflationary, and that will immediately begin the process of improving our Nation's mass transportation systems.

We are at a critical juncture for mass transit in this country which urgently needs the planning and funding provided by this bill. Any further delay will exacerbate the financial crises now being faced by mass transit systems throughout the country causing deterioration of service, rising of fares, and consequent declines in ridership. Such a trend will only lead to a worsening of fuel shortages and environmental degradation which have already reached near disaster proportions. If we are to stem this tide, achieve any measure of energy independence in the near term, and meet the air quality standards of the Clean Air Act, this measure must be enacted in this session of Congress.

This bill takes as its starting point the best aspects of the conference report on S. 386, the Emergency Commuter Relief Act, which was recently tabled in the House Rules Committee, thus precluding any consideration of it by the House. The bill also recognizes the President's views on this important issue, as well as the needs of the Nation's Governors and mayors.

The bill is fair to every urban area that needs emergency assistance as well as those cities that are only beginning to develop mass transit systems. The funding would be available immediately and would be spread over a 5-year period so that cities could plan and implement major improvements to their existing systems. The Federal share, which is 80 percent, would be apportioned on a formula basis carefully designed to incorporate the administration's position and fair to all. The formula is one-half based on the population of the urbanized area, one-fourth based on transit miles ratio, and one-fourth based on the worker ridership ratio. It would be illogical and unfair to allocate operating assistance on a purely population basis. Operating aid is most needed by those cities that are operating—that is, cities that have large mass transit systems that are now in need of Federal help. It would plainly be unfair to distribute operating assistance in a way that gives twice or more the Federal subsidy to riders in a city with a small system than to riders in an area with a large and well-established mass transit operation. Thus any objection that this bill helps the big cities is precisely correct; it helps all cities that need Federal aid to maintain, improve, and expand their mass transit systems.

But the bill goes further. It provides one-half billion dollars in grant assistance to rural areas in the construction and operation of mass transportation services. This funding, as it should be, is apportioned on a population formula basis. The Federal share, as it is for the urban areas, is 80 percent.

Mr. President, my State, as do others with large metropolitan areas, desperately needs the assistance provided for in this bill. Although some may be content to wait, New York cannot. Not only does New York City need assistance, but the other cities of New York just as clearly must receive Federal assistance if their mass transportation operations are to survive. Buffalo, Rochester, Syracuse, and Albany have mass transit systems that will lose riders and that will have to raise fares if no assistance is forthcoming. Moreover, these cities cannot possibly afford, even with substantial help from the State, to make improvements to and expansions of their existing systems. As the mass transit alternative becomes less appealing, the only choice left for our urban residents is the private automobile. This can only lead to prolongation if not worsening of the gasoline shortages experienced last winter, with continued dependence upon imported oil for greater and greater percentages of our fuel requirements. The consequences for our cities' air is equally bleak if efforts are not begun now to turn urban Americans away from their cars and into mass transit. Even with the emission control equipment presently on all new automobiles, and planned for future cars, the growth in vehicle miles is so great that the air quality in our cities has steadily worsened. Transportation control plans, which are the key element in implementation of Federal air quality standards, are merely pies in the sky if mass transit does not improve and expand. The importance of this bill, to both of these urgent goals, cannot be overestimated.

I commend Senator WILLIAMS for his able and continuing leadership on this crucial issue. I hope that the members of the Committee on Banking, Housing and Urban Affairs will again demonstrate their concern by acting on this measure at the earliest practical time. I trust that when brought to the Senate floor, my colleagues will support this measure as they have supported mass transit legislation in the past. Time is of the essence, and I urge my fellow Senators to rally behind this bill so that it can begin the long process of mass transit improvement this year.

Mr. BENTSEN. Mr. President, I am pleased today to join with my colleague from New Jersey, Senator WILLIAMS, in cosponsoring the National Mass Transportation Assistance Act of 1974. On June 7, I introduced, after nationwide hearings, my own bill, S. 3601, the Urban Public Transportation Assistance Act. The bill I introduced represented, in my view, a distillation of the best views my Transportation Subcommittee received during 3 months of hearings on urban transit.

Although the bill introduced by Senator WILLIAMS differs, in several significant ways, from my own bill, it too represents a serious commitment of national resources to urban public transportation. It is my belief that the bills are not too far apart for us to reach an acceptable accommodation.

I am joining the Williams bill, because I believe that it is urgent that Congress enact transit legislation this year. The most effective way to reach that goal is to have the various Senators interested in the passage of the legislation working together to come up with the best possible

bill. I stand ready to cooperate with the Senator from New Jersey and to work on a blending of our two bills in a final measure that will be feasible, fair to the cities and States, and consistent with my efforts to protect the cities that do not have elaborate transit systems as well as those that have moved aggressively with local funds to develop comprehensive transit services.

In my view, no bill can be ultimately successful in either House of Congress, unless it recognizes that effective transit service is a nationwide problem, which requires a national approach. That will be my goal in our discussion.

I commend Senator WILLIAMS for his efforts in this matter, and I believe his action, along with the introduction of my bill, significantly improves the chances for the passage of a major transit bill during this session of Congress.

By Mr. JACKSON (for himself and Mr. HASKELL):

S. 3720. A bill to authorize the allocation of supplies of materials and equipment associated with the production of energy supplies. Referred to the Committee on Interior and Insular Affairs.

ENERGY MATERIALS AND EQUIPMENT ALLOCATION ACT

Mr. JACKSON. Mr. President, for the next few years, demand for energy will exceed available supplies by a considerable amount. There is a need to increase domestic energy production and to diminish projected gaps between supply and demand. Some contend that higher prices are needed to elicit these additional supplies. But Mr. President, this is not the case. Petroleum and coal prices have been climbing steadily and are now at all-time highs. Although the administration and the industry continue to advocate the need for higher prices, they also now concede that domestic production is not being constrained by economic considerations. Rather production is being limited by shortages of equipment and material such as tubular goods, drill pipe, casings, roofbolts, and other materials.

According to the testimony of John Sawhill, Administrator of the Federal Energy Office, at his confirmation hearing, these shortages are largely the result of stockpiling by the majors, and of increased exports. A study done by FEO on this problem determined that:

On average, as of December 1, 1973, the stockpiles of the 22 largest oil companies were 30 percent greater than their monthly average since January 1, 1972. Further, eight of these companies hold 74 percent of the inventory. The effect of this maldistribution of available supplies is compounded by the fact that the majority of drilling activity is performed by the independent operators.

Also, exports of oil country tubular goods in 1973 rose 47 percent to 168,000 tons, the highest level in 15 years.

Mr. President, unless stockpiling of oil country tubular goods can be controlled, independent producers will be unable to obtain the necessary equipment for drilling and production. Exploration activity is likely to be diminished, while needed equipment lies inactive in inventory. This is not a situation we can tolerate if we are to move toward energy self-sufficiency. I therefore am introducing a bill today which would allow the President to allocate scare materials essential to energy production. This legislation is discretionary, but it does provide needed authority which does not now exist. In dealing with present material shortages, the FEO is now restricted to jawboning as a means of effecting materials redistribution. To date, this has not proved to be very effective. Surveys conducted by both the Independent Petroleum Association of America and the Federal Energy Office, indicate that severe distribution problems still exist with regard to oil country tubular goods and other such products.

Mr. President, I ask unanimous consent that the text of the bill and the two studies referred to be printed in the RECORD at this point.

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

S. 3720

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

SEC. 101. Congressional Findings.

The Congress hereby finds that:

(a) There are acute spot shortages of oil country tubular goods and other materials essential to the expansion of our domestic energy industries.

(b) Shortages are largely the result of stockpiling by major oil producers and increased exports.

(c) The independent producers, who do most of the drilling in this country, have experienced the most severe materials shortages, with inventories available to them more than 60% below last year's levels, while the stockpiles of many major companies are 30% greater than last year.

(d) These shortages of materials are a threat not only to competition within the energy industry, but also to the achievement of our national goal of energy self sufficiency.

SEC. 102. Purposes.

The purpose of this Act is to grant to the President of the United States temporary authority to deal with shortages of materials and equipment essential to energy production. The authority granted under this Act may be exercised for the purpose of maximizing domestic energy production, and minimizing the adverse impact of materials shortages on the independent sector of the industry, and the domestic economy.

SEC. 103. The first clause of section 4(b)(1) of the Emergency Petroleum Allocation Act of 1973 is amended to read as follows:

"(b)(1) The regulation under subsection (a) and any regulation promulgated under subsection (h), to the maximum extent practicable, shall provide for—"

SEC. 104. Section 4 of the Emergency Petroleum Allocation Act is amended by adding at the end thereof a new subsection:

"(h)(1) Beginning 60 days after the date of enactment of this Act, the President may in accord with the purposes of this Act by regulation require the allocation of supplies of materials and equipment necessary, and essential to the expeditious and orderly development of new domestic energy supplies, if he makes the findings required by paragraph (3) of this subsection.

"(2) Not later than 30 days after the date of enactment of this Act the President shall report to the Congress with respect to the manner in which the authorities contained in paragraph (1) will be administered. This report shall include but not be limited to the manner in which allocations will be made, the procedure for requests and appeals, the criteria for determining priorities as between competing requests, and the office or agency which will administer such authorities.

"(3) The authority granted in this subsection may not be used unless the Administrator finds that—

"(A) such supplies are scarce, critical, and essential to maintain or further exploration production, refining, and required transportation of energy supplies and for the construction and maintenance of energy facilities; and

"(B) maintenance or furtherance of exploration, production, refining, and required transportation of energy supplies and the construction and maintenance of energy facilities cannot reasonably be accomplished without exercising the authority specified in paragraph (1) of this subsection."

SEC. 105. Section 6(c)(3) of the Emergency Petroleum Allocation Act of 1973 is amended by adding the phrase "or section 4(h)" after the phrase "section 4(a)".

REPORT OF THE IPAA SPECIAL MATERIALS COMMITTEE APRIL 2, 1974

I. INTRODUCTION

The first meeting of the Materials Committee was held in Dallas, Texas, on March 13, 1974 to study the requirements, supplies, inventories and distribution of materials and equipment needed to support the continued expansion of U.S. exploratory and development drilling now underway and thereby increase domestic supplies of crude oil and natural gas. The committee considered rig availability, oil country tubular goods, manpower and price controls on materials.

The Commerce Department and the Federal Energy Office (FEO), in conjunction with the Cost of Living Council, released in January 1974 the results of a survey of oil country tubular goods which included information on mill shipments, inventories, distribution and anticipated sales and use in 1974 covering 18 steel producers, the 22 largest oil companies, and 26 major distributors. This preliminary investigation pointed out that tubular goods shortages are real to the independent operators, in particular, and to some of the major oil companies as a result of higher than normal inventory of tubular goods by some of the major companies. The effect of this maldistribution of available supplies is compounded by the fact that the majority of drilling activity is performed by the independent operators who drill some 80 percent of all wells in the United States*, with a somewhat lower percentage of total footage and use of tubular goods.

II. SCOPE OF COMMITTEE REPORT

The National Petroleum Council's Committee on Emergency Preparedness, in response to a request from Stephen A. Wakefield, Assistant Secretary, United States Department of the Interior, for Energy and Minerals Resources, has appointed a Subcommittee on Materials and Manpower Requirements for Exploration, Drilling and Production. The Council study will assess the availability of materials, manpower and equipment necessary for the exploration, drilling and production of oil during the next three years. It would deal with shortages of materials, manpower or equipment needed for these tasks and will indicate the probable limitation on drilling activities, the duration and causes of such shortages, together with any possible measures to alleviate them. The anticipated completion date for the NPC final report is August 1974.

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*Petroleum Information, Denver, Colorado—Survey of 1972 Drilling in the United States.

In view of this planned comprehensive study by the National Petroleum Council which has the experience and expertise to study all aspects of the materials, manpower and equipment needs of the petroleum industry, it was concluded that the IPAA Materials Committee limit the scope of the committee study and analysis to the immediate problem of oil country tubular goods needed in the next twelve months—through April 1975. While there are many problems in obtaining various equipment and materials, such as line pipe, the committee agreed to limit its initial study to the most critical problem—oil country tubular goods (casing, tubing and drill pipe).

III. BASIC ASSUMPTION

While the committee is aware of proposed changse in U.S. tax laws and the possibility of lower oil prices, for purposes of this report economic incentives were assumed to be adequate to support the increased levels of drilling set forth herein.

IV. RIGS

The availability of drilling rigs is a key factor in the potential for increased drilling activity. The surge in U.S. drilling activity, as measured by rotary rigs activity, began last May and has continued to increase over year earlier levels as shown on the attached chart. Despite problems in obtaining oil country tubular goods, the number of rotary drilling rigs actually drilling footage, as reported by Hughes Tool Company, increased to a high of 1,440 rigs in the week ending December 24, 1973, an increase of 184 rigs or 15 percent over the same period in 1972. However, due to a poor first half, the annual average of rotary rig activity for 1973 was only 1,194 rigs. Rigs active to date in 1974—through March 25—have averaged 1,365, an increase of 217 rigs or 19 percent over the same period in 1973.

The Reed Roller Bit Company Annual Rig Census in 1973 reports a total of 1,767 rigs including 294 stacked and 1,473 rigs "active". Rig utilization, computed from dividing rigs making hole (Hughes Tool) by total "active" rigs (Reed), can never be 100 percent due to move time, rigging up and rigging down, repair, etc. *Drilling Magazine* states the overall optimum utilization is probably around 80–85 percent. The experience in 1973 tends to bear out this rig utilization factor since the Hughes Tool rotary rig average of 1,194 rigs actually drilling footage is 81 percent of the "active" rig count of 1,473 reported in the Reed Rig Census.

The number of stacked rigs reported in the Reed Rig Census has declined steadily from 551 in 1971 to 294 in 1973 and further reductions are no doubt taking place in the sellers market for rotary rigs. Using the Reed Census total of 1,767 total rigs and a rig utilization factor of 82 percent would indicate that some 1,450 rigs could, on the average, be making hole during the next twelve months through April 1975. The validity of 1,450 available rotary rigs making hole on the average is strengthened by the fact that 1,440 rotary rigs were, in fact, drilling hole in the latter part of December 1973. For purposes of this report, therefore, the committee is using 1,450 rotary rigs running on the average as a basis for determining tubular goods requirements during the next twelve months.

It is important to realize that utilization of 1,450 rotary rigs is possible only if independent operators have access to the needed supplies of tubular goods since they drill some 80 percent of total wells drilled.

V. TUBULAR STEEL REQUIREMENTS

Annual total footage divided by the number of rotary rigs actually drilling footage results in an annual average of footage drilled per rig. For example, in 1973 a total of almost 139 million feet of hole was drilled by the 1,194 average rigs running during the year or an average of 116,363 feet drilled per rig per year.

Oil country tubular goods shipments for domestic use average 11 tons per 1,000 feet drilled during the past three years.

During the next twelve months utilization of 1,450 rigs would result in about 169 million feet of hole and 1.86 million tons of oil country tubular goods using a factor of 116,363 feet of hole per rig per year as was the case during 1973 and tubular goods requirements of 11 tons per 1,000 feet of hole, the experience of the last three years.

VI. TUBULAR STEEL SUPPLY

Information available to the committee indicates that the capacity of U.S. mills for production of oil country tubular goods is 2.1 million tons. The American Iron and Steel Institute reports that total mill shipments during 1973 totalled 1,736,000 tons. The tonnage available for domestic use was 1,708,000 tons since 168,000 tons of mill shipments were exported and 140,000 tons of carbon casing was imported during 1973.

The projected requirement for 1.86 million tons of oil country tubular goods during the next twelve months is attainable if mill production and shipments are maximized and net exports of tubular steel are not dramatically increased over 1973 volumes. Most important, however, for the forthcoming twelve months is the need for all mill shipments to be used in drilling wells without the stockpiling in inventories as was the case in 1973.

Significant gains in footage per ton of steel can be attained from shifts to lighter weight per foot casing. The Committee believes that an opposite trend has developed with reduced mill production, for example, of 4½" K–55 casing weighing 9.5 pounds per foot. One ton of steel used to make 4½" K–55 casing weighing 9.5 pounds per foot instead of 10.5 pounds per foot results in an additional 20 feet of casing per ton or an increase of 10.5 percent. It seems logical that a lack of profitability to the steel mills under present price controls has caused this counter-productive trend.

VII. INVENTORIES

During 1973, the customary practice of keeping downstream inventories of tubular goods in local storage points and supply houses in the field was virtually eliminated. Higher than normal inventories of tubular goods by some of the major companies have resulted. As pointed out in the FEO Fact Sheet on Oil Country Tubular Steel (attached), "On average, as of December 1, 1973, the stockpiles (tubular goods) of the 22 largest oil companies were 30 percent greater than their monthly average since January 1, 1972. Further, eight of these companies hold 74 percent of the inventory." The Fact Sheet also noted that, "Historically, the independent operators, and to some extent major companies, have depended on stocks held by the manufacturers and distributors. The inventories held in these sources as of December 1, 1973 were more than 60 percent below the average monthly volumes held between January, 1972 and October 1973. Under the extreme buying pressures being currently experienced, these inventories are believed to have diminished even more since that time. Further, any existing inventory is probably committed. The total supply channel appears to have undergone a rapid change to a system whereby material is available only on a steel mill order basis. An order placed now by a consumer either with the mill or, more normally, through a distributor, will not be completed for some nine to twelve months."

The build-up in inventories of oil country tubular goods in 1973 is documented by a comparison of footage drilled in 1973 relative to domestic supply of oil country goods. A total of 1,708,000 tons of oil country goods was available for U.S. drilling in 1973 and footage drilled was 139 million feet, or an average of 12.3 tons per 1,000 feet. This ratio is substantially above the 9.4 tons in 1972; 11.4 tons in 1971 and 9.3 tons per 1,000 feet drilled in 1970. The higher tons shipped per 1,000 feet in 1973 is a clear indicator of significant additions to inventories.

The situation exists, therefore, where supply and demand of tubular goods is in approximate balance, but where a considerable portion of the oil industry is unable to obtain deliveries of pipe to drill wells. The committee is of the opinion that men of good faith of the steel industry, the government, and both the major and independent sectors of the oil industry, can resolve this distribution problem without formal government allocations.

It is proposed that steel mills and distributors go back into the downstream inventory business for the purpose of supplying those who have an immediate need to use pipe in wells. Each supply company would maintain set-aside inventories in local areas. An oil company ready to drill a well would submit to his supplier a copy of his drilling contractor's commitment to provide a rig, a copy of his approved application to drill, and an order for the casing and tubing necessary for the drilling of the well. The local supplier would then furnish a written commitment to the operator for the casing required for the well, and a bill immediately payable for a certain percentage of the casing and tubing so ordered, with this money to be retained by the supply company as an inventory charge whether the operator's well was successful or not. If a commercial producing well results, the production string of casing and tubing would be provided. If the well is dry, the reserved casing and tubing would be released back to the local inventory for the use of others. There should also be a contractual agreement by the operator and supplier that if the successful well is salvaged in less than six months, that such salvage shall be offered back to the supplier at a certain discount.

It is the committee's opinion that the above suggestion would materially assist those now unable to obtain necessary tubular goods, would more equitably distribute current mill shipments, would eliminate costly delays at the casing point stage of drilling wells, would give the supply companies incentive to provide downstream warehousing, would discourage operators from multiple ordering of tubular goods, and would avoid anti-trust violations, since each company would be maintaining its own inventories.

The committee believes that the Federal Energy Office should act as a catalyst to get the above plan underway rather than impose formal government controls. It has to be assumed that most of the mill shipments for 1974 are already committed to various oil companies at the present time, hence, without voluntary agreement for delayed delivery between the steel mill and the oil company with a confirmed order for delivery in 1974, there are no tubular goods available for these suggested supply company downstream inventories.

Only the government agencies involved know which oil companies have unusually large inventories, and while this committee has no quarrel with those companies with sufficient capital and foresight to stockpile tubular goods, we believe it should be the function of the FEO to use its good offices to arrange postponement of deliveries of new pipe to the stockpiling companies until downstream inventories can become established.

VIII. TUBULAR GOODS PRICES

The Cost of Living Council's price regulations on oil country steel are adversely affecting the supply of tubular goods. For

example, second hand pipe in the field, when available, is commanding a price substantially higher than the regulated price of new pipe. It appears significant also that exports of oil country tubular goods in 1973 rose 47 percent to 168,000 tons, the highest level in fifteen years. The increased export tonnage would indicate that current foreign prices for tubular goods are more attractive than those permitted in the domestic market under CLC price controls. CLC price regulations on oil country tubular goods are an impediment to attainment of maximum rig activity and subsequent additional petroleum supplies. It is urged, therefore, that as requested in the attached letter, oil country tubular goods be exempted from price regulations, as has already been done for oil field machinery, so that the market place can function to bring forth the needed supplies of casing, tubing and drill pipe.

CONCLUSIONS AND RECOMMENDATIONS

The energy crisis makes it a matter of first priority to maximize domestic production of crude oil and natural gas. The greatest potential for accomplishing this goal in the immediate future lies in expanding exploration and development in the onshore areas of the lower 48 states where independent producers dominate drilling activity.

To this end, it is attainable and urgent that an average of about 1,450 rotary rigs be drilling during the coming 12 months—an increase of more than 20 percent over the average rigs running in 1973.

This expansion of activity will require adequate economic incentives and access to the needed equipment, materials and manpower. The most pressing need is to insure the availability of the necessary supplies of oil country tubular goods (casing, tubing and drill pipe). Therefore, it is recommended that the IPAA request and urge the Federal Energy Office to:

A. Establish a voluntary program to encourage steel mills to:

(1) maximize production of oil country tubular goods, (2) maximize casing footage per ton and (3) reestablish inventories of oil country tubular goods in local areas along the lines suggested in this report for use only by those who have immediate need to use pipe in wells being drilled.

B. Urge the Cost of Living Council to remove price controls from oil country tubular goods.

TOTAL U.S. SUPPLY OF TUBULAR GOODS—RIG ACTIVITY—AND FOOTAGE DRILLED, 1968-73

	1968	1969	1970	1971	1972	1973
Tubular goods (thousand tons):						
Mill shipments	1,483	1,400	1,307	1,404	1,277	1,736
Less exports	−95	−95	−88	−82	−114	−168
Plus imports	115	126	103	147	142	140
Total U.S. supply	1,503	1,431	1,322	1,469	1,305	1,708
Rotary rigs running[1]	1,171	1,195	1,028	976	1,107	1,194
Wells drilled	32,194	34,053	29,467	27,300	28,755	27,602
Footage drilled (thousand feet)	149,288	160,949	142,431	128,335	138,286	138,938
Tons OCTG per thousand feet	10.1	8.9	9.3	11.4	9.4	12.3
Average depth of wells	4,536	4,726	4,834	4,701	4,809	5,034
Footage drilled per rig	127,488	134,685	138,552	131,491	124,920	116,363
Total rotary rigs[2]	2,111	2,060	1,898	1,859	1,768	1,767
Stacked rigs	603	411	567	551	387	294
Active rigs	1,508	1,649	1,331	1,308	1,381	1,473

[1] Number of rigs actually drilling footage.
[2] Excludes rigs not capable of drilling over 3,000 ft.

Source: American Iron & Steel Institute, tubular goods shipments, exports and imports; Hughes Tool Co., rotary rigs running; American Petroleum Institute, wells and footage drilled and average depth; Reed Roller Bit Survey, total rotary rigs, stacked rigs, active rigs.

[From Federal Energy Office, Public Affairs]

FACT SHEET—OIL COUNTRY TUBULAR STEEL

In recent weeks numerous reports have circulated of shortages of steel tubular goods. The uncertainties created by such reports appear to be a major deterrent to maintenance and expansion of our domestic petroleum exploration and development effort. A joint study team from the Commerce Department, the Cost of Living Council, and the Federal Energy Office has completed a preliminary investigation into these reports. William E. Simon, Federal Energy Administrator, revealed the results of the survey today.

The study team's investigation revealed that in terms of total tonnage of oil country tubular goods, the supply in 1974 should meet the projected industry demand.

Government and industry experts project that drilling will be expanded in 1974 to 156 million feet total, which will require an estimated 1.75 million tons of oil country tubular goods. Manufacturers have scheduled production of 1.85 million tons. The above demand figure is restrained by the availability of oil drilling rigs. If adequate rigs were available, the demand for tubular goods to meet industry's desired drilling program, or even to sustain the current level of production, would be significantly greater.

Although supply-demand is in balance, in terms of total steel tonnage, there could be specific shortages in individual types, weights, grades and sizes of tubular goods.

The study also revealed that shortages are real to the independent operators, in particular, and to some of the major oil companies as a result of higher than normal inventory of tubular goods by some of the major companies. On overage, as of December 1, 1973, the stockpiles of the 22 largest oil companies were 30 percent greater than their monthly average since January 1, 1972. Further, eight of these companies hold 74 percent of the inventory. The effect of this maldistribution of available supplies is compounded by the fact that the majority of drilling activity is performed by the independent operators. Historically, the independent operators, and to some extent major companies, have depended on stocks held by the manufacturers and distributors.

The inventories held in these sources as of December 1, 1973 were more than 60 percent below the average monthly volumes held between January, 1972 and October, 1973. Under the extreme buying pressures being currently experienced, these inventories are believed to have diminished even more since that time. Further, any existing inventory is probably committed. The total supply channel appears to have undergone a rapid change to a system whereby material is available only on a steel mill order basis. An order placed now by a consumer either with the mill or, more normally, through a distributor will not be completed for some nine to twelve months.

The study further revealed that, although U.S. exports of tubular goods did significantly increase in 1973, the export total was only about 10 percent of U.S. production. Until 1973, these exports were more than offset by imports to the U.S. The exports are largely to the foreign operations of American companies; consequently, in some measure they do contribute to the U.S. supply of petroleum.

Mr. Simon emphasized that the overall positive results of this study should serve to quell immediate buying pressure and apparent excessive stockpiling and unnecessary forward buying practices. The joint task force will continue its investigation and will develop recommendations to correct the current maldistribution.

The survey covered steel producers, the 22 largest oil companies, and 26 major distributors. Conducted under the Defense Production Act, the survey included information on inventories, capacity, past practices, and anticipated sales and use.

In addition to its work to correct the tubular goods distribution situation, the survey team has begun to look into the problem of oil development limitations due to a short supply of drilling rigs, associated services and manpower.

By Mr. GRAVEL:

S. 3721. A bill to provide that an individual who has attained age 65 will not be required to pay the social security tax on his first $2,400 of wages and self-employment income. Referred to the Committee on Finance.

Mr. GRAVEL. Mr. President, today I am introducing a bill to provide that an individual who has attained age 65 will not be required to pay the social security tax on his first $2,400 of wages and self-employment income. Adoption of such a provision would reflect this country's concerned efforts to insure that our senior citizens are able to meet the rising cost of living.

This attempt to aid the elderly in overcoming the staggering burden of inflation is a reflection of my belief that the burden of taxes imposed upon citizens should reflect their taxpaying ability.

Low income in retirement is the most serious problem confronting the elderly today. Those in our society who are elderly, poor, or geographically isolated, traditionally live at a disadvantage with respect to the American mainstream. It has become apparent that those factors which place them at a disadvantage contribute further to the impact the present cost of living has placed upon them.

Compounded by the fact that a high proportion of the aged are also poor, we have witnessed their having to cope with cutbacks in signficant older American programs; increased health care costs; rising unemployment; proposed cost increases under medicare; and little relief from the 8.8 percent inflation.

We need no further proof that present programs do not do enough. We need no further evidence of the tremendous hardships the elderly must endure. What is needed now is a genuine national effort to improve and expand all previous attempts at alleviating this dismal situation. And that is what this proposed legislation is designed to do.

It is believed that service to the elderly, especially the minority and low-income elderly, will greatly strain our

country's administrative and budget resources. For the most part, effective administrative services are minimal at best and display a tragic insensitivity at worst.

In Alaska, a State with the youngest median age in the nation, the elderly have often been overlooked. This was made clear to me in responses recently received from a senior citizens questionnaire. Responding to an inquiry concerning their financial needs, the senior citizens replied with a candor that reflected more their meager needs than flagrant wants. Wanting no more than what is necessary to exist, we cannot continue to deprive our elderly the means by which to live free of poverty and despair.

Twentieth century America has made phrases such as "growing old gracefully" a cruel mockery in terms of the present situation. The majority of our Nation's 21.3 million persons 65 years of age and older worry more about being able to afford food than they do the "graceful progression of years." It is our responsibility to insure that old age be a period of health, happiness and productivity; a time to live rather than linger, a time to enjoy rather than exist.

My plan to provide financial assistance to our senior citizens is encouraging in theory, but we must ask ourselves when the theories will cease and become a reality. We can no longer tolerate the neglect and poverty that our elderly citizens are forced to endure. The time has come to begin implementing the policies and programs which will give senior citizens the comfort and respect they so richly deserve.

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

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

S. 3721

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3101 of the Internal Revenue Code of 1954 (relating to rate of tax on employees under the Federal Insurance Contributions Act) is amended by adding at the end thereof the following new subsection:

"(c) For purposes of subsections (a) and (b) of this section, the amount of the wages received by an individual in or after the calendar year in which he attains (or would except for his death, attain) age 65 shall be deemed to be reduced by an amount equal to $2,400 or, if less, an amount equal to the amount of such wages (as determined without regard to this subsection)."

(b) Section 1401 of such Code (relating to rate of tax on self-employment income under the Self-Employment Contributions Act) is amended by adding at the end thereof the following new subsection:

"(c) (1) For purposes of subsection (a) and (b) of this section, the amount of the self-employment income of an individual for the taxable year in which he attains age 65, and for any taxable year thereafter, shall (subject to paragraph (2)) be deemed to be reduced by an amount equal to $2,400, or, if less, to wages of such individual received during the taxable year, or an amount of the amount of such self-employment income (as determined without regard to this subsection).

"(2) If, for any taxable year the aggregate of the deemed reduction applicable to an individual's self-employment income (as determined under paragraph (1)) and the deemed reduction applicable to such individual's wages (as determined under section 3101(c)) is in excess of $2,400, or, if less, the aggregate of such individual's self-employment income (as determined without regard to this subsection) and such individual's wages (as determined under section 3121(b), but without regard to section 3101(c)) then the amount deemed reduction (as determined under paragraph (1)) shall be reduced by an amount equal to the amount of such excess."

(c) The amendment made by subsection (a) shall be applicable only to wages received after December 31, 1974, and the amendment made by subsection (b) shall be applicable only to self-employment income for taxable years beginning after such date.

SEC. 2. (a) (1) Section 201(a) of the Social Security Act is amended by inserting, immediately after the third sentence thereof, the following new sentence: "For purposes of the preceding sentence, the amount of the taxes imposed by section 3101(a) of the Internal Revenue Code of 1954 shall be determined without regard to section 3101(c) of such Code, and the amount of the taxes imposed by section 1401(a) of such Code shall be determined without regard to section 1401(c) of such Code."

(2) The first sentence of section 201(g)(2) of such Act is amended by inserting "(and as determined without regard to section 3101(c) of such Code)" immediately after "section 3101(a)".

(c) (1) Section 1817(a) of such Act is amended by inserting, immediately after the third sentence thereof, the following new sentence: "For purposes of the preceding sentence, the amount of the taxes imposed by section 3101(b) of the Internal Revenue Code of 1954 shall be determined without regard to section 3101(c) of such Code, and the amount of the taxes imposed by section 1401(b) of such Code shall be determined without regard to section 1401(c) of such Code."

(2) The first sentence of section 1817(f)(1) of such Act is amended by inserting "(and as determined without regard to section 1401(c) of such Code)" immediately after "section 3101(b)".

By Mr. DOMENICI (for himself and Mr. HUMPHREY):

S. 3722. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for certain expenses incurred for installation of solar heating and cooling systems. Referred to the Committee on Finance.

Mr. DOMENICI. Mr. President, today the full committee of Senate Resolution 45, the National Fuels and Energy Study Group of which I am a member, held hearings on a bill sponsored by our distinguished colleague from Minnesota, Mr. HUMPHREY. The testimony received today was most enlightening and, more important, showed a new desre to seriously increase the scope of our solar energy program. As I brought out in my testimony today, I am concerned that we initiate programs to encourage the private sector to implement the technology developed under our present solar energy programs. I am firmly convinced that we have reached the stage where the private homeowner should be offered incentives that would allow him to meet this additional cost of implemeting solar heating and cooling units. The Secretary of Housing and Urban Development has already undertaken the project of determining performance criteria that would be suitable for solar heating and cooling units.

I am, therefore, introducing a bill that would allow the private homeowner to deduct from his capital account the cost of installation and equipment purchase over a period of 60 months up to $5,000. Recent figures indicated that the average colonial home in Baltimore, Md., using present solar heating technology would receive 60 percent of the energy required to comfortably heat it. Using the same home, that presently requires 24 barrels of No. 2 heating oil per year for heating purposes, you can readily see the beneficial effect of utlizing such a supplemental source of energy.

I have received numerous requests from individuals who desire to install solar heating and cooling equipment, but because of the cost factors have been unable to do so. It would, therefore, be desirable to allow a tax incentive to encourage individuals to install solar heating and cooling equipment.

I am hopeful my colleagues will join with me in sponsoring this new incentive that would allow any individual to utilize our present solar technology.

By Mr. HART:

S. 3723. A bill to regulate commerce by discouraging needless depletion of natural resources and by encouraging resource recovery and reuse through programs and incentives for recycling and for converting waste into usable energy, and for other purposes. Referred to the Committee on Public Works, by unanimous consent.

Mr. HART. Mr. President, I introduce a bill, entitled the "Resource Conservation and Energy Recovery Act of 1974," and ask unanimous consent that it be referred to the Committee on Public Works. The bill is identical to the bill which was reported on March 19 from the Subcommittee on the Environment of the Committee on Commerce to the full committee. The Commerce Committee has held a number of executive sessions on the subcommittee-reported bill and will continue to mark up the legislation on July 12. Quite a number of amendments will be offered by members of the committee at that time and at any subsequent markup sessions which may be held. By introducing the bill without such amendments I do not mean to indicate the disposition which the Commerce Committee will reach on such amendments.

My sole purpose in introducing the subcommittee-reported bill at this time and in asking for its referral to the Committee on Public Works is to insure that when that committee holds its hearings after the recess on legislation concerning recycling and solid waste, it will have before it proposals which were endorsed by the Subcommittee on the Environment.

The lines of jurisdiction in this area between the Committees on Public Works and Commerce are not clearly drawn and I hope will be more clearly defined by the two committees in the near future. In asking for unanimous consent to refer the bill I introduce today to the Committee on Public Works, I do

not mean to prejudge the ultimate disposition of this jurisdictional question or to take any position on where the bill would be referred in the absence of such unanimous consent.

Mr. President, I also ask unanimous consent that the text of the bill be printed in full at this point in the RECORD.

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

S. 3723

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act, divided into sections according to the following table of contents, may be cited as the "Resource Conservation and Energy Recovery Act of 1974".

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DECLARATION OF POLICY

SEC. 2. (a) FINDINGS.—The Congress finds that the shortage of petroleum products and other energy sources during the winter of 1973–74 has dramatized the fact that the Nation no longer possesses an overabundance of the natural resources necessary for commerce, public welfare, and the national defense. In the future, greater attention must be paid to and greater emphasis must be placed on recovering and reusing resources currently disposed of as waste in order to minimize the depletion of remaining virgin natural resources.

(b) PURPOSES.—It is therefore declared to be the purpose of the Congress in this Act to—

(1) promote, through economic incentives and minimum standards, the use of materials and products that can be used again through recovery, reuse, and recycling, and to discourage the unnecessary use and depletion of virgin natural resource materials;

(2) prohibit transportation rates which discriminate against recovery materials in favor of virgin materials;

(3) change, with respect to the Federal Government, (A) its procurement practices to encourage the use of reclaimed materials and minimize the unnecessary purchase of virgin materials; and (B) its disposal practices to maximize the use of facilities for the recovery of energy and other resources from waste;

(4) encourage the recovery of energy and other resources from waste through loan guarantees, construction grants, and support of research and development projects;

(5) protect human health and the Nation's natural resources by identifying and establishing national standards for product composition and for the treatment and disposal of hazardous waste; and

(6) enable consumers to contribute to resource conservation by establishing a National Commission to formulate a practical and convenient national disposal costs system which would internalize waste disposal costs and thus permit consumers to make rational value comparisons among competing products on the basis of total costs, including disposal cost.

DEFINITIONS

SEC. 3. As used in this Act, unless otherwise defined in this Act—

(1) "Administrator" means the Administrator of the Environmental Protection Agency;

(2) "commerce" means commerce among the several States or with foreign nations or in any State or between any State and foreign nation;

(3) "Commission" means the National Commission on Environmental Costs, established under section 16 of this Act;

(4) "demonstration" means the planning, design, construction, operation, and maintenance of any program or facility for waste management, the recovery of energy or other resources from waste for the purpose of examining the technical and economic feasibility of such program or facility;

(5) "disposal cost" means the economic cost (measured in dollars per standard unit of measure) of collecting, transporting to a treatment facility, storing, and processing solid, liquid, and semisolid waste in the waste disposal systems in the United States;

(6) "disposal site" means location where final disposal of waste occurs;

(7) "environment" includes water, air, land, all living things therein, and the interrelationships which exist among these inanimate and animate things;

(8) "Federal agency" means any department, agency, or other instrumentality within the executive branch of the Federal Government; any independent agency or establishment of the Federal Goverment including any government corporation; and any establishment in the legislative or judicial branch of the Federal Government other than the Senate or the House of Representatives;

(9) "final disposal" means the discharge, deposit, or injection into subsurface strata or excavations or the ultimate disposition on land, water, or in the atmosphere of any waste remaining following any treatment, resource recovery, or energy recovery;

(10) "generation" means the act or process of producing waste;

(11) "hazardous waste" means any waste or combination of wastes which pose a substantial present or potential hazard to human health or the environment because such waste or wastes are nondegradable or persistent in nature; can be biologically magnified; can be lethal; or may otherwise cause or tend to cause detrimental and cumulative effects.

(12) "person" includes a governmental entity;

(13) "pilot plant" means any small-scale experimental facility constructed for the purpose of investigating or testing the technological feasibility of a new energy recovery or resource recovery technology;

(14) "procurement item" means any device, good, substance, material, products, or other item which is the subject of any purchase, barter, or other exchange made to procure such item;

(15) "procuring agency" means any Federal agency; any State agency or agency of a political subdivision of a State which is using Federal funds; or any person contracting with any such agency with respect to work performed under such contract;

(16) "product" means any article, device, item, material, or other substance or any part thereof which is manufactured or produced for distribution or sale in commerce to any person for any presonal, household, or business use other than use as material in the manufacture or production of, or as a component part of, another such substance; and any container or packaging material which is used in the distribution or sale in commerce of any such substance;

(17) "reclaimed material" means any material which has been collected or recovered from waste for a commercial purpose following end usage as a product;

(18) "recycled material" means any material which has been collected or recovered from waste for a commercial purpose whether or not such collection or recovery follows end usage as a product;

(19) "recycled research" means any investigation which attempts to advance the state of the art with respect to methods and technologies for energy recovery and resource recovery from waste and which is likely to lead to the establishment of a pilot plant or demonstration within a reasonable period of time;

(20) "recyclable", means capable of being and likely to be recovered from waste for a commercial purpose;

(21) "reusable", means capable of being and likely to be reintroduced into commerce for purposes of distribution, sale, or use without any substantial treatment, alteration, or change other than sanitary cleansing;

(22) "State" means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa;

(23) "storage" means the interim containment of waste after generation and prior to final disposal. If any such containment lasts 2 years or more, it shall be considered final disposal rather than storage of waste;

(24) "transport" means the movement of waste from the point of generation through any intermediate transfer points to the point of treatment, storage, recovery, or final disposal:

(25) "treatment" means any activity or processing designed to change the physical form or the chemical composition of waste so as to render it nonhazardous, less hazardous, safer for transport, or recoverable;

(26) "treatment facility" means a location at which waste is subjected to treatment. The term may include a facility where waste has been generated;

(27) "unsafe waste management practice" means any aspect of waste management or any method used in any waste disposal system which poses an unreasonable present or potential hazard to human health or the environment;

(28) "virgin natural resource material" or "virgin material" means a raw material, including, but not limited to, previously unused copper, aluminum, lead, zinc, iron, or other metal or metal ore, or new or virgin textile material which has useful physical or chemical properties which exist, unused, in nature;

(29) "waste" means any discarded, disposed, unused, or otherwise unusable solid, liquid, or semisolid material or materials. The term shall not include any source material, special nuclear material, or byproduct material subject to regulation or control under the Atomic Energy Act of 1954 (42 U.S.C. 2011 et seq.);

(30) "waste disposal system" means a system for the collection, storage, transport, treatment, utilization, processing, or final disposal of waste, including its conversion into energy or recycled materials; and

(31) "waste management" means the systematic control of the generation, collection, processing, recycling, recovery, or final disstorage, transport, treatment, utilization, posal of waste.

TRANSPORTATION RATES FOR RECOVERED MATERIALS

SEC. 4. (a) RATE POLICY.—The Interstate Commerce Commission shall, by the earliest practicable date, make such changes in the rates charged by common carriers subject to its jurisdiction as are necessary or appropriate to promote the movement by such carriers of recycled materials, at the lowest possible lawful rates compatible with the maintenance of adequate transportation service: *Provided*, That no investigation or proceeding resulting from the enactment of this section shall be permitted to delay the decision of cases now pending before such Commission involving rates for the transportation of recovered materials, but such cases shall be decided in accordance with this section.

(b) INTERVENTION.—The Administrator shall take such steps as are necessary to insure that the directives of this section are carried out as expeditiously as possible. The Administrator is authorized, in the discharge of such responsibility, to initiate and intervene in proceedings before the Commission, and shall have such standing in such proceedings and with respect to commencing or participating in any appeal from any agency action by the Commission, as is necessary or appropriate in the discharge of such responsibility. Attorneys appointed by the Administrator may appear for and represent him.

(c) UNREASONABLE AND DISCRIMINATORY RATES.—(1) In addition to all other obligations imposed by law, the Commission shall not approve, authorize, or allow any carrier subject to its jurisdiction to put into effect any rate or charge increase for the transportation of any recovered material if such rate or charge increase is unjustly discriminatory or, in the case of movements in interstate commerce, unreasonable by comparison with any such increase or any existing rate or charge by such carrier for the transportation of any virgin material which competes with such recovered material.

(2) In addition to all other obligations imposed by law, it shall be unlawful for (A) any common carrier by rail, water, or motor vehicle subject to financial regulation under the Interstate Commerce Act (49 U.S.C. 1 et seq.) or the Shipping Act of 1916 (46 U.S.C. 801 et seq.); (B) any group, conference, or association of such carriers; or (C) any officer or agent thereof, to demand, charge or collect any rate or charge, schedule of rates or charges, classification or tariff for the transportation of any recovered material if such rate, charge, schedule, classification, or tariff is unjustly discriminatory or, in the case of movements in interstate commerce, unreasonable by comparison with any rate or rate charge, schedule of rates or charges, classification or tariff already on file, filed, charged, or demanded by it for the transportation of a virgin material which competes with such recovered material.

(d) COMPLAINTS.—Any interested person may file a complaint with the Commission alleging that rates, charges, or tariffs or proposed rate increases for the transportation of any recycled material subject to its regulatory jurisdiction are unjustly discriminatory or, in the case of movements in interstate commerce, unreasonable. Upon the filing of any such complaint, other than one determined by the Commission to be frivolous, the Commission shall forward a copy thereof to any carrier whose rates or proposed rate increases are challenged, and such carrier shall be given a reasonable opportunity to answer such allegations in writing. The Commission shall thereupon investigate and, after a public hearing, make a determination. If such rates, charges, tariffs, or proposed rate increases are found to be unjustly discriminatory or, in the case of movements in interstate commerce, unreasonable, the Commission shall issue an appropriate order which effectively cancels such rates, charges, or tariffs or denies such rate increases, or which modifies or alters them to the extent necessary to correct any such unjust discrimination or, in the case of movements in interstate commerce, unreasonableness. The respondents shall be ordered to comply with any such ruling.

(e) PROCEEDINGS.—(1) In any proceeding under this section, the carriers whose existing or proposed rates are under investigation shall establish by a preponderance of the evidence on the record, subject to cross-examination, that such rates are, where applicable, reasonable, or nondiscriminatory.

(2) The Commission shall make specific findings based upon appropriate references to the record with respect to all determinations made by it in accordance with this section. If the Commission wishes to rely on its own experts, such experts shall introduce all their evidence in the record, subject to cross-examination.

(3) With respect to determinations required under this section, any facts or conclusions offered in evidence by any government agency which has specific expertise in a relevant matter such as functional equivalence, substitutability, or environmental impact and the degree thereof, shall be presumed to be true unless rebutted by a preponderance of the evidence.

(4) The Commission shall give full preference to the hearing and decision of such questions and shall decide them as speedily as possible. In any such case, the Commission may by subpena compel the attendance of witnesses and the production of books, papers, documents, and such other evidence as may be required. Attendance of witnesses and production of evidence in response to subpena may be required from any place in the United States to any designated place of hearing. Persons acting under subpena, except employees of the Commission, shall be entitled to the same fees and mileage as are paid for appearances in the courts of the United States. Obedience to any such subpena shall, on application of the Commission, be enforced by any appropriate district court of the United States. In any such proceeding, depositons, written interrogatories, and other discovery procedures shall be available to any party thereto, to the extent practicable, in conformity with the rules applicable to civil proceedings in the district courts of the United States.

(f) REVIEW.—Orders issued by the Commission pursuant to this section shall be subject to judicial review or enforcement by any appropriate court of the United States in accordance with the provisions of the Interstate Commerce Act (49 U.S.C. 1 et seq.) and the Shipping Act of 1916 (46 U.S.C. 801 et. seq.).

(g) PRESUMPTION.—For purposes of this section, a recovered material which is functionally or technically equivalent to or substitutable for, in an industrial or manufacturing process, including an energy recovery or resource recovery process, a virgin natural resource material shall be presumed to be competitive with such virgin material unless this presumption is rebutted by a preponderance of the evidence.

(h) DEFINITIONS.—As used in this section, "the Commission" means, to the extent of applicable jurisdiction, the Interstate Commerce Commission or the Federal Maritime Commission or both.

(i) REGULATION.—The Commission is authorized to prescribe such regulations as may be necessary to carry out the provisions and purposes of this section.

(j) PENALTIES.—Any person who violates subsection (c)(2) of this section shall be subject to a civil penalty of not more than $5,000 for each such violation. Such penalty may be remitted or mitigated upon such terms as the Commission deems consistent with the purposes of this section.

(k) STUDIES.—(1) The Interstate Commerce Commission and the Federal Maritime Commission, in consultation with the Secretary of Transportation and the Administrator, shall undertake studies, to be completed within 2 years of the date of enactment of this Act, of the need and feasibility of establishing a transportation rate policy for all recoverable materials based only on the type, size, and kind of transportation equipment used, the characteristics of movement, services, and facilities provided, and the weight and/or volume of the shipment. Such studies shall investigate all significant factors relevant to the need and feasibility of such a rate policy including, but not limited to—

(A) the current transportation rates for recovered materials which can be substituted for raw materials and the contributions of such rates to carrier revenues;

(B) the similarities or differences between transportation costs for raw materials and competing recycled materials;

(C) the percentage movement, past and prospective, or recycled materials by various modes of transportation;

(D) the effects of rate changes on the past or prospective movement of recycled materials;

(E) the need for changes in transportation service to promote the movement of recycled materials and the impact of such changes or shipper utilization of service including (i) the impact of rates for single and multiple movements at competitive intermodal rates for all distances which can be served properly by water, motor, and rail carrier meeting the long run marginal cost for that movement; (ii) the impact of regularity of service allowances which reflect the rate of utilization of services provided; (iii) the impact of service charges and allowances which reflect the peak and off-peak nature of transportation movements and their relationship to traffic patterns; (iv) equipment changes which would make it possible in all instances for shippers or receivers to furnish their own equipment if they so desire; and

(F) the level of rates that should be paid to support service improvement.

(2) The Interstate Commerce Commission and the Federal Maritime Commission, in consultation with the Secretary of Transportation and the Administrator, shall conduct a study and investigation to be completed within three years of the date of the enactment of this Act, of the extent to which the transportation rate structure of recycled materials is unjustly discriminatory or, in the case of interstate commerce, unreasonable. In the conduct of such study and investigation, the Commission shall review the significant rates which are components of such rate structure. Such study shall investigate all relevant factors including, but not limited to—

(A) the impact of present rates on the movement of recycled materials;

(B) the probable impact of changes in present rates on the movement of recovered materials;

(C) the probable impact of increased movements of recycled materials on the amount of waste which must be ultimately disposed of and the depletion of virgin natural resources in the United States;

(D) the substitutability of recycled materials for raw materials in the production process and the impact of substituting recycled materials for raw materials in that process; and

(E) the extent of competition between raw materials and recycled materials which can be substituted for such raw materials in the production process.

To the extent that such rate structure or rates are found to be unjustly discriminatory or, in the case of interstate commerce, unreasonable, the Commission shall alter or modify such rates to correct such unjust

discrimination or, in the case of interstate commerce, unreasonableness.

(3) Upon completion of such studies, the Interstate Commerce Commission and the Federal Maritime Commission shall each submit a report to the Congress detailing the results of their respective studies and setting forth, in addition to their findings under paragraphs (1) and (2) of this subsection, (A) the effect on the environment of transportation rates for and treatment of recycled materials; (B) any changes in such rates and treatment that would improve environmental quality; (C) any such changes that would reduce depletion of the Nation's virgin natural resources; and (D) any recommendations for legislation necessary or appropriate to implement the findings and report.

(1) RESEARCH AND DEMONSTRATION.—The Interstate Commerce Commission, the Federal Maritime Commission, and the Secretary of Transportation shall establish a research, development, and demonstration program which shall be coordinated by such Secretary. Such program shall develop and improve transport terminal operations, transport service characteristics, transport equipment, and collection and processing methods for the purpose of facilitating the competitive and efficient transportation of recycled materials.

RECLAIMED MATERIALS PREFERENCE

SEC. 5. (a) GENERAL.—A procuring agency shall comply with the requirements set forth in this section and any regulations issued under this section, with respect to any purchase or acquisition of any property having a fair market value of $5,000 or more and with respect to any purchase or acquisition on a recurring or continuing basis of the same or a functionally equivalent material, product, or item where the fair market value of the quantity thereof purchased or acquired in the course of the preceding fiscal year was $5,000 or more.

(b) REQUIREMENTS.—(1) With respect to procurement items purchased through advertisements for bids, no procurement shall be made of any such item unless it is, by comparison with competing items offered for sale by suppliers, composed of the greatest percentage of reclaimed materials and is, to the greatest extent, recyclable or reusable following the use for which it is designed or used, whenever a significant difference exists between such item and competing items with respect to such characteristics.

(2) The requirements of paragraph (1) of this section shall not apply to any procurement by a procuring agency if the procurement item which meets such requirements and regulations (A) is not reasonably available within a reasonable period of time; (B) does not meet reasonable performance standards set by such agency; (C) is only available at a price which unreasonably exceeds the current market price for competing items; or in any situation in which such procuring agency for good cause finds that such requirements are impracticable, unnecessary, or contrary to the public interest.

(3) Each procuring agency shall make its own determinations and findings with respect to the characteristics of procurement items and competing items and the question of compliance with the requirements of this section. The Secretary of Commerce, through the National Bureau of Standards, and the Administrator shall assist any procuring agency in making any such determinations or findings upon request in writing from such agency. In case of any dispute between a procuring agency and a prospective supplier with respect to any such determination or findings, the dispute shall be arbitrated by a board consisting of the Comptroller General of the United States, the Director of the Office of Management and Budget, and the Administrator, or their duly designated representatives. Any decision of such board shall be final and binding on the parties.

(4) Each prospective supplier shall disclose such information to procuring agencies as is necessary to enable such agencies to comply with the requirements of this section.

(c) GUIDELINES.—The Administrator, after consultation with the Administrator of General Services and the Public Printer, shall prepare, and from time to time revise, guidelines for the use of procuring agencies in the implementation of the requirements of this section. Such guidelines shall set forth recommended practices with respect to the procurement of reclaimed, recyclable, and reusable materials and items containing such materials and shall provide information as to the availability, sources of supply, and potential uses of such materials and items.

(d) OTHER STANDARDS.—In addition to the foregoing, each procuring agency shall be subject to all applicable standards promulgated under section 7 of this Act with respect to all procurement items purchased or acquired by it.

RECOVERY FACILITIES PREFERENCE

SEC. 6. (a) GENERAL.—A procuring agency shall, to the maximum extent practicable, manage or arrange for the management of waste generated by it in a waste-management facility which maximizes resource and energy recovery.

(b) OTHER REQUIREMENTS.—In addition to the foregoing, each procuring agency (and any other Federal agency or facility) shall be subject to the requirements of section 8 of this Act with respect to all waste generated, transported, stored, or finally disposed of by it.

MINIMIZATION OF NEEDLESS AND DANGEROUS WASTE

SEC. 7. (a) GENERAL.—As soon and as often as is feasible, the Administrator shall promulgate, and from time to time revise, standards regulating the manufacture and distribution of certain products in commerce to the extent necessary to protect human health and the environment against unreasonable burdens or risks associated with the disposal of such products or to prevent the unreasonable depletion of any virgin natural resource. Such a standard may be promulgated, by regulation and only upon a finding by the Administrator that (1) regulations issued under the Clean Air Act (42 U.S.C. 1857) the Federal Water Pollution Control Act (33 U.S.C. 466), or section 8 of this Act cannot protect as effectively against such burdens or risks; or (2) a standard is necessary or appropriate to prevent unreasonable depletion of a virgin natural resource. Such a standard may (A) prohibit or suspend the manufacture, distribution, or sale of a product in commerce; (B) restrict the manner in which a product may be distributed, sold, or utilized in commerce; (C) declare that a product, to be distributed or sold in commerce, must contain a specified percentage of reclaimed, recovered, reusable, or recyclable materials; (D) declare that a product, to be distributed or sold in commerce, must not contain more than a specified quantity of identified component materials which are determined to produce adverse effects upon disposal; or (E) any combination of the foregoing. The promulgation of any standard under this section shall be considered a major Federal action significantly affecting the quality of the human environment within the meaning of section 102(2)(c) of the National Environment Policy Act of 1969, and the provisions of such section 102(2)(c) and all other sections of such Act shall apply to each such action.

(b) SEIZURE.—(1) The Administrator, or upon his request the Attorney General, may initiate an action in an appropriate district court of the United States against any product which constitutes an imminent hazard as described in section 20(d) of this Act or against any product which is manufactured, distributed, sold, or utilized in violation of a standard promulgated under subsection (a) of this section or a finding made under subsection (c)(1) of this section for seizure and condemnation of such product.

(2) In any such action, such product may be proceeded against by process of libel for its seizure and condemnation within any judicial district in which it is found. Proceedings and cases shall conform as nearly as possible to proceedings in rem in admirality.

(3) Upon the entry of an order of seizure and condemnation under this subsection, the product against which such order is entered shall be disposed of by destruction or sale under the supervision of an officer of the court, or it shall be released to its owner, or a designated responsible person who intervened in the proceeding as a claimant, to be destroyed or brought into compliance with applicable requirements under the supervision of a duly authorized agent of the Administrator. Any such sale shall be conducted in accordance with the provisions of this subsection and the laws of the jurisdiction in which the sale is conducted. The proceeds of such sale, minus expenses of sale and costs, shall be paid to the United States for deposit in the Treasury as "miscellaneous receipts". No such product shall be released until the owner or designated responsible person has paid to the court all costs incurred and has executed a good and sufficient bond payable to the United States conditioned upon a commitment that (A) the product will be destroyed or brought into compliance with applicable requirements pursuant to the terms of such order and the provisions of this paragraph; (B) the product will not be sold or disposed of contrary to the provisions of the order, this Act and regulations thereunder, and the laws of the involved State; and (C) payment will be made promptly to the Administrator of reasonable and appropriate supervision fees, according to a schedule of such fees to be established by the Administrator. As used in this paragraph, "costs" means, where applicable, court costs and fees, moving and storage expenses, testing and examination costs, and any other expenses incurred in seizing and safeguarding such property.

(c) EXPORTS AND IMPORTS.—(1) A product intended solely for export and not sold for purposes other than resale in any State is exempt from regulations and standards issued under this section, except that no product may be exported if the Administrator finds that such product will, upon final disposal following export and use, directly or indirectly pose an unreasonable threat to the health of humans within the United States or to the environment of the United States. The Administrator, with the cooperation of the Secretary of State, shall furnish a notice of the information in his possession, with respect to a product and applicable standards, and shall make available at cost any such information requested, to the government of any foreign nation to which an identified product or class of products is or may be exported, where such product is covered by a standard promulgated under subsection (a) of this section but is exempted from the application of such standard by this paragraph.

(2) The Secretary of the Treasury shall refuse entry into the United States, or admission for delivery of any product offered for entry, which fails to conform with an applicable standard promulgated under subsection (a) of this section. Such Secretary shall notify the consignee of such product of such refusal of entry together with the reason therefor. The Secretary of the Treasury (A) shall cause the disposal or storage (in accordance with such regulations as he may prescribe) of such product if it is not returned to its nation of origin or transported to any other foreign nation within 3 months after such notification of the consignee; or (B) may deliver such product to the con-

signee pending examination and final decision if such consignee (i) executes a bond payable to the United States in a face amount equal to the full invoice value of such product and any duty thereon; and (ii) agrees that the full amount of such bond shall be forfeited if he refuses to return such property to the custody of such Secretary upon demand. All charges for storage, cartage, and labor on any product refused admission for delivery under this paragraph shall be paid by the owner or consignee thereof and, until payment, shall constitute a lien against any other products imported by such owner or consignee.

(d) STATE AUTHORITY.—(1) If the Administrator has promulgated a standard under subsection (a) of this section or made a finding under subsection (c)(1) of this section with respect to a product, no State or local government may impose requirements which are different therefrom.

(2) The Administrator may by regulation, upon the petition of any State or local government or at his own initiative, exempt State and local governments from the prohibitions of paragraph (1) of this subsection with respect to any State or local requirement which is more stringent than the corresponding Federal requirement, if such exemption will not, through difficulties in marketing, distribution, or other factors, result in placing an unreasonable burden upon commerce.

UNSAFE WASTE MANAGEMENT PRACTICES

SEC. 8. (a) GENERAL.—As soon as feasible, but no later than 18 months after the date of enactment of this Act, after consultation with appropriate Federal agencies, the Administrator shall issue, and may from time to time thereafter modify, final regulations establishing (1) standards for the regulation and elimination of unsafe waste management practices, in accordance with subsection (b) of this section; (2) permit requirements for certain generators of hazardous waste and operators of waste treatment or disposal sites or facilities, in accordance with subsection (c) of this section; and (3) standards for State programs designed to regulate and eliminate unsafe waste management practices, in accordance with subsection (d) of this section.

(b) STANDARDS.—(1) Regulations issued under subsection (a)(1) of this section shall include minimum performance standards with respect to the methods, techniques, and practices of waste management which are reasonably necessary or appropriate to protect human health and the environment against risks associated with unsafe management of wastes. Such standards shall specify, but shall not be limited to, acceptable criteria for the location, design, construction, and operation and maintenance of waste treatment and disposal sites and facilities, including, where appropriate, specifications that such sites and facilities be constructed or operated by regional authorities consisting of more than one State or political subdivision. Such standards shall take into account the nature of the waste and shall provide the maximum feasible protection for human health and the environment.

(2) In developing such standards, the Administrator shall consider all factors relevant to protection of human health and the environment, including the likelihood and extent of contamination of ground or surface waters; the likelihood and extent of air pollution; any potential hazards to transportation modes or facilities; the relationship of disposal site and facility locations to potential risks and hazards resulting from decomposition of waste; risk of surface and subsurface fires at disposal sites and facilities; and any other matters affecting human health or the environment arising out of or in the course of waste management.

(3) No regulation shall be issued under subsection (a)(1) of this section for the purpose of controlling any effluent or emission unless the Administrator finds that such effluent or emission cannot be as effectively controlled by the Clean Air Act, as amended, or the Federal Water Pollution Control Act, as amended.

(c) PERMITS.—(1) Regulations issued under subsection (a)(2) of this section shall mandate that a person obtain from the State and retain a generator's or operator's permit, in accordance with the applicable requirements of this subsection, if such person is a generator of a significant amount of hazardous waste, as determined by regulation by the Administrator, or if such person is an operator of a waste treatment or disposal site or facility which is of such a nature or character as to pose significant risks to human health or the environment, as determined by regulation by the Administrator.

(2) A person shall not qualify for, obtain, or retain a generator's permit unless he (A) maintains daily records which indicate the amount and nature of all hazardous waste generated and the treatment, treatment facilities, and disposal sites used in the disposition thereof; (B) labels conspicuously all containers in which such hazardous waste is stored on property owned by the generator or in which it is transported to any disposal site; (C) meets or exceeds all applicable standards set forth in regulations issued under subsection (b) of this section and all applicable State standards for the regulation and elimination of unsafe waste management practices; (D) except where the destination is property owned by the generator, transports hazardous waste only to waste treatment or disposal sites facilities which have qualified for and been granted a waste disposal permit; (E) submits an annual report to the applicable permit-granting authority, on a form prepared with the approval of the Administrator; (F) submits to inspection of records and operations to determine compliance with permit requirements in accordance with section 18(b) of this Act; (G) complies with any special conditions imposed by the permit-granting authority; and (H) operates consistently with any applicable State comprehensive plan developed under section 10 of this Act.

(3) A person shall not qualify for, obtain, or retain an operator's permit unless he (A) meets or exceeds all applicable standards set forth in regulations issued under subsection (b) of this section and all applicable State standards for the regulation and elimination of unsafe waste management practices; and (B) refuses to accept for treatment or disposal waste which is labeled or containerized in violation of applicable standards if he knows or reasonably should have known such waste to be so labeled or containerized.

(d) PROGRAM STANDARDS.—Regulations issued under subsection (a)(3) of this section shall mandate that, at a minimum, an acceptable State program for the regulation and elimination of unsafe waste management practices shall require that—

(1) any person in the State generating hazardous waste or operating a waste treatment or disposal site or facility in the State shall obtain from the State a generator's or operator's permit where such a permit is required by subsection (b) of this section and regulations issued thereunder. Such a permit shall not be issued, and if issued shall be suspended or revoked, if a person fails to comply with any applicable requirement under subsection (b) or (c) of this section or any applicable State requirement for the regulation and elimination of unsafe waste management practices. The State shall conduct a sufficient number of inspections annually to insure full compliance with such permit requirements;

(2) all persons generating, transporting, treating, disposing, or otherwise managing wastes within the State meet or exceed any State or Federal standard or requirement with respect to the regulation and elimination of unsafe waste management practices (including any State requirement needed to implement Federal requirements under this section); and

(3) State authority with respect to the regulation and elimination of unsafe waste management practices resides in an agency or agencies which (A) are responsive to the needs of human health and the environment; (B) are authorized to exercise and do exercise adequate regulatory authority; (C) are authorized and adequately staffed to conduct comprehensive and detailed investigations into any aspect of unsafe waste management practices; (D) establish and enforce adequately regulations, practices, and provisions which are consistent with the provisions of and the regulations under this Act; and (E) make provision for public participation, including notice and opportunity for a public hearing prior to the issuance of any generator's or operator's permit.

(e) EFFECT ON STATE LAWS.—(1) Nothing contained in this Act shall be construed to prevent any State or local government from imposing any requirements or standards which are more stringent than those imposed under the provisions of this section.

(2) No State or local government shall impose, with respect to waste originating in any other jurisdiction, any requirements with respect to transport, storage, or final disposal which are more stringent than the requirements applicable to waste originating within the area of its own jurisdiction or which discriminate in any other way against waste originating within any other jurisdiction.

STATE PROGRAMS

SEC. 9. (a) GENERAL.—Within 18 months after the issuance of final regulations under section 8 of this Act, and in accordance with such regulations and such section, each State shall develop a program for the regulation and elimination of unsafe waste management practices. Such program shall be submitted to the Administrator for approval, and upon approval shall go into effect. If any State fails to develop or submit such a program to the Administrator, or if it fails, within a reasonable time, to make such revisions in the program developed and submitted as the Administrator determines to be necessary, the Administrator shall issue regulations establishing an interim program for such State. Ninety days thereafter such interim program shall go into effect in such State, except that the Administrator may extend such effective date for cause. If the Administrator determines, following his approval of a State program, that revisions or corrections therein are needed to comply with additions to or revisions in Federal program standards, or that such program is not being adequately administered or enforced, he shall notify the affected State and request corrective action within a reasonable time certain. If such corrective action is not taken timely, the Administrator is authorized to withdraw his prior approval of such program and proceed as if such State had failed to submit a program for approval. If, at any time after an interim program is established or in effect in a State, the Administrator makes a determination that such State has developed and submitted to him an adequate program, including any revisions determined by him to be necessary and any requested corrective action, the Administrator shall authorize such State program to go into effect and the interim program to cease to be in effect on the earliest feasible designated date.

(b) REVIEW.—(1) The Administrator shall periodically, but not less than once every 3 years, review each State program which has

been approved under this section to determine whether it remains in accordance with applicable regulations and requirements and to evaluate its effectiveness.

(2) The Administrator shall report to the Congress and the President simultaneously each year the results of each review conducted under this subsection, including any recommendations for additional Federal activity or legislation.

(c) ASSISTANCE.—(1) The Administrator shall from time to time render financial and other assistance to the several States for the purpose of assisting such States to develop, implement, and enforce State programs for the regulation and elimination of unsafe waste management practices. Such assistance shall be rendered on the basis of the State's population and the extent to which it has unique waste management problems which require special attention: *Provided*, That no such payment shall be greater than 75 per centum of the total cost of developing, implementing, and enforcing such program.

(2) The Administrator is authorized to terminate any assistance under this Act to any State upon a determination that such State is not meeting the requirements of this section and that there is no reasonable basis for such noncompliance.

COMPREHENSIVE STATE PLANS

SEC. 10 (a) GUIDELINES.—The Administrator shall consult with regional, State, and local government agencies and other Federal agencies concerned with waste management, resource recovery, conservation of natural resources, energy production, and human health and the environment for the purpose of developing appropriate and practical guidelines for waste management and resource recovery systems (including systems for private use). As soon as practicable after the date of enactment of this Act, the Administrator shall publish such guidelines in preliminary form in the Federal Register together with an explanation thereof and reasons therefor, and he shall invite interested persons to comment thereon in writing and, at his discretion, in public hearing. Not later than 18 months after the date of enactment of this Act, the Administrator shall promulgate final guidelines, which shall be consistent with standards established under section 8 of this Act and other applicable laws and regulations, to promote the conservation and recovery of the natural, economic, and energy resources of the Nation to the maximum extent feasible. Such guidelines shall leave to the States maximum flexibility as to the means for meeting the objective of the preceding sentence. Such guidelines may be amended at any time, by modification, addition, or deletion at the discretion of the Administrator.

(b) STATE PLAN.—Within 4 years after the date of enactment of this Act, each State shall prepare a coordinated and comprehensive waste management and resource and energy recovery plan, in cooperation with the Administrator and in accordance with the final guidelines promulgated under subsection (a) of this section. Each such State plan shall include—

(1) a complete inventory and detailed description of all existing waste management systems and parts thereof and, with respect to waste, all existing treatment, disposal, resource recovery, and energy recovery sites and facilities in the State, and an inventory and description of any deficiencies therein with respect to the State's current and short-range future needs. Such inventory and description shall include (A) all franchises for collection or other waste management operations granted by any agency of the State or any of its political subdivisions including, with respect to the holder thereof, his name, address, and telephone number, the area covered by and a description of his operations, and a summary of his qualifications to hold such franchise; (B) all waste management systems, sites, and facilities operated by the State, any of its political subdivisions, and any person other than a franchise holder, including, with respect to the operator thereof, name, address, and telephone number, the area covered by and a description of the operations, and a summary of qualifications to perform such operations; (C) the population density and characteristics of each area serviced by each franchise holder and each government or other operator; and (D) the estimated waste management and resource and energy recovery needs of the State and its political subdivisions for the next 6 years;

(2) the State's estimated long-range future needs for waste management and resource and energy recovery facilities over the course of the next 20 years;

(3) a prospectus, including target deadlines for completion, for the orderly development of public and private waste management systems and resource and energy recovery facilities in the Sate sufficient to meet such estimated long-range future needs, short-range future needs, and present deficiencies. Such prospectus shall detail the means by which the State reasonably expects to maintain the minimum standards for the regulation and elimination of unsafe waste management practices pursuant to sections 8 and 9 of this Act consistent with other applicable laws and regulations. Such prospectus shall also set forth a construction and capital acquisition program for the State for the next 6 years for waste management systems and resource and energy recovery facilities, based upon population-growth projections, the availability of public and private capital, and other relevant factors; and

(4) a method and practicable means for securing adequate public and private financing to implement the State plan both as to capital costs and operational expenditures.

(c) SUBMISSION OF PLANS.—Each comprehensive State waste management and resource and energy recovery plan shall be submitted to the Administrator for review and approval as to its compliance with the guidelines and other requirements of this section. The Administrator may recommend revisions essential to the achievement of effective waste management and resource and energy recovery.

(d) MAINTENANCE OF PLANS.—Each State plan prepared in accordance with this section shall be kept up to date and reviewed and revised periodically, not less than once every 3 years. Upon each such review, each State plan shall be extended to show long-range needs, proposals, and means for the succeeding 20 years, and revised needs and construction and capital acquisition programs for the succeeding 6 years. Each revised State plan shall be submitted to the Administrator in the same manner as an original plan under subsection (c) of this section.

(e) ASSISTANCE.—(1) The Administrator shall provide to the States such financial and other assistance as is necessary or appropriate for the preparation, review, and revision of the State plans required by this section.

(2) The Administrator is authorized to terminate any assistance under this Act to any State upon a determination that such State has failed to comply with the guidelines and other requirements of this section and that there is no reasonable basis for such noncompliance.

COOPERATIVE AND JOINT ACTIVITIES

SEC. 11. The Administrator shall—

(a) encourage cooperative and joint activities among and between various States and various political subdivisions within the States with respect to hazardous waste management; regulation and elimination of unsafe waste management practices; research and development; implementation of improved methods and economies; recovery of resources from waste; conversion of waste into energy; planning; and other aspects of waste management, including the development, submission, and implementation of programs for the regulation and elimination of unsafe waste management practices under section 9 of this Act and of comprehensive State plans under section 10 of this Act, and the establishment of regional authorities whenever possible to improve the efficiency and quality of waste management practices;

(b) give preference under this Act, with respect to equally deserving and eligible applications for financial or other assistance, to such applications as are submitted by regional authorities or which involve or are based on cooperative or joint activities or efforts among and between States and/or political subdivisions thereof; and

(c) participate in the development of and encourage the enactment or issuance of more uniform statutes and regulations governing waste management.

RECOVERY DEMONSTRATIONS AND OTHER ASSISTANCE

SEC. 12. (a) GENERAL.—The Administrator, alone or in conjunction with the Secretary of Commerce, the Secretary of Housing and Urban Development, the administrators of Federal energy programs, and the Administrator of the National Aeronautics and Space Administration, shall conduct, encourage, cooperate with, and give financial and other assistance (including loan-guarantee assistance as authorized by and subject to the conditions of section 13 of this Act) to appropriate persons in the conduct of programs, projects, research projects, demonstrations, and investigations relating to the production of usable forms of energy from waste and to new or improved systems of waste management, with particular emphasis on method of recovering resources and energy in usable forms from waste, environmentally. Benign methods for disposal of residual waste following recovery, and systems integrating recovery methods with other forms of waste management.

(b) PILOT PLANTS AND DEMONSTRATIONS.—To the extent practicable and at the earliest feasible date, the Administrator shall (1) assist, at the culmination of any successful recovery research projects, the construction of experimental pilot-plant facilities for the purpose of investigating or testing the technological feasibility of any promising new energy or resource recovery methods or technology; and (2) demonstrate each such method and technology which is evaluated affirmatively at such pilot-plant stage. Each such demonstration shall incorporate new or innovative technical advances or shall apply such advances to different circumstances and conditions, for the purpose of evaluating design concepts or to test the performance efficiency and economic feasibility of a particular method or technology under actual operational conditions. Each such demonstration shall be so planned and designed that if successful, it can be expanded or utilized directly as a full-scale operational energy or resource recovery facility.

(c) REPORTS.—The Administrator shall report the results of studies, investigations, and demonstrations under this section to the Congress and the President on an annual basis.

(d) PROPRIETARY INFORMATION AND PATENTS.—Whenever, under this section or other provision of this Act, the Administrator enters into any contract or other agreement which any party thereto will receive any Federal financial assistance, such agreement shall provide that, as a condition of receiving such assistance, all processes, patents, and

other information (whether patented or unpatented, in the form of trade secrets, know-how, proprietary information, or otherwise), which result in whole or in substantial part, directly or indirectly, from the utilization of such assistance, shall be made available to the general public in accordance with the provisions of this subsection. All such information shall be made available by any recipient of such assistance or any successor to such recipient to any qualified applicant, on reasonable and nondiscriminatory license terms as approved by the Administrator, pursuant to section 553 of title 5, United States Code, at such time as the stage of commercial application, as determined by the Administrator, has been reached: *Provided,* That if such information results completely from Federal financial assistance, such agreement may, at the discretion of the Administrator, require that such information become the property of the United States and be dedicated to unrestricted public use. If any party holds background patents, trade secrets, know-how, proprietary information, or other information (hereinafter referred to as "background infomation") which will be employed in the proposed project or undertaking resulting in whole or substantial part, directly or indirectly, from Federal financial assistance under this Act, such agreement shall further provide that such background information shall also be made available in the same manner to any qualified applicant. License terms shall take into account the extent to which the commercial viability of the total process or system was achieved with Federal financial assistance, the nature of such assistance, and the reasonable interests of the parties and the public. In considering license terms for approval, the Administrator shall duly evaluate the effects of such terms on competition within the United States.

LOAN GUARANTEE

SEC. 13. (a) GENERAL.—The Administrator is authorized, in accordance with the provisions of this section and such rules and regulations as he shall prescribe, to guarantee and to make commitments to guarantee the payment of interest on, and the principal balance of a loan or other obligation incurred by any State, regional, or local government agency, or any other institution, organization, corporation, partnership, or individual for the purpose of financing (1) construction of full-scale operational facilities for energy recovery, resource recovery, and waste management or (2) demonstrations of energy recovery, resource recovery and waste management systems under section 12 of this Act: *Provided,* That the outstanding indebtedness guaranteed under this Act shall at no time exceed $825,000,000: *And provided further,* That no guarantee or commitment to guarantee shall be undertaken under this Act after June 30, 1977. Each application for such a guarantee shall be made in writing to the Administrator in such form and with such content and other submissions as the Administrator shall prescribe to reasonably protect the interests of the United States. Each guarantee and commitment to guarante shall be extended in such form, under such terms and conditions, and pursuant to such regulations as the Administrator deems appropriate. Each guarantee and commitment to guarantee shall inure to the benefit of the holder of the obligation to which such guarantee or commitment applies. The Administrator is authorized to approve any modification of any provision of a guarantee or a commitment to guarantee such an obligation, including the rate of interest, time of payment of interest or principal, security, or any other terms or conditions, upon a finding by the Administrator that such modification is equitable, not prejudicial to the interests of the United States, and has been consented to by the holder of such obligation.

(b) CRITERIA.—The Administrator shall guarantee or make a commitment to guarantee under subsection (a) of this section, with respect to a facility, only if—

(1) such facility will be constructed, operated, and maintained in accordance with any applicable approved program, in accordance with section 9 of this Act, and any applicable approved comprehensive State plan, in accordance with section 10 of this Act;

(2) such facility will be constructed, operated, and maintained in accordance with any applicable standards or regulations duly issued by the Administrator.

(3) such facility shall be capable of performing its intended function in the most efficient manner practicable; and

(4) no other means of financing or refinancing such facility is reasonably available to the applicant.

(c) CHARGES.—(1) The Administrator shall charge and collect such amounts as he may deem reasonable for the investigation of applications for a guarantee, for the appraisal of properties offered as security for a guarantee, and for the issuance of commitments to guarantee.

(2) The Administrator shall set a premium charge of not more than 1 per centum per year for a loan or other obligation guaranteed under this section.

(d) VALIDITY.—No guarantee or commitment to guarantee an obligation entered into by the Administrator shall be terminated, canceled or otherwise revoked, except in accordance with reasonable terms and conditions prescribed by the Administrator. Such a guarantee or commitment to a guarantee shall be conclusive evidence that the underlying obligation is in compliance with the provisions of this section and that such obligation has been approved and is legal as to principal, interest, and other terms. Such a guarantee or commitment shall be valid and incontestable in the hands of a holder as of the date when the Administrator entered into the contract of guarantee or commitment to guarantee, except as to fraud, duress, mutual mistake of fact, or material misrepresentation by or involving such holder.

(e) DEFAULT.—(1) If there is a default by the obligor in any payment of interest or principal due under an obligation guaranteed by the Administrator under this section and such default has continued for 60 days, the holder of such obligation or his agents have the right to demand payment of such unpaid amount from the Administrator. Within such period as may be specified in the guarantee or related agreements, but not later than 45 days from the date of such demand, the Administrator shall promptly pay to the obligee or his agent the unpaid interest on and unpaid principal of the obligation guaranteed by the Administrator as to which the obligor has defaulted, unless the Administrator finds that there was no default by the obligor in the payment of interest or principal or that such default has been remedied.

(2) If the Administrator makes a payment under paragraph (1) of this subsection, he shall have all rights specified in the guarantee or related agreements with respect to any security which he held with respect to the guarantee of such obligation, including, but not limited to, the authority to complete, maintain, operate, lease, sell, or otherwise dispose of any property acquired pursuant to such guarantee or related agreements.

(3) If there is a default under any guarantee or commitment to guarantee an obligation, the Administrator shall notify the Attorney General. Upon such notification, the Attorney General shall take such action against the obligor or any other parties liable thereunder as is, in his discretion, necessary to protect the interests of the United States. The holder of such obligation shall make available to the United States all records and evidence necessary to prosecute any such suit.

GRANTS

SEC. 14. (a) GENERAL.—The Administrator is authorized, in accordance with the provisions of this section, to—

(1) make grants to a regional authority, State or local government agency, or any other person for the construction of energy recovery, resource recovery, and waste disposal and treatment sites and facilities, in accordance with the findings required pursuant to subsection (b) of this section;

(2) make grants to a regional authority, State or local government agency, or any other person for the purpose of waste management (including resource and energy recovery) operation and maintenance, in accordance with the findings required pursuant to subsection (c) of this section;

(3) make grants to, and contracts with, a regional authority, State or local government agency, or any other person for the purpose of developing, expanding, or otherwise carrying out programs designed to train individuals for occupations relating to energy and resource recovery, collection, transport, storage, treatment, and final disposal of waste; or the administration of programs of waste management.

(b) CONSTRUCTION GRANTS.—A grant shall be made pursuant to subsection (a)(1) of this section only upon a finding that the proposed site or facility—

(1) will be constructed, operated, and maintained in accordance with (A) any applicable approved State program, in accordance with section 9 of this Act; (B) any applicable approved comprehensive State plan, in accordance with section 10 of this Act; (C) any applicable standards duly promulgated by the Administrator; and (D) any applicable provisions of other Federal, State, and local law;

(2) will be used to dispose of, to recover resources or energy from, or to treat waste collected from or furnished by the public or generated as a byproduct of any industrial, agricultural, or commercial operation;

(3) cannot reasonably be financed through any other available means including loan guarantees extended under section 13 of this Act;

(4) is likely, by comparison with existing sites or facilities in the same area, to reduce to the maximum extent feasible the projected economic and social costs of waste management or resource or energy recovery during the period that it is expected to continue in operation; and

(5) will facilitate compliance with standards, promulgated by the Administrator under this Act, or by any State.

(c) OPERATION AND MAINTENANCE.—A grant shall be made pursuant to subsection (a)(2) of this section only upon a finding that—

(1) the waste management program with respect to which such grant is made (A) will facilitate compliance by the applicant with standards promulgated by the Administrator under this Act or by any State; (B) will result in a significant benefit to human health or the environment; (C) will be conducted and maintained in the most efficient practicable manner; and (D) makes separate provision for financing any increase in labor or other costs which are unrelated to the improvement of such program; and

(2) any site or facility with respect to which such grant is made will be operated and maintained in accordance with (A) any applicable approved State program, in accordance with section 9 of this Act; (B) any applicable approved comprehensive State plan, in accordance with section 10 of this Act; (C) any applicable standards duly promulgated by the Administrator; (D) any applicable provisions of other Federal, State, and local law; and (E) a realistic plan for achieving operational financial self-sufficiency in a limited period of time.

(d) TERMS, PROCEDURES, AND CRITERIA.—(1) The amount of the Federal share of any

grant under this section shall not exceed 75 per centum of the total cost of the project or undertaking for which the financial assistance is provided.

(2) Each applicant for a grant shall submit to the Administrator, as part of the application for financial assistance, such plans, specifications, data, reports, and any other information as is deemed necessary or appropriate by the Administrator.

(3) Before approving any such grant application, the Administrator shall, in addition to any other necessary findings, determine that the applicant has made adequate provision for proper and efficient implementation of the project or undertaking for which the grant is sought, including the employment of qualified personnel. The Administrator shall also consider the extent to which the applicant has made a good faith effort, in the absence of Federal financial assistance, to improve any waste management or related programs subject to his control or supervision and the effectiveness of such efforts. No grant shall be approved under this section if the Administrator finds that a party other than the applicant will accomplish the purposes intended to be accomplished by the project or undertaking for which the grant is sought as effectively as the applicant and without (or with less) Federal assistance.

(4) Funds appropriated for the purposes of this section shall be expended in the manner most likely to maximize the benefit to human health and the environment and to minimize the depletion of virgin natural resources. The Administrator shall act upon each grant application as soon as practicable after it has been submitted.

TECHNOLOGY TRANSFER

SEC. 15. The Administrator shall establish and maintain a central reference library for actual performance and cost effectiveness records and other data and information with respect to the various methods of energy and resource recovery from waste and the various systems and technologies for collection, transport, storage, treatment, and final disposal of waste, and other aspects of waste management. Such information shall be made available to State and local governments and other persons. The Administrator shall also implement a program for the rapid dissemination of information relating to all such aspects of waste management, including the results of any research, developments, demonstrations, investigations, experiments, surveys, studies, or other information which may be necessary or useful to State and local officials and such other persons.

NATIONAL COMMISSION ON ENVIRONMENTAL COSTS

SEC. 16. (a) ESTABLISHMENT.—There shall be established, 120 days after the date of enactment of this Act, a National Commission on Environmental Costs.

(b) STRUCTURE.—(1) The Commission shall consist of 12 members, as follows:

(A) three who shall be appointed by the majority leader of the Senate from Members of the Senate, of whom not more than two shall be members of the same political party;

(B) three who shall be appointed by the Speaker of the House of Representatives from Members of the House of Representatives, of whom not more than two shall be members of the same political party;

(C) three who shall be appointed by the President from the personnel of Federal agencies: *Provided*, That the primary employment activity of each such person at the time of appointment is the protection of environmental quality; and

(D) three who shall be appointed by the President from lists of qualified individuals not employed by the Federal Government on the basis of their special training, experience, or qualifications, of whom not more than two shall be members of the same political party.

(2) The members of the Commission shall be appointed for a term of 3 years, except that any individual appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term and in the same manner in which such predecessor was appointed.

(3) The members of the Commission shall elect one of their number to serve as Chairman thereof.

(4) Four members of the Commission shall constitute a quorum at any meeting for the transaction of any function of the Association: *Provided*, That notice in writing of the date, time, and location of such meeting was given or sent by certified mail to each of the members of the Commission 30 days prior to the date thereof.

(c) DUTIES.—It shall be the duty of the Commission to—

(1) conduct a comprehensive study, including field testing and controlled experimentation to the extent practicable, of the feasibility and effectiveness of establishing a system of national disposal cost charges. The system of charges considered shall include, but need not be limited to, one under which a single national charge of 1 cent per pound would be levied on all products other than consumables. As used herein, "consumables" means those products which are not normally disposed of through waste disposal systems and any edible product which is intended for human consumption. The study shall include an evaluation of the accuracy with which actual disposal cost, by product or class of products, can be measured;

(2) study and make recommendations as to the best way to administer such a system of national disposal costs charges, including the level and agency or agencies of Government which should have major responsibility therefor and the extent to which refunds or credits should be authorized or mandated of sums paid or amounts otherwise due for such disposal charges, including, but not limited to, refunds or credits based on the amount, if any, of recovered material included in a product or with respect to products which when unwanted or discarded are normally submitted to and accepted by a resource recovery facility or with respect to consumers whose waste is submitted to and accepted by a resource recovery facility;

(3) study and make estimates and projections of anticipated revenue during the first 5 years of operation, taking into account any recommended refunds or credits, with respect to each such system studied and tested together with the anticipated costs of administering and enforcing each such system;

(4) study and make recommendations as to the distribution and use of such revenues;

(5) conduct a comprehensive study of the extent to which the costs of environmental degradation can be quantified and the feasibility of establishing a system of charges to internalize the costs and mitigate the adverse effects of such environmental degradation. The Commission shall examine the extent to which the costs of such environmental degradation would be internalized through the application of alternative means of control; and

(6) study all feasible means of disclosing the extent of environmental degradation to consumers, by those responsible for such degradation. The means studied shall include, but not be limited to, disclosures in advertising and labeling of products. The Commission shall examine all reasonable means of effectively informing consumers of the sources of environmental degradation including, but not limited to, environmental costs associated with such products and alternative products which are likely to cause less environmental degradation.

(d) REPORTS.—The Commission shall submit progress reports simultaneously to the Congress and the President at such times as the Commission deems appropriate. An interim report shall be submitted not later than 2 years after the date of enactment of this Act. The final report of the Commission shall be submitted simultaneously to the Congress and the President within 3 years after the date of enactment of this Act. Such final report and, where feasible, such progress reports and interim report shall include any changes in the law recommended by the Commission to implement the findings and conclusions of its studies. The Commission shall cease to exist 60 days after the date of submission of its final report.

(e) POWERS.—(1) The Commission or any member thereof may, for the purpose of carrying out the provisions of this section, hold such hearings, sit and act at such times and places, administer such oaths, and require by subpoena or other order the attendance and testimony of such witnesses and the production of such evidence as the Commission or member deems advisable. Subpoenas may be issued under the signature of the Chairman or any duly designated member of the Commission, and may be served by any person designated for such purpose by the Chairman. Witnesses summoned shall be paid the same fees and mileage that are paid witnesses in the courts of the United States. Such attendance of witnesses and production may be required from any place in the United States to any place designated for such hearing.

(2) In case of refusal to obey a subpoena or other order issued under paragraph (1) of this subsection, by any person who resides, is found, or transacts business within any judicial district of the United States, the district court of the United States for any such district shall have jurisdiction and shall upon the request of the Chairman of the Commission issue to such person an order to appear and produce evidence. Any failure to obey such an order shall be punishable by such court as a contempt of court.

(3) The Administrator of General Services shall furnish the Commission with such offices, equipment, supplies, and services as he is authorized to furnish to any other agency or instrumentality of the United States.

(4) Each Federal agency is authorized and directed to furnish to the Commission, upon written request by the Chairman thereof, on a reimbursable basis or otherwise, such assistance as the Commission deems necessary to carry out its duties.

(5) The Commission may enter into such contracts, leases, cooperative agreements, or other transactions as may be necessary in the conduct of its duties, with any person.

(f) COMPENSATION AND PERSONNEL.—(1) A member of the Commission shall receive compensation only if not otherwise employed in any capacity by the Federal Government. Such a member shall receive $300 per diem when engaged in the actual performance of duties vested in the Commission. All members of the Commission shall be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of such duties.

(2) Subject to such rules and regulations as the Commission may adopt, the Chairman of the Commission shall have the power to (A) appoint, fix the compensation, and assign the duties of an Executive Director and such additional staff personnel as are deemed necessary, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, classification, and General Schedule pay rates, except that no individual shall be paid at rates in excess of the maximum rate for GS–18 of the General Schedule as set forth under section 5332 of such title; and (B) procure temporary and intermittent services

to the same extent as is authorized by section 3109 of title 5, United States Code, but at rates not to exceed $150 a day for persons performing such services. In making appointments and procuring services, the Chairman of the Commission shall hire sufficient full- and part-time employees who are competent environmentalists, lawyers, economists, scientists, and engineers.

RECYCLED OIL

SEC. 17. (a) LABELING.—(1) The Director of the National Bureau of Standards shall issue regulations with respect to recycled oil, in accordance with paragraph (2)(A) of this subsection. As of the effective date of such regulations, any decision or regulation of the Federal Trade Commission, or of any State or local government, requiring that recycled oil which is sold for a purpose designated in such regulations of the Director of the National Bureau of Standards be labeled as "previously used" or "reprocessed" oil shall cease to have effect and shall be repealed by operation of law.

(2) As used in this subsection—

(A) "recycled oil" means used oil which has been rerefined or otherwise processed to remove the physical and chemical impurities acquired through use and which is equivalent or better in quality and performance to new oil of reasonable quality for designated purposes, as determined by regulations issued by the Director of the National Bureau of Standards;

(B) "new oil" means oil which has been refined from oil which has never previously been used by a consumer; and

(C) "used oil" means oil which has through use been contaminated by physical or chemical impurities which have not been removed by subsequent refining, treatment, or other processing.

(b) EXCISE TAXES.—(1) Section 4221(a) of the Internal Revenue Code of 1954 (relating to certain tax free sales) is amended by striking the second "or" in clause (4), striking the period following clause (5) and inserting in lieu thereof ", or", and by adding the following new clause:

"(6) for use as lubricating oil blended or mixed by any person with used or waste lubricating oil which has been cleaned, renovated, or refined if the resultant mixture is used otherwise than in a highway motor vehicle."

(2) The amendment made by this subsection shall be effective with respect to lubricating oil sold after the last day of he month in which this Act is enacted.

RECORDS AND EXAMINATIONS

SEC. 18. (a) PRODUCT.—Each manufacturer, producer, or importer of any product which is governed by any standard under a regulation issued under this Act shall—

(1) establish and maintain such records, make such reports, provide such information, and make such tests as the Administrator or the Secretary of the Treasury (in the case of importers) may reasonably require to determine compliance with such standard or standards and the requirements of this Act;

(2) permit a duly designated officer or employee, upon request, to have access to the records, reports, information, and test results required pursuant to paragraph (1) of this subsection, for the purpose of examination and copying; and

(3) make products coming off the assembly line or otherwise in the hands of the manufacturer available for inspection and testing by the Administrator and make products for which entry is sought into the United States or otherwise in the hands of the importer available for inspection and testing by the Secretary of the Treasury, to the extent required by applicable regulations of the Administrator or such Secretary: *Provided*, That the Administrator or such Secretary shall require no more inspection and testing than is reasonably necessary to discharge his responsibilities under this Act.

(b) WASTE.—(1) Any person who stores, treats, transports, disposes of, or otherwise handles waste shall, upon request, admit any duly designated officer or employee of the Environmental Protection Agency, an involved regional authority, or a State or local agency having jurisdiction to any site or facility subject to his control and furnish or permit such officer or employee access, at all reasonable times, to all records relating to such waste for purpose of examination and copying.

(2) Any such duly designated officer or employee is authorized to (A) enter at reasonable times any establishment, or other place maintained by any person, in which waste is stored, treated, transported, or disposed of; and (B) inspect and obtain samples from any person of any such waste and samples of any containers or labeling for such waste. Each such inspection shall be commenced and completed with reasonable promptness. If such officer or employee obtains any samples, he shall give the owner, operator, or agent in charge of the premises from which they are obtained, a receipt describing each such sample. If an analysis is made of such sample or samples, a copy of the results shall be furnished promtly to such owner, operator, or agent.

(c) FINANCIAL ASSISTANCE.—(1) Each recipient of financial assistance, including guarantees, under this Act, whether in the form of grants, subgrants, contracts, subcontracts, obligation guarantees, or other arrangements, shall keep such records as the Administrator, after consultation with the Comptroller General, shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance was given or used, the amount of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

(2) The Administrator and the Comptroller General of the United States, or any of their duly authorized representatives, shall, until the expiration of 3 years after the completion of any project or undertaking covered by paragraph (1) of this subsection, have access for the purpose of audit and examination to any books, documents, papers, or other records which, in the opinion of the Administrator or the Comptroller General, may be related to or pertinent to any Federal financial assistance grant, subgrant, contract, subcontract, obligation guarantee, or other arrangement under this Act.

PROHIBITED ACTS

SEC. 19. It is unlawful for any person subject to the jurisdiction of the United States to—

(a) introduce or deliver for introduction in commerce any product which does not conform to an applicable standard set forth in a regulation duly issued by the Administrator under any provision of this Act;

(b) fail to furnish records or fail to permit access, for examination and copying, to records, information, samples, and test results required pursuant to this Act;

(c) fail to obtain or comply with any condition of any permit requirement for generators or disposers of hazardous waste which is required under Federal law;

(d) operate any waste treatment or disposal site or facility or to generate any hazardous waste without an operator's or generator's permit meeting the requirements of Federal law; or

(e) fail to comply with any applicable regulation, standard, or order issued by the Administrator in accordance with this Act.

REMEDIES

SEC. 20. (a) CIVIL PENALTIES.—(1) Any person, other than a person who commits a criminal violation under subsection (b) of this section, who is found by the Administrator after notice and an opportunity for an adjudicative hearing in accordance with section 554 of title 5, United States Code, to have committed an act prohibited by section 19 of this Act, shall be liable to the United States for a civil penalty of not more than $10,000 for each day of violation. The amount of such civil penalty shall be assessed by the Administrator, or his delegate, by written notice. In determining the amount of such penalty, the Administrator shall take into account the nature, circumstances, extent, and gravity of the prohibited act or acts committed and, with respect to the person found to have committed such act or acts, the degree of culpability, any history of prior offenses, ability to pay, and effect on ability to continue to do business, and such other matters as justice may require.

(2) Any person against whom a violation is found and a civil penalty assessed under paragraph (1) of this subsection may obtain review in the appropriate court of appeals of the United States by filing a notice of appeal in such court 30 days from the date of such order and by simultaneously sending a copy of such notice by certified mail to the Administrator. The Administrator shall promptly certify and file in such court the record upon which such penalty was imposed, as provided in section 2112 of title 28, United States Code. The findings of the Administrator shall be set aside if found to be unsupported by substantial evidence, as provided by section 706(2)(e) of title 5, United States Code.

(3) If any person fails to pay an assessment after it has become a final and unappealable order, or after the court of appeals has entered final judgment in favor of the Administrator, the Administrator shall refer the matter to the Attorney General, who shall recover the amount assessed in any appropriate district court of the United States. In such action, the validity and appropriateness of the final order imposing the civil penalty shall not be subject to review.

(b) CRIMINAL PENALTIES.—Any person who knowingly commits an act prohibited by section 19 of this Act shall, upon conviction, be fined not more than $25,000 or imprisoned for not more than 1 year, or both.

(c) SPECIFIC RELIEF.—The Administrator, or at his request the Attorney General, may bring an action in an appropriate district court of the United States for equitable relief to redress a violation by any person of an act prohibited by section 17 or 19 of this Act. The district courts shall have the power to grant such relief as is necessary or appropriate, including mandatory or prohibitive injunctive relief, interim equitable relief, compensatory damages, and punitive damages.

(d) IMMINENT HAZARD.—(1) If the Administrator has reason to believe that an imminent hazard exists, he may petition an appropriate district court of the United States, or upon his request the Attorney General shall so petition, for an order suspending or restricting the manufacture or distribution of the product responsible for such hazard or for an order directing the operator of the disposal site or facility, or the custodian of the waste, which constitutes such hazard, to take such steps as are necessary to eliminate such hazard. Such action may include, with respect to a site or facility, permanent or temporary cessation of operation.

(2) As used in this subsection, an "imminent hazard" exists if the evidence is sufficient to establish that prior to the completion of an administrative hearing or other

formal proceeding initiated to abate such harm (A) the disposal of such product will result in an unreasonable burden or risk to human health or the environment; or (B) the collecting, storing, transporting, treating, utilizing, processing, or disposal of such waste will result in any unreasonable threat to human health, living organisms, or the environment.

(e) CITIZENS CIVIL ACTION.—(1) Except as provided in paragraph (2) of this subsection, any person may commence a civil action for injunctive relief on his own behalf, whenever such action constitutes a case of controversy against (A) any person (to the extent permitted by the eleventh amendment to the Constitution) alleged to be in violation of any regulation, order, approval, or permit requirement issued in accordance with this Act; or (B) the Administrator where there is alleged a failure by him to perform any act or duty required of him under this Act. The district courts of the Untied States shall have jurisdiction over actions brought under this subsection without regard to the amount in controversy or the citizenship of the parties. An action under subparagraph (A) may be brought in the district court for any judicial district in which venue is proper under section 1391 of title 28, United States Code. An action under subparagraph (B) may be brought only in the district court for the District of Columbia.

(2) No civil action may be commenced—

(A) under paragraph (1)(A) of this subsection prior to 60 days after notice of the alleged violation is given to the Administrator and to any alleged violator by the person commencing the action;

(B) under paragraph (1)(A) of this subsection if the Administrator or the Attorney General has commenced and is diligently prosecuting an action in a court of the United States to require abatement of the alleged violation;

(C) under paragraph (1)(B) of this subsection prior to 60 days after notice of intent to commence such action has been given to the Administrator, in such manner as the Administrator may prescribe by regulation.

(3) In any action under this subsection, the Administrator or the Attorney General, if not a party, may intervene as a matter of right. In any case in which an action is barred under paragraph (2)(B) of this subsection, any person may intervene as a matter of right in the pending action commenced by the Administrator or the Attorney General.

(4) The court, in issuing any final order in any action under this subsection, may award costs of litigation (including reasonable attorney and expert witness fees) to any party, whenever it determines that such an award is appropriate.

(5) Nothing in this subsection shall be construed to restrict any right which any person or class of persons may have under any statute or at common law to seek enforcement of any applicable regulation or order any other relief.

(6) When any civil actions brought under this subsection involve the same defendant and the same issues or alleged violations but are pending in different courts, such pending proceedings may be ordered consolidated for trial in accordance with this paragraph. Upon application of such defendant to one such court, such court shall, unless good cause is shown, order all such actions under this subsection involving the same defendants and the same issues or alleged violations to be consolidated for trial in (A) the court agreed upon by stipulation among all the parties; or (B) the court selected by the defendant or the court in a judicial district convenient to such defendant's principal place of business. Such order of consolidation shall not apply so as to require the removal of any case the date for trial of which has been fixed. The court granting such order shall give prompt notification thereof to the other courts having jurisdiction of any case covered by such order, and upon request by any such court may reconsider and amend, modify, or withdraw such order.

GENERAL PROVISIONS

SEC. 21. (a) REGULATIONS.—(1) In addition to any specific grant of authority in this Act, the Administrator is authorized (upon the petition of any person or upon his own motion) to issue at any time, in accordance with the provisions of section 553 of title 5, United States Code, and of paragraph (2) of this subsection, regulations to carry out the purposes and provisions of this Act. The Administrator is further so authorized to amend or rescind any such regulation.

(2) The Administrator shall publish any regulation proposed under this Act in the Federal Register at least 60 days prior to the date upon which such regulation is scheduled to become final. With respect to any petition received requesting the issuance of any regulation, the Administrator shall publish in the Federal Register a notice thereof, including a summary of the regulation proposed, the purpose of the petition, and a statement of the availability of any data submitted in support thereof. If any such petition is denied, the Administrator shall publish in the Federal Register a notice of such denial together with the reasons therefor. If any person adversely affected by a proposed regulation files objections and requests a public hearing within 45 days after the date of publication of the proposed regulation, the Administrator shall grant such request and final regulations shall not be issued by him until after the conclusion of such public hearing. Any such public hearing shall consist of the oral and written presentation of data or arguments in accordance with such reasonable conditions or limitations as the Administrator may prescribe.

(3) Proposed and final regulations issued under any provision of this Act shall set forth the findings of fact on which the regulations are based and the relationship of such findings to the content of the regulations.

(4) Unless otherwise provided for in this Act, all regulations under this Act shall be promulgated in accordance with this section.

(b) JUDICIAL REVIEW OF REGULATION.—(1) Any judicial review of any final regulation issued under this Act shall be conducted in accordance with the provisions of sections 701 through 706 of title 5, United States Code, except that with respect to relief pending review, no stay may be granted of any agency action unless the reviewing court determines that the party seeking such stay is likely to prevail on the merits in the review proceeding and that such party is likely to suffer irreparable harm pending the determination of such proceeding unless such stay is granted.

(2) Any party to a judicial review proceeding under this subsection may request permission from the court to present additional evidence. If such party establishes, to the satisfaction of the court, that such evidence was not available when the Administrator issued the final regulation or regulations under review and is material, or that the failure of the Administrator to include such evidence in the agency proceeding was arbitrary or capricious, the court may, upon such terms and conditions as it deems proper, order such evidence (and any material tending to controvert it) to be taken before the Administrator and presented to the court in the review proceeding. Upon the basis of such additional evidence, the Administrator may modify his findings as to the facts or make new findings. The Administrator shall present any such additional evidence taken to the court, together with any such modifications in the findings and any recommendation for the modification or setting aside of his original order.

(c) INTEGRATION WITH OTHER ACTS.—The Administrator shall integrate all provisions of this Act for purposes of administration and enforcement and shall avoid duplication, to the maximum extent practicable, with the appropriate provisions of the Clean Air Act, the Federal Water Pollution Control Act, the Federal Environmental Pesticide Control Act (7 U.S.C. 135), and such other Acts of Congress as grant regulatory authority to the Administrator. Such integration shall be effected only to the extent that it can be done in a manner consistent with the goals and policies expressed in this Act.

(d) AVAILABILITY OF INFORMATION.—The Administrator shall make available to the public, upon request and at cost of reproduction and mailing, any and all information obtained or developed under this Act except to the extent that such information constitutes a trade secret or confidential commercial or financial information which if disclosed would result in significant competitive damage to its owner, except that such information may be disclosed by the Administrator—

(1) to other Federal Government departments, agencies, and officials with reasonable need for such information for official use, upon request;

(2) to committees of Congress having jurisdiction over the subject matter to which the information relates;

(3) in any judicial proceeding relating to the provisions of this section under a court order formulated to preserve the confidentiality of such information without impairing the proceeding;

(4) if relevant in any proceeding under this section, except that disclosure shall preserve the confidentiality to the extent possible without impairing the proceeding; and

(5) to the public in order to provide reasonable protection of the public health, after affording parties who oppose disclosure notice and opportunity for comment in writing or for discussion in closed session if the delay resulting from such notice and opportunity for comment would not be detrimental to the public health.

PACKAGING AND LABELING

SEC. 22. Section 12 of the Fair Packaging and Labeling Act of 1966 (15 U.S.C. 1461) is amended by replacing the period at the end thereof with a colon and adding the following: ***"Provided,*** **That notwithstanding any** provision of this Act or any law of any State or political subdivision thereof, any recyclable or recycled solid waste material, which is not a consumer commodity, and which historically has been labeled and sold on the basis of gross weight with a stated maximum percentage of such weight for tare or packaging, may continue to be labeled and sold in that manner and without any other weight designation.

AUTHORIZATION FOR APPROPRIATIONS

SEC. 23. (a) GENERAL.—Except with respect to the specific authorizations for appropriations contained in subsections (b) through (i) of this section for the purpose of carrying out specific programs and provisions, there are authorized to be appropriated for carrying out the provisions of this Act such sums as are necessary not to exceed $42,000,000 for the fiscal year ending June 30, 1975, $42,000,000 for the fiscal year ending June 30, 1976, and $37,000,000 for the fiscal year ending June 30, 1977.

(b) STATE PROGRAMS.—There are authorized to be appropriated for the purpose of assisting the States in developing, implementing, and enforcing State programs required under section 9 of this Act such sums as are necessary not to exceed $3,000,000 for the fiscal year ending on June 30, 1975; $6,000,000 for the fiscal year ending on June

30, 1976; and $12,000,000 for the fiscal year ending on June 30, 1977.

(c) COMPREHENSIVE STATE PLANNING.—There are authorized to be appropriated for the purpose of assisting the States in developing comprehensive State management and resource recovery plans as required under section 10 of this Act such sums as are necessary not to exceed $1,500,000 for each of the fiscal years ending on June 30, 1975; June 30, 1976; and June 30, 1977.

(d) RECOVERY DEMONSTRATIONS.—There are authorized to be appropriated for the purpose of making grants for energy and resource recovery pilot plant and demonstration programs as required under section 12 of this Act such sums as are necessary not to exceed $45,000,000 for each of the fiscal years ending on June 30, 1975; June 30, 1976; and June 30, 1977.

(e) LOAN GUARANTEES.—There are authorized to be appropriated to the Administrator such sums as are necessary, not to exceed $825,000,000, to pay any amount required to be paid by reason of a default on any loan or other obligation guaranteed under section 13 of this Act.

(f) GRANTS.—(1) There are authorized to be appropriated for the purpose of making grants for facility construction under section 14(a)(1) of this Act such sums as are necessary not to exceed $20,000,000 for the fiscal year ending on June 30, 1975; $70,000,000 for the fiscal year ending on June 30, 1976; and $100,000,000 for the fiscal year ending on June 30, 1977.

(2) There are authorized to be appropriated for the purpose of making grants for operations and maintenance under section 14(a)(2) of this Act such sums as are necessary not to exceed $20,000,000 for the fiscal year ending on June 30, 1975; $75,000,000 for the fiscal year ending on June 30, 1976; and $105,000,000 for the fiscal year ending on June 30, 1977.

(3) There are authorized to be appropriated for the purpose of making grants and contracts for training under section 14(a)(3) of this Act such sums as are necessary not to exceed $2,500,000 for each of the fiscal years ending on June 30, 1975; June 30, 1976; and June 30, 1977.

(g) NATIONAL COMMISSION ON ENVIRONMENTAL COSTS.—There are hereby authorized to be appropriated for the purpose of financing the activities of the National Commission on Environmental Costs under section 16 of this Act such sums as are necessary not to exceed $2,000,000, to remain available until expended.

By Mr. DOLE:

S. 3725. A bill to raise the Veterans' Administration to the status of an executive department of the Government to be known as the "Department of Veterans' Affairs." Referred to the Committee on Government Operations.

VA TO CABINET LEVEL

Mr. DOLE. Mr. President, today I offer a bill to raise the Veterans' Administration to Cabinet level status and establish a Department of Veterans' Affairs.

In my opinion, this step is long overdue and I hope the Congress and the administration will act quickly on this matter. This idea has been presented to the Congress in previous years and I feel it has not received adequate consideration.

SIZE APPROPRIATE FOR DEPARTMENT

Mr. President, the simple fact is that the Veterans' Administration has a direct influence on the lives of over 29 million veterans. When wives and children of these veterans immediate families are added to this figure, it is apparent that the activities of the Veterans' Administration affect nearly one-half of our population of over 200 million Americans.

It is a well known fact that with over 202,000 employees, the Veterans' Administration is the second largest Federal agency in employment.

The VA has a budget of $13.4 billion for fiscal year 1975 and this will probably rise to $15 billion after new programs are added. This level of funding makes it the third largest agency by budget in the Federal Government.

These simple facts are an indication of the tremendous importance of the Veterans' Administration in our Government. It seems clear to me that this is adequate to demonstrate the importance of giving departmental status to the VA. But there are additional reasons.

STATE WITHIN A STATE

Mr. President, the diversification of services within the Veterans' Administration are paralleled by almost no other Federal agency. VA services range from education and training to housing, business and farm loans to disability compensation and pension to life insurance and many other services. It is truly appropriate to call the VA a state within a state.

The National Cemetery System is the latest addition to the organization's responsibilities. There are over 100 national cemeteries administered by the VA in this recent program. With this added responsibility the VA may now serve a veteran from early in life with his education right on through to his final resting place.

VAST MEDICAL SYSTEM

The best example of the tremendous range of VA services may be its vast medical system. This system includes 171 hospitals and over 200 clinics.

In the VA system of hospitals and clinics, over 80,000 inpatients are treated daily. There are over 14 million outpatients treated by the VA.

The prosthetic aids and rehabilitative assistance provided by the VA rival the best available in the private medical sector and anywhere else in the world. Sharing these developments with the rest of the population could be more easily accomplished if the VA were raised to Cabinet-level status.

ORGANIZATION IMPROVED

Presently, at least eight other agencies are concerned with some sort of service to veterans. Clearly, the quality and availability of these services could be better evaluated and improved if a Department of Veterans' Affairs could be established to control and supervise all services provided to veterans.

Presently, the Administrator of the VA is responsible to the President for the well-being of veterans and he carries out many of the Federal laws which govern them. He is the primary adviser to the President on veterans' affairs.

In view of the enormous responsibility and magnitude of services under the VA Administrator, he should, in my opinion, clearly be promoted to Cabinet rank. There should be a clear-cut and higher level channel by which the Administrator can supply facts and counsel to the President. In turn the President's guidance and support should be more directly available to the Administrator.

The establishment of a Department of Veterans' Affairs would permit greater consistency and effectiveness among the many benefits and rights established by the Congress for veterans of the Armed Forces and their dependents and beneficiaries.

Mr. President, again I wish to underscore my concern about the importance of this measure and to urge the support of every Member of the Senate for it.

I request unanimous consent that the bill be printed in the RECORD at this point.

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

S. 3725

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

ESTABLISHMENT OF DEPARTMENT

SECTION 1. (a) There is hereby established at the seat of government an executive department to be known as the Department of Veterans' Affairs (hereinafter referred to as the "Department").

(b) There shall be at the head of the Department a Secretary of Veterans' Affairs (hereinafter referred to as the "Secretary") who shall be appointed by and with the advice and consent of the Senate, and shall receive compensation at the rate now or hereafter prescribed by law for the heads of executive departments. The Department shall be administered under the supervision and direction of the Secretary.

(c) There shall be in the Department an Under Secretary, such Assistant Secretaries as shall be determined by the President to be necessary, and a General Counsel, who shall perform such functions and duties as the Secretary may prescribe, and shall receive compensation at the rate now or hereafter provided by law for under secretaries, assistant secretaries, and general counsels, respectively of executive departments. The Under Secretary (or, during the absence or disability of the Under Secretary, or in the event of a vacancy in the office of Under Secretary, an Assistant Secretary or the General Counsel, determined according to such order as the Secretary shall prescribe) shall act for, and exercise the powers of the Secretary, during the absence or disability of the Secretary or in the event of a vacancy in the office of Secretary. The Under Secretary shall perform such functions, powers, and duties as the Secretary shall prescribe from time to time.

TRANSFERS—ADMINISTRATIVE PROVISIONS

SEC. 2. (a) There are hereby transferred to and vested in the Secretary all of the functions, powers, and duties vested by any statute, provision of law, reorganization plan or executive order in the Administrator of Veterans' Affairs.

(b) There are hereby transferred to the Secretary all personnel, property, records, assets, contracts, obligations, and commitments of the Veterans' Administration and all unexpended balances of appropriations, authorizations, or other funds held, used, arising from, or available (or to be made available) to the Veterans' Administration.

(c) The President is authorized to transfer to the Secretary any other function relating primarily to veterans not otherwise transferred by this Act, together with such personal property, records, obligations, commitments, appropriations, allocations, and other funds as he determines necessary to carry out any function so transferred under authority of this section.

(d) Except as may be otherwise expressly provided in this Act, any reference to the Veterans' Administration or the Administrator of Veterans' Affairs in any other way, provision of law, rule, regulation, certificate, directive, instruction, or other official paper in force on or which will become effective after the date of enactment of this Act shall be deemed to refer and apply to the Department of Veterans' Affairs or the Secretary of Veterans' Affairs, respectively.

SAVINGS PROVISIONS

SEC. 3. (a) Notwithstanding the proceeding sections of this Act, all delegations of authority by the Administrator of Veterans' Affairs and all orders, rules, authorizations, determinations, contracts, delegations, regulations, certificates, directives, issuances, or other official actions of the Administrator of Veterans' Affairs, or of any other agency officer or office, which are in force on the date of enactment of this Act, shall continue in full force and effect until modified, amended, superseded, or revoked by the Secretary or such other officer or office of the Department as, in accordance with applicable law, may be appropriate.

(b) No suit, action, or other proceeding commenced by or against the Veterans' Administration, or by or against any officer of the agency in his official capacity, shall abate by reason of the enactment of this Act.

EFFECTIVE DATE

SEC. 4. This Act shall take effect when specified by Executive order of the President, but in no case later than six months after the date of its enactment.

By Mr. MONTOYA (for himself, Mr. MCINTYRE, Mr. STEVENSON, Mr. HUMPHREY, Mr. KENNEDY, Mr. HART, Mr. PERCY, Mr. MANSFIELD, and Mr. MCGOVERN):

Senate Joint Resolution 224. Joint resolution to authorize and request the President to issue annually a proclamation designating January of each year as "March of Dimes Birth Defects Prevention Month." Referred to the Committee on the Judiciary.

RECOGNIZING THE FIGHT AGAINST BIRTH DEFECTS

Mr. MONTOYA. Mr. President, today I am introducing a joint resolution to establish January as March of Dimes Birth Defects Prevention Month. I am happy this resolution has the support of Senators MCINTYRE, STEVENSON, HUMPHREY, KENNEDY, HART, PERCY, MANSFIELD, and MCGOVERN, as the bill is introduced. An identical resolution is being introduced in the House of Representatives by Congressman JAMES SYMINGTON. In taking this step we will be offering the support of Congress for a volunteer effort which is aimed at solving the No. 1 child health problem in the United States.

THE FACTS ABOUT BIRTH DEFECTS IN THE UNITED STATES

This problem affects all of our lives. Every year about 250,000 babies are born in the United States with some type of defect—mental or physical. This amounts to almost 1 in 14 births or 700 babies a day—about 7 percent of all live births. Official statistics indicate that of those born alive more than 60,000 die each year in infancy, childhood, or in adult life as a direct result of birth defects. A 10-year study conducted at the University of Florida College of Medicine suggests that birth defects cause some 129,000 deaths a year, more than twice the officially reported number. Birth defects are implicated in fully half the deaths of preschool children and are responsible for the death of almost two-fifths of elementary school age youngsters.

In addition, there are some 500,000 spontaneous abortions, stillbirths, and miscarriages each year due to defective fetal development.

Altogether, more than 560,000 lives a year are destroyed by birth defects. Only heart disease claims more lives.

THE COST IN DOLLARS

As a result, birth defects are estimated to cost the United States some $80 billion annually in lost lifetime earnings. Because this loss begins with birth, rather than late in life, it is more than four times greater than for any other disease. In addition, some 1,200,000 are hospitalized in the United States each year for the treatment of birth defects at an estimated cost of over $800 million.

It is estimated that approximately 15 million Americans suffer from birth defects serious enough to affect their daily lives. These include 3 million mentally retarded, 4 million diabetics, 1 million with congenital bone, muscle, or joint disease, 500,000 totally or partially blind, 750,000 with impaired hearing, 350,000 with congenital heart or circulatory defects, and 100,000 with severe speech problems.

In 1950 the United States ranked sixth among the advanced nations in prevention of infant deaths, and in 1972 it ranked 15th.

We are losing ground in our fight to maintain international leadership in the development of preventive medicine, prenatal, and neonatal care.

JANUARY IS MARCH OF DIMES MONTH

For nearly 40 years, the March of Dimes has had a concentration of public education and publicity during the month of January. Each year, January has been proclaimed March of Dimes Month by numerous Governors and mayors. The following States have declared a March of Dimes month in January at least once since 1970: Alabama, Alaska, Arkansas, Colorado, Connecticut, Hawaii, Illinois, Idaho, Indiana, Iowa, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, New Hampshire, New Jersey, New York, North Carolina, Oregon, Pennsylvania, Rhode Island, Vermont, Virginia, Washington, and Wisconsin.

This tradition began with the establishment of the President's Birthday Ball honoring President Franklin D. Roosevelt on January 30, 1934. The proceeds of the President's Birthday Ball were used to finance the fight on polio through the National Foundation and the annual campaign to support the National Foundation became the March of Dimes.

With its victory over polio, the National Foundation/March of Dimes began in 1958 to focus its full resources on the campaign against birth defects. Its efforts are directed both to the prevention of birth defects and to the treatment of those born with disease or damage due to prenatal factors.

PROGRAMS FOR PREVENTION OF BIRTH DEFECTS

Every child should enter the world undamaged by defects, events that take place during pregnancy. Statistics prove that a program of prevention is a necessity.

Programs of prevention require great emphasis on prenatal care. The National Foundation/March of Dimes through its more than 2,300 chapters covering every county in the United States, has initiated numerous programs at the local level to see that expectant mothers receive adequate prenatal care. Working with all elements of the community, prenatal care projects have been established that now help bring medical services and health education to families in an increasing number of localities. The National Foundation helped initiate nationwide programs such as "Operation Stork," "Better Infant Births," and "Stork Nests" in conjunction with other volunteer groups.

It has cosponsored prenatal care clinics with hospitals and public health departments in inner city and rural areas. Beside adequate medical care, the prenatal care programs stress the importance of nutrition to mothers both before and during pregnancy and to the newborn.

Congress has also responded to these problems through the passage of the Maternal and Child Health Services provisions of the Social Security Act. This act has resulted in the establishment of 61 maternity and infant projects in 34 States and eight intensive care projects for high-risk infants. The National Foundation/March of Dimes programs have acted as referrals to these projects.

In addition, Congress has established the special supplemental food program for women, infants, and children—WIC program—under section 17 of the Child Nutrition Act of 1966. The National Foundation/March of Dimes has been working closely with the Department of Agriculture and the local communities to implement this program and to develop appropriate systems of evaluation.

Through the Public Health Service Act, funds are made available for research into the causes and treatment of birth defects as part of the total Federal medical research program. The National Foundation/March of Dimes makes extensive grants each year for research into the underlying causes of birth defects and also into the best methods of diagnosis and treatment. The internationally famous Salk Institute for research has been built and largely supported by March of Dimes funds.

The National Foundation/March of Dimes sponsors a network of medical service programs throughout the country. Through these programs children with birth defects receive diagnosis and treatment by teams of medical experts. More than half of the programs also provide genetic counseling. At others, high-risk pregnancies are monitored and intensive care is given to critically ill newborns. These programs are administered by hospital medical centers.

EDUCATION AND PUBLIC INFORMATION

The education and training of professionals to provide the broad range of

services required is another goal. The National Foundation/March of Dimes provides leadership in this area with symposiums to educate family practitioners in genetics and courses for nurses in intensive care of critically ill newborns as examples. Fellowships are awarded to outstanding investigators and clinicians and scholarships are made available in the health specialties. Of particular importance is the dissemination of knowledge about birth defects and their treatment through the publication of original articles and reprints, the distribution of audiovisual films on genetics and the publication of a "Birth Defects Atlas and Compendium" as a resource tool for doctors.

Of equal importance is the dissemination of knowledge to the public and especially to the prospective mother. The National Foundation/March of Dimes volunteers throughout the country carry the word in person and through hundred of thousands of pamphlets and booklets to all parts of the community. Prospective mothers must know the importance of early and regular medical attention in pregnancy and why it is her best safeguard in reducing the risk of maternal complications and hazards to her unborn baby.

FOCUSING ON THE NEED

In the crusade against birth defects, it is necessary for the people of the United States to consider fully the nationwide problem and its effect on present and future generations. By authorizing the President to designate January of each year as March of Dimes Birth Defects Prevention Month will be the vehicle through which information about education, nutrition, and prevention of birth defects is transmitted to the public. I urge my colleagues to support this resolution.

ADDITIONAL COSPONSORS OF BILLS

S. 2497

At the request of Mr. BAKER, the Senator from Illinois (Mr. STEVENSON), and the Senator from Texas (Mr. TOWER) were added as cosponsors of S. 2497, to require the Librarian of Congress to establish and maintain a library of television and radio programs, and for other purposes.

S. 3074

At the request of Mr. CLARK, the Senator from New Hampshire (Mr. MCINTYRE) was added as a cosponsor of S. 3074, the Comprehensive School Health Education Act.

S. 3096

At the request of Mr. CRANSTON, the Senator from Florida (Mr. GURNEY) and the Senator from Ohio (Mr. TAFT) were added as cosponsors of S. 3096, a bill to amend the Small Business Act to provide for loans to small business concerns affected by the energy shortage.

S. 3188

At the request of Mr. ROBERT C. BYRD for Mr. JACKSON, the Senator from Tennessee (Mr. BROCK) was added as a cosponsor of S. 3188, to establish the Sewall-Belmont House National Historic Site, and for other purposes.

S. 3530

At the request of Mr. STEVENS, the Senator from Alaska (Mr. GRAVEL) was added as a cosponsor of S. 3530, to authorize the Secretary of the Interior to enroll certain Alaskan Natives for benefits under the Alaska Native Claims Settlement Act.

S. 3625

At the request of Mr. DOMENICI, the Senator from Idaho (Mr. CHURCH), the Senator from New York (Mr. JAVITS), the Senator from Arizona (Mr. FANNIN), the Senator from Hawaii (Mr. FONG), and the Senator from Ohio (Mr. TAFT) were added as cosponsors of S. 3625, to provide for the recycling of used oil, and for other purposes.

S. 3633

At the request of Mr. ERVIN, the Senator from Connecticut (Mr. RIBICOFF) was added as a cosponsor of S. 3633, a bill to protect the constitutional right of privacy of individuals concerning whom identifiable information is recorded by enacting principles of information practices in furtherance of articles I, III, IV, V, IX, X, and XIV of amendment to the U.S. Constitution.

S. 3643

At the request of the Senator from New York (Mr. JAVITS) the Senator from New Hampshire (Mr. MCINTYRE), the Senator from Ohio (Mr. METZENBAUM), and the Senator from Rhode Island (Mr. PELL) were added as cosponsors of S. 3643, the Rail Passenger Service Amendments of 1974.

S. 3663

At the request of Mr. BEALL, the Senator from Hawaii (Mr. FONG), the Senator from Illinois (Mr. STEVENSON) and the Senator from Utah (Mr. MOSS) were added as cosponsors of S. 3663, to amend the Internal Revenue Code of 1954 to provide an exemption from income taxation for certain income of condominium housing associations, homeowner associations, and cooperative housing corporations.

S. 3672

At the request of Mr. BAKER, the Senators from California (Mr. CRANSTON and Mr. TUNNEY) were added as cosponsors of S. 3672, 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.

S. 3680

At the request of Mr. TUNNEY, the Senator from Illinois (Mr. STEVENSON) was added as a cosponsor of bill S. 3680, a bill to prevent the taxation of the forgiven portion of education loans.

SENATE CONCURRENT RESOLUTION 97—SUBMISSION OF A CONCURRENT RESOLUTION RELATING TO FOREIGN FISHING FLEETS IN INTERNATIONAL WATERS

(Referred to the Committee on Commerce.)

Mr. MAGNUSON. Mr. President, few ocean problems facing scientists and fishery management authorities rivals the complexities associated with the maintenance of the runs of salmon. Unlike most fishery resources, anadromous fish, such as salmon, divides its life cycle between the world oceans and the inshore freshwater areas. The United States, as "host state," must make considerable sacrifice to assure that the inshore habitat is maintained, not only for spawning areas but for the period of time which the individual species remain in freshwater before going to sea.

A large part of the sacrifice is borne, of course, by the commercial and recreational fishermen and industry, who must regularly curtail their operations in order that the individual races of salmon reach the spawning grounds in sufficient and proper numbers to insure continuance of the runs. This regulation must be done close to the stream of origin, for there is no known method for practically regulating a high seas catch where indiscriminate net fishing can easily destroy an individual stock of fish.

The United States and Canada, long recognizing this difficulty, have by national law banned high seas net fishing and have taken the position that no such harvest should be allowed. Unfortunately, the Japanese do continue a high seas net fishery principally on Bristol Bay, Alaska salmon stocks which has been a contributing factor to the difficulties of returns to that once-great salmon area.

Mr. President, I introduce, for appropriate reference, a concurrent resolution indicating the sense of the Congress on this vital and timely question.

The concurrent resolution reads as follows:

S. CON. RES. 97

Whereas foreign fishing fleets in international waters are removing substantial amounts of salmon spawned in United States waters while this same method is denied United States fishermen;

Whereas pursuant to the policy of Congress expressed in S. Con. Res. 11 (H. Con. Res. 173) every effort should be taken to provide a productive and well-managed fishery and eliminate discrimination against United States fishermen;

Whereas it is recognized that salmon can be most efficiently harvested when close to land and returning to spawning grounds where they have reached their maximum growth, are isolated into spawning groups, and are isolated from immature fish;

Whereas high seas gill netting of salmon is destructive since a large percentage of the salmon caught are shaken out of the nets in a dead or injured condition and therefore are not harvested at all;

Whereas high seas netting of salmon is nonselective and consequently large numbers of immature fish are captured;

Whereas this inefficient harvesting of one of the world's most valuable fish resources deprives the world community of needed protein supplies;

Whereas coastal State management and production programs for salmon are largely ineffective as long as indiscriminate high seas netting is continued;

Whereas salmon runs in some parts of the world are being depleted by the combination of overfishing and lack of proper management;

Whereas future overfishing could virtually eliminate important parent cycles of salmon;

Whereas the enforcement of the United States species approach proposal at the Inter-

national Law of the Sea Conference and the enforcement of proposed congressional measures to secure control over salmon spawned in United States waters would be greatly facilitated by a ban on high seas fishing of salmon: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of Congress that the high seas netting of salmon be recognized as a destructive and wasteful method of fishing that prevents effective management and harvesting of valuable fish resources and is contrary to the policy of Congress expressed in S. Con. Res. 11.

SEC. 2. It is the sense of Congress that its Members support measures that will prevent netting and other inefficient methods of harvesting salmon on the high seas.

SEC. 3. It is the sense of Congress that the Secretary of State utilize means at his disposal to secure a worldwide ban on such methods of fishing.

ADDITIONAL COSPONSORS OF CONCURRENT RESOLUTIONS

SENATE CONCURRENT RESOLUTION 88

At the request of Mr. NELSON, the Senator from Kansas (Mr. DOLE), and the Senator from New Jersey (Mr. CASE) were added as cosponsors of Senate Concurrent Resolution 88, relative to a national economic emergency.

SENATE CONCURRENT RESOLUTION 92

At the request of Mr. HUMPHREY, the Senator from Maine (Mr. MUSKIE) was added as a cosponsor of Senate Concurrent Resolution 92, expressing the sense of Congress that certain responsibilities of the U.S. Customs Service should not be transferred to the Immigration and Naturalization Service.

SENATE RESOLUTION 352—SUBMISSION OF A RESOLUTION TO AMEND RULES XXV AND XVI OF THE STANDING RULES OF THE SENATE

(Referred to the Committee on Rules and Administration.)

Mr. MOSS. Mr. President, last week Senator GOLDWATER and I informed the Senate of our intention to introduce a resolution amending the Standing Rules of the Senate to confer upon the Committee on Aeronautical and Space Sciences jurisdiction over the Energy Research and Development Administration.

Today I am introducing such a resolution for myself and Senator GOLDWATER.

We are taking this step at this time so that the appropriate resolution will be pending before the Committee on Rules and Administration when the act establishing ERDA becomes law. Thus, the Senate will be able to act in a timely manner to resolve the question of jurisdiction over ERDA and to designate clearly which Senate committee has been assigned the responsibility to oversee the actions of this new agency in its critical early days.

The resolution reads as follows:

S. RES. 352

Resolved, That paragraph 1(a) of rule XXV of the Standing Rules of the Senate is amended—

(1) by adding at the end of subparagraph (1) the following:

"(D) Matters relating to energy research and development.

"(E) Energy Research and Development Administration."; and

(2) by striking out of subparagraph (2) "upon," and inserting in lieu thereof "upon (A)", and by adding at the end of such subparagraph (2), immediately before the period, a comma and the following: "and (B) energy research and development activities of all agencies of the United States".

SEC. 2. Immediately before the period at the end of the last item of the second column of the table contained in paragraph 6(a) of rule XVI of the Standing Rules of the Senate, insert a semicolon and the following: "for the Energy Research and Development Administration".

SENATE RESOLUTION 353—SUBMISSION OF A RESOLUTION TO COMMEND THE CBS TELEVISION NETWORK

(Referred to the Committee on Commerce.)

Mr. SCHWEIKER. Mr. President, on behalf of Senators BIDEN, BEALL, BROOKE, CASE, COTTON, HELMS, HOLLINGS, JAVITS, MATHIAS, MCINTYRE, NUNN, PELL, RIBICOFF, ROTH, TALMADGE, THURMOND, WEICKER, and WILLIAMS, I am today introducing a resolution commending the CBS television network for initiating its series "Bicentennial Minutes" in commemoration of our Nation's 200th birthday. This series of 1-minute vignettes depicting historic events of 200 years ago will begin July 4, 1974, and run for 732 consecutive days through July 4, 1976.

The cosponsors of this measure, representing 12 of the 13 original colonies, are proud of the role their States played in founding the Republic, and welcome this effort and others aimed at fostering the Bicentennial spirit.

Mr. President, I ask unanimous consent that there be printed in the RECORD at this point a copy of the resolution and an article from the June 24 issue of Time magazine describing the "Bicentennial Minutes" series.

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

S. RES. 353

Whereas on this July 4 the CBS television network will debut a prime-time television series called "Bicentennial Minutes"; and

Whereas this series will run every night of every day for 732 consecutive days, and will end on July 4, 1976, our Nation's 200th birthday; and

Whereas each minute documentary will highlight an event from American history occurring on that date 200 years before: Now, therefore, be it

Resolved, That the Senate commends the CBS television network for so commemorating the birth of our Nation, and for providing a focus for Americans to foster a sense of deepened pride in their heritage.

THE 732 STEPS

The 200th birthday of the United States is still two years away, but already television networks are starting to celebrate. Among the shows planned for the fall are NBC's series based on Carl Sandberg's biography of Lincoln, and another by the Public Broadcasting System on the Adams family from 1750 to 1900. CBS, however, has decided to go to extremes with the longest-running shortest commemorative of them all. Beginning on July 4, it will offer a prime-time TV series called Bicentennial Minutes, which will run every night of every week until B-day, July 4, 1976. Each segment is exactly one minute long.

Dreamed up by Exectuive Producer Lewis Freedman, the series will describe bits of American history, data and errata, the momentous and the obscure. The 732 minutes—of the newspaper filler "on this day 200 years ago" variety—will be narrated, says the network, by "everyone from movie stars to Supreme Court Justices." Sample Minutes: Actor Barry Sullivan recounting the career of Tom Paine, Charlton Heston describing George Washington's reaction to the Boston Tea Party, Richard Crenna explaining the impact of the fuel crisis in Boston in the year 1774, and Jean Stapleton revealing Martha Washington's secret recipe to prevent cherries from spoiling.

SENATE RESOLUTION 354—ORIGINAL RESOLUTION REPORTED RELATING TO THE CASE OF UNITED STATES AGAINST REINECKE

(Considered and agreed to.)

Mr. ROBERT C. BYRD (for Mr. EASTLAND), from the Committee on the Judiciary, reported an original resolution (S. Res. 354) to authorize Senator JAMES O. EASTLAND as chairman of the Committee on the Judiciary, to provide copies of certain materials of the committee with respect to the case of United States against Reinecke.

CHANGE OF REFERENCE

Mr. HUMPHREY. Mr. President, I ask unanimous consent that Senate Concurrent Resolution 92, a resolution which I introduced on June 20, be referred to the Committee on Government Operations.

The PRESIDING OFFICER. The Senate will be in order. The Chair cannot hear the Senator.

Will the Senator restate his unanimous-consent request?

Mr. HUMPHREY. Yes.

Mr. President, I ask unanimous consent that Senate Concurrent Resolution 92, expressing the sense of Congress that certain responsibilities of the U.S. Customs Service should not be transferred to the Immigration and Naturalization Service—a bill which I introduced on June 20 and which was referred to the Committee on Finance—be referred to the Committee on Government Operations, and that the Committee on Finance be discharged from further consideration of this bill.

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

ADDITIONAL COSPONSORS OF RESOLUTIONS

SENATE RESOLUTION 160

At the request of Mr. HUMPHREY, the Senator from Tennessee (Mr. BROCK) was added as a cosponsor of Senate Resolu-

tion 160, a resolution to establish a temporary select committee of the Senate to conduct a study and investigation on regulatory commissions and the U.S. economy.

SENATE RESOLUTION 347

At the request of Mr. INOUYE, the Senator from New Hampshire (Mr. McINTYRE), the Senator from South Dakota (Mr. McGOVERN), the Senator from Pennsylvania (Mr. HUGH SCOTT), the Senator from Montana (Mr. MANSFIELD) and the Senator from Hawaii (Mr. FONG) were added as cosponsors of Senate Resolution 347, to authorize the Committee on Commerce to make an investigation and study of the policy and role of the Federal Government on tourism in the United States.

SENATE RESOLUTION 347

At the request of Mr. INOUYE, the Senator from Florida (Mr. CHILES), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Missouri (Mr. EAGLETON), and the Senator from Alaska (Mr. GRAVEL) were added as cosponsors of Senate Resolution 347, relating to the role of the Federal Government in tourism in the United States.

ENROLLMENT OF CERTAIN NATIVES UNDER THE ALASKA NATIVE CLAIMS SETTLEMENT ACT—AMENDMENT

AMENDMENT NO. 1535

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

Mr. STEVENS. Mr. President, the Alaska Native Claims Settlement Act, Public Law 92–203, directed the Secretary of the Interior to make a study of all Federal programs primarily designed to benefit Native people and to report back to the Congress with his recommendation for the future management and operation of these programs within 3 years of the date of enactment of the law. The 3-year deadline will expire on December 18 of this year.

In the fall of 1973, a steering group was appointed to direct the 2(c) Study under the chairmanship of Tom Whittington who was an attorney with the Department of the Interior in Washington. The steering group was composed of members from the Northwest Federal Regional Council, the State of Alaska, and members of the Alaskan Native community. In a September 14, 1973 letter to Bernard Kelly, chairman of the Northwest Federal Regional Council, Secretary of the Interior Morton stated that:

> This Steering Group would . . . develop the study plan, and the respective assignments and procedures by which the plan would be completed. Further, it would be the coordinating group for the development of policy alternatives to be submitted to Washington.

The Secretary went on to reiterate his:

> Two most basic concerns in the implementation of the study: first, that it be objective and that efforts be made to analyze problems from a comprehensive, long-range viewpoint; second, that Natives be involved in the study as much as possible.

In April of this year, Mr. Whittington was replaced by Mr. Roy Sampsel from the Interior Department's Portland Office. On May 17, 1974, the steering group transmitted to Secretary Morton a comprehensive document outlining the work plan for the study and requesting a 2-year extension to meet the congressional and departmental directive for a comprehensive study. In view of the importance of the 2(c) study and its potential impact on Alaskan Natives, I urged the Department of the Interior to request an extension of the study deadline.

In mid-June, the Department decided not to request an extension and let a request for proposal to contract out the study. The study has now become a 5-month effort directed at a maximum of 20 Federal programs having significant impact on Alaskan Natives.

Mr. President, the steering group identified some 480 Federal programs impacting Alaskan Natives. While all 480 may not have a significant impact on a large proportion of the Native population, there are more than 20 programs which should be scrutinized before the study is completed.

One most important consideration was overlooked by both the Congress and the Department of the Interior when stipulating a completion date for the 2(c) study—that is the land itself. While the monetary settlements are sizable under the act, the greatest, long-term benefit is the 40 million acres which will be transferred to the regional and village corporations. This land transfer will not be completed until December 1974.

It seems, therefore, somewhat futile to attempt to assess the impact of the claims act on Alaskan Natives or to make recommendations for the future of Federal programs prior to the transfer of the land.

Mr. President, the amendment I am offering today together with the Senator from Washington (Mr. JACKSON) and my colleague (Mr. GRAVEL) to S. 3530 would authorize and direct the Secretary of the Interior to conduct a comprehensive study of all Federal programs designed to benefit Alaskan Native people—not just the 20 programs which will be selected by the contractor for the 2(c) study. The Secretary is further charged with the responsibility of assessing changes in Native life style, health status, income levels, and a range of other socio-economic variables which may be altered as a result of the Land Claims Settlement. This study would use the present 2(c) study as a starting point. Under my amendment the final study would be submitted to Congress along with the recommendations for the future direction of Federal programs for Alaskan Natives on June 20, 1977.

The Alaska Native Claims Settlement Act made history by being the first legislated aboriginal claims settlement in our Nation's history. I feel that Congress acquitted itself well in this task. It is my intention that the will of Congress in mandating the 2(c) study be fulfilled. The major point in section 2(c) is that a study be submitted to Congress by December 18, 1974. I do not feel that the 3-year time frame provided in the Land Claims Act is sufficient. But we can use the 2(c) study as a base—and complete the task if this amendment is enacted. The point is that we wish an accurate, complete evaluation of any changed Federal responsibilities toward Alaskan Native people as a result of the settlement.

Mr. President, I ask that the 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. 1535

On page 1, after line 10, add the following new section:

SEC. 2(a). Upon completion of the study required pursuant to section 2(c) of the Alaska Native Claims Settlement Act (85 Stat. 688) (hereinafter referred to as the "Settlement Act"), the Secretary of the Interior (hereinafter referred to as the "Secretary") shall submit such study to each of the Alaska Native Regional Corporations established under that Act and to the State of Alaska. Each such Corporation and the State of Alaska may review such study and submit its comments to the Secretary prior to June 30, 1975. The study, together with the comments and any response the Secretary may wish to make to such comments, shall be submitted anew to the Congress on or before July 30, 1976.

(b) The Secretary is authorized and directed to make a study of (i) any changes in Alaska Native life style, health status and needs, income distribution and holdings, economic pursuits, housing, means and patterns of transportation, modes of communication, and social and cultural patterns which may result from the implementation of the Settlement Act, and (ii) all federal programs designed to benefit Alaska Native people. The study shall include recommendations of the Secretary for the future management and operation of these federal programs and any other federal programs which may be required to serve the Alaska Native community during the remaining period of, and after, the implementation of the Settlement Act.

(c) In making the study required by subsection (b), the Secretary shall give full consideration to the study made pursuant to section 2(c) of the Settlement Act and to the comments thereon by Alaska Native Regional Corporations and the State of Alaska pursuant to subsection (a) of this section.

(d) The Secretary shall provide the opportunity for participation of Alaska Natives and the State of Alaska in the conduct of the study required by subsection (b).

(e) The study required by subsection (b) shall be submitted to the Congress on June 30, 1977.

(f) There are hereby authorized to be appropriated to the Secretary such sums as are necessary to conduct the study required by subsection (b).

APPROPRIATIONS FOR AGRICULTURE, ENVIRONMENTAL, AND CONSUMER PROTECTION PROGRAMS, 1975—AMENDMENT

AMENDMENT NO. 1536

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

Mr. NELSON. Mr. President, I send to the desk an amendment to H.R. 15472, the fiscal year 1975 appropriations bill for agriculture, environmental, and consumer protection and ask that the amendment be printed and referred to the Committee on Appropriations.

Mr. President, this amendment has been cosponsored by Senators COOK, MONDALE, RIBICOFF, MCGOVERN, NUNN, HART, JAVITS, CASE, KENNEDY, RANDOLPH, ABOUREZK, PACKWOOD, HUGHES, GRAVEL, DOLE, STEVENSON, HUMPHREY, TUNNEY, and WILLIAMS.

This amendment appropriates $600 million that will help meet the legal and financial commitment the Congress made to the Nation's cities in 1966 for the reimbursement of sewage treatment plant construction costs.

This amendment appropriates $600 million that was authorized by the Congress and signed into law by the President (Public Law 93–207) on December 28, 1973. The Federal Water Pollution Control Act Amendments of 1972 (Public Law 92–500) appropriated $1.9 billion to cover the full eligible costs for the cities that went ahead with a promise of Federal reimbursement from 1966–72 and prefinanced the eligible Federal share of the cost of plant construction. They went ahead on the premise that the Federal share would be paid in full in a timely fashion.

Section 206(a) of Public Law 92–500 authorizes EPA to award reimbursable grants or grant increases to bring Federal assistance up to 50 or 55 percent of eligible costs on all publicly owned treatment works on which construction started between June 30, 1966, and July 1, 1972, provided that these projects meet requirements of section 8 of Public Law 84–660, as amended. Provisions of Public Law 93–207 require the grantee or potential grantee to apply for such reimbursement prior to January 31, 1974, to be eligible for reimbursement. In effect, section 206(a) calls for, first, grant increases up to 50 or 55 percent on projects, some of which have been completed and some of which are still under construction, that had previously been approved and serviced by EPA under Public Law 84–660, and second, new grant awards to projects that had not been previously approved by EPA.

Now it appears that even this increased authorization will not be enough. EPA has again revised its cost estimate. Based on applications received on and prior to January 31, 1974, the estimate of the total eligible amount under section 206 (a) is about $3 billion. This is not a final figure because, first, the final eligible costs of projects still under construction cannot be fully determined until construction is, in fact, completed, and second, we are still working with individual applicants to determine the eligible costs of projects which had not been previously approved and on which we have no information in our files. EPA expects to complete its determination of eligible costs on this latter class of projects in the first half of fiscal year 1975. Final determination of eligible costs of projects still under construction could take several years, depending on completion of construction of the last project. Over 5,300 projects across the country with a total eligibility in excess of $3 billion must now be paid from the $1.9 billion appropriation.

Unless more money is appropriated cities across the Nation that went ahead with the promise of Federal reimbursement will continue to carry a Federal responsibility. Unless more money is appropriated the EPA will continue to prorate the $1.9 billion in the following manner: projects that have received prior Federal funding will receive half of their eligible share. The other half will be paid at 65 cents on the dollar. Projects that have not received prior Federal assistance but that have filed for money will have their eligibility reviewed over the summer and be paid with what is left of the $1.9 billion.

This amendment will increase the reimbursement rate to approximately 90 percent of the total Federal eligibility for projects that have received prior funding and provide an increased amount of money to new projects.

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

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

AMENDMENT NO. 1536

On page 36, line 7, after the word "expended" add the following new paragraph:

"For reimbursement of costs of construction of wastewater treatment works pursuant to section 206(a) of the Federal Water Pollution Control Act, $600,000,000, to remain available until expended."

SCIENCE AND TECHNOLOGY APPLICATIONS ACT—AMENDMENT

AMENDMENT NO. 1537

(Ordered to be printed, and referred jointly to the Committees on Aeronautical and Space Sciences and Commerce.)

Mr. MAGNUSON. Mr. President, today I am introducing in behalf of myself and Senators Moss and TUNNEY, an amendment to S. 2495, the "Technology Resources Survey and Applications Act." This amendment is the outgrowth of 2 days of joint hearings held by the Commerce and Aeronautical and Space Sciences Committees on S. 2495 this past March.

This amendment will establish a focus for science and technology policymaking in the executive branch. It will provide an effective mechanism for long-range planning in science and technology.

Science and technology have a profound impact on modern society. The need to have a White House level policymaking office in science and technology has long been recognized. One of the reasons several previous attempts by a number of Presidents to develop such a capacity failed, was the lack of legislative authority for such a body to coordinate and evaluate the numerous science and technology programs of the mission agencies. The situation was further aggravated last year when the science advisory role was shifted to a part-time responsibility of the Director of the National Science Foundation. It is just unrealistic to expect NSF, itself a mission-oriented Agency, to oversee the science and technology programs of its sister agencies. The coordination, evaluation, and policymaking role can only be accomplished by a high level Council. For 20 years, we have had a Council on Economic Advisers. Since 1969, we have had a Council on Environmental Quality. The proposed Council of Advisers on Science and Technology is patterned after these two very successful precedents.

The National Academy of Sciences released a report yesterday calling for the establishment of a similar science policy apparatus.

The Commerce Committee and the Aeronautical and Space Sciences Committee will hold joint hearings on this amendment on July 11. We expect several former Presidential Science Advisers to appear. I look forward to their comments on this proposal.

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

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

Amendment No. 1537

Strike out all after the enacting clause and substitute in lieu thereof the following:

That this Act may be cited as the "Science and Technology Applications Act of 1974".

STATEMENT OF FINDINGS AND DECLARATION OF POLICY

SEC. 2. (a) The Congress, recognizing the profound impact of science and technology on society, and the interrelations of scientific, technological, economic, social, political, and institutional factors, hereby finds and declares that—

(1) the scientific and technological capabilities within the United States, if properly applied and directed, could effectively assist in improving the quality of life and in anticipating and resolving many critical and emerging national problems;

(2) it is the responsibility of the Federal Government to assure adequate opportunity for the full and efficient use of such scientific and technological capabilities;

(3) the maintenance and strengthening of diversified scientific and technological capabilities in the Federal departments and agencies, in State and local governments, in industry and the universities, and the encouragement of independent initiatives based on such capabilities, are essential to the most effective use of science and technology in resolving critical and emerging national problems;

(4) a more systematic approach is needed to identify critical and emerging national problems and to analyze, plan, and coordinate Federal science and technology programs, policies, and activities intended to contribute to the resolution of such problems;

(5) the effectiveness of scientific and technological contributions to improvements in the quality of life and to the resolution of critical and emerging national problems depends on the maintenance of a strong base of knowledge in science and advanced

technology together with a resource of highly qualified scientists and engineers;

(6) an annual Science and Technology Report to the Congress would facilitate more effective utilization of science and technology in the resolution of critical and emerging national problems; and

(7) science and technology can fully serve the nation only if adequate means are established in the Executive Office of the President to provide source of scientific and technological analysis and judgment to the President drawing on the best talents available within and outside the Federal Government.

TITLE I—NATIONAL SCIENCE AND TECHNOLOGY RESOURCES PLANNING AND COORDINATION

THE COUNCIL OF ADVISERS ON SCIENCE AND TECHNOLOGY

SEC. 101. (a) There is established in the Executive Office of the President a Council of Advisers on Science and Technology (hereinafter referred to as the "Council"). The Council shall be composed of three members who shall be appointed by the President, by and with the advice and consent of the Senate, from among individuals who, by reason of their training, experience, and attainments, are exceptionally qualified to analyze and interpret scientific and technological developments; to appraise and recommend programs, policies, and activities of the Federal Government in the light of the policy declared in Section 2; and are sensitive to the economic, social, esthetic and cultural needs and interests of the Nation.

(b) The President shall designate one of the members of the Council as Chairman and one as Vice Chairman, who shall act as Chairman in the absence of the Chairman.

(c) Members of the Council shall serve full time and the Chairman of the Council shall be compensated at the rate provided for Level II of the Executive Schedule Pay Rates. The other members of the Council shall be compensated at the rate provided for Level IV of the Executive Schedule Pay Rates.

(d) The Council may employ such officers and employees as may be necessary to carry out its functions under this Act. In addition, the Council may employ and fix the compensation of such experts and consultants as may be necessary for the carrying out of its functions under this Act, in accordance with Section 3109 of Title 5 (but without regard to the last sentence thereof).

(e) The Council shall have the authority, within the limits of available appropriations, to enter into contracts or other arrangements for the carrying on by organizations or individuals, including other government agencies, of such activities as the Council deems necessary to carry out the purposes of this Act.

FUNCTIONS OF THE COUNCIL

SEC. 102. (a) It shall be the duty and function of the Council to serve as a source of scientific and technological analysis and judgment for the President with respect to major policies, plans, and programs of science and technology of the Federal Government. In carrying out its duties, the Council shall:

(1) seek to define a coherent approach for applying science and technology to critical and emerging national problems and for coordinating the scientific and technological responsibilities and programs of the Federal departments and agencies in the resolution of such problems;

(2) assist and advise the President in the preparation of the Science and Technology Report, in accordance with Section 103 of this title;

(3) gather timely and authoritative information concerning significant developments and trends in science and technology, both current and prospective, to analyze and interpret such information for the purpose of determining whether such developments and trends are interfering, or are likely to interfere, with the achievement of the policy set forth in section 2 of this Act;

(4) initiate studies and analyses, including systems analyses, to identify and assess alternatives available for the resolution of critical and emerging national problems amenable to the contributions of science and technology and, insofar as possible, determine and compare probable costs, benefits, and impacts of these alternatives;

(5) review and appraise the various programs, policies, and activities of the Federal Government in the light of the policy set forth in section 2 of this Act for the purpose of determining the extent to which such programs, policies, and activities are contributing to the achievement of such policy, and to make recommendations to the President with respect thereto;

(6) report at least once each year to the President on the overall activities and accomplishments of the Council;

(7) perform other duties and functions and make and furnish such studies, reports thereon, and recommendations with respect to matters of policy and legislation as the President may request.

(b) In exercising its powers, functions, and duties under this Section, the Council shall:

(1) work in close consultation and cooperation with the heads of the Federal departments and agencies;

(2) utilize the services of consultants, establish such advisory committees, and consult with State and local governmental agencies, with appropriate professional groups, and with such representatives of industry, the universities, agriculture, labor, consumers, conservation organizations, and other groups, organizations, and individuals as it may deem advisable;

(3) utilize to the fullest extent possible the services, facilities, and information (including statistical information) of public and private agencies and organizations, and individuals, in order that duplication of effort and expense may be avoided.

(c) Each department, agency, and instrumentality of the executive branch of the Government, including any independent agency, is authorized and directed to furnish the Council such information as the Council deems necessary to carry out its functions under this title.

(d) The Chairman of the Council shall, in addition to the duties and functions set forth in subsection (a)—

(1) serve as the Science and Technology Adviser to the President;

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

(3) perform other duties and functions as assigned by the President or this Act.

SCIENCE AND TECHNOLOGY REPORT

SEC. 103. (a) The President shall transmit annually to the Congress, beginning July 1, 1975, a Science and Technology Report (hereinafter referred to as the "Report") which shall set forth—

(1) a review of developments of national significance in science and technology, including, but not limited to the mathematical, physical, social, and life sciences, and civil, chemical, electrical, and mechanical engineering and related technologies;

(2) the significant effects of current and foreseeable trends in science and technology on the social, economic, and other requirements of the Nation;

(3) a review and appraisal of selected science and technology-related programs, policies, and activities of the Federal Government;

(4) an inventory and projection of critical and emerging national problems the resolution of which might be substantially assisted by the application of science and technology;

(5) the identification and assessment of scientific and technological measures that can contribute to the resolution of such problems, in light of the related social, economic, political, and institutional considerations;

(6) the existing and projected scientific and technological resources, including specialized manpower, that could contribute to the resolution of such problems; and

(7) recommendations for legislation on science and technology-related programs and policies that will contribute to the resolution of such problems.

(b) Upon request, the National Science Foundation shall furnish assistance to the Council in carrying out the Council's responsibilities under subsection 102 (a) (2) in regard to the matters called for in paragraphs (1) and (6) of subsection (a) of this Section.

(c) The Report shall be printed and made available as a public document.

TITLE II—THE OFFICE OF TECHNOLOGY APPLICATION

OFFICE ESTABLISHED

SEC. 201. (a) The Administrator of the National Aeronautics and Space Administration shall establish within the Administration an Office of Technology Application to be headed by an Associate Administrator.

(b) In order to carry out the purposes of this Act, the Administrator, through the Office of Technology Application, shall utilize the resources of the National Aeronautics and Space Administration to the fullest extent consistent with its areas of scientific and technological competence and shall—

(1) upon request, furnish assistance to the Council in carrying out the Council's responsibilities under paragraphs (2) and (4) of section 102 (a);

(2) upon direction of the President, conduct research, development, and demonstration projects, in order to carry out the purposes of this Act, consistent with the provisions of section 102 (d) of the National Aeronautics and Space Act of 1958, as amended by this Act.

(3) conduct exploratory research and development projects in support of his responsibilities under this Act.

(c) Except as otherwise provided in this title, the Administrator shall, in carrying out his functions under this title, have the same powers and authority he has under the National Aeronautics and Space Act of 1958.

AMENDMENTS TO THE NATIONAL AERONAUTICS AND SPACE ACT OF 1958

SEC. 202. (a) Section 102 (d) of the National Aeronautics and Space Act of 1958 (42 U.S.C. 2451 (d)) is amended to read as follows:

"(d) The Congress declares that the expertise developed by the National Aeronautics and Space Administration in research and in the development of new and advanced technology to solve complex problems in the conduct of aeronautical and space activities shall, in addition, at the direction of the

President, be made available and be used to further the purposes of the Science and Technology Applications Act of 1974, to the extent not inconsistent with or in diminution of such aeronautical and space activities.".

(b) Section 102 of such Act is amended by adding at the end thereof the following new subsection:

"(e) It is the purpose of this Act to carry out and effectuate the policies declared in subsections (a), (b), (c), and (d) of this section.".

TITLE III—GENERAL PROVISIONS

APPROPRIATIONS AUTHORIZED

SEC. 301. (a) There is hereby authorized to be appropriated to the Council of Advisors on Science and Technology, such sums as are necessary to carry out its functions under this Act.

(b) There is hereby authorized to be appropriated to the National Aeronautics and Space Administration $10,000,000 for the fiscal year ending June 30, 1975, to carry out its functions under this Act. The provisions of section 4 of the Act of June 15, 1959 (73 Stat. 75, 42 U.S.C. 2460), shall apply to authorizations of appropriations to the Administration to carry out its functions under this Act for fiscal years after June 30, 1975.

Amend the title so to read:

To provide a Council of Advisors on Science and Technology, to provide for an annual Science and Technology Report, and for other purposes.

Mr. MOSS. Mr. President, we have all been affected, either directly or indirectly, by the energy crisis. As I have noted on previous occasions, this crisis was precipitated not so much by the Arab oil embargo as by poor government planning and organization. We have had to confront one crisis after another because we have had no forward-looking, comprehensive policy of relating our scientific and technological advances to our domestic problems. Even now, as a good portion of our energies is directed toward resolving the fuel dilemma, a material shortage looms disturbingly on the horizon.

Yet, we have no clearly defined national science policy dealing with the Nation's energy and raw material needs and their relation to our environmental goals and our objectives for economic development. Because no such policy exists, it is difficult for the research institutions of the nation to apply their talents to maximum good effect. In order to provide for more effective utilization of our scientific and technological resources to the solution of our critical domestic problems, Senators MAGNUSON, TUNNEY and I introduced S. 2495 on September 27, 1973.

Since then, many experts from government, industry and the academic community have offered valuable assistance in improving the legislation. As a result, the bill has been significantly altered and additional hearings have been set for July 11 on the amended version of S. 2495. The bill now provides for a small Council of Advisers on Science and Technology in the Executive Office, a Science Adviser to the President, and an annual report concerning the relation of scientific resources to critical and emerging national problems. I feel that the bill is substantially improved and that the concept is one that merits the serious attention of my colleagues.

MANAGEMENT OF THE NATIONAL RESOURCE LANDS—AMENDMENT

AMENDMENT NO. 1538

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

Mr. McCLURE (for himself, Mr. BUCKLEY, and Mr. BARTLETT) submitted an amendment, intended to be proposed by them, jointly, to the bill (S. 424) to provide for the management, protection, and development of the national resource lands, and for other purposes.

ADDITIONAL COSPONSOR OF AN AMENDMENT

AMENDMENT NO. 1535

At the request of Mr. STEVENS, the Senator from Alaska (Mr. GRAVEL) was added as a cosponsor of amendment No. 1535, intend to be proposed by him to S. 3530, to authorize the Secretary of the Interior to enroll certain Alaskan Natives for benefits under the Alaskan Claims Settlement Act.

HEARING ANNOUNCEMENT ON S. 3530

Mr. JACKSON. Mr. President, I wish to announce a hearing by the Senate Committee on Interior and Insular Affairs on S. 3530, a bill to authorize the Secretary of the Interior to enroll certain Alaskan Natives for benefits under the Alaska Native Claims Settlement Act, and amendment No. 1535, an amendment to S. 3530.

This hearing will be held on July 17 at 10 a.m. in room 3110, Dirksen Senate Office Building. Those who wish to testify or submit a statement for inclusion in the hearing record should contact Steven P. Quarles, special counsel, at 225–2656.

ANNOUNCEMENT OF HEARINGS BY DISTRICT OF COLUMBIA COMMITTEE ON NOMINATION OF MR. H. MASON NEELY TO BE A MEMBER OF THE DISTRICT OF COLUMBIA PUBLIC SERVICE COMMISSION

Mr. MATHIAS. Mr. President, the Committee on the District of Columbia, on Tuesday, July 9, 1974, at 9:30 a.m., will hold a public hearing on the nomination of Mr. H. Mason Neely to be a member of the District of Columbia Public Service Commission. The hearing will be held in room 6226, Dirksen Senate Office Building. Persons wishing to present testimony on Mr. Neely's nomination should contact Mr. Robert Harris, staff director of the District of Columbia Committee, 6222 Dirksen Senate Office Building, by noon on Monday, July 8, 1974.

NOTICE OF RESCHEDULING OF HEARINGS ON H.R. 10337

Mr. JACKSON. Mr. President, I wish to announce to the Members of the Senate that because of a scheduling conflict the hearing on H.R. 10337 and other measures relating to the Hopi-Navajo land dispute has been rescheduled for July 24, 1974.

The hearing will commence at 10 a.m., room 3110, Dirksen Senate Office Building, and is open to the general public.

NOTICE OF HEARINGS ON SHORTAGES OF GOODS ESSENTIAL TO INCREASED DOMESTIC OIL AND GAS PRODUCTION

Mr. JACKSON. Mr. President, on July 12, the Interior Committee will hold hearings on shortages of tubular goods and other materials essential to the production of energy, and on legislation to provide for the allocation of such materials. At a time when all Americans are becoming increasingly aware of the importance of our energy resources, the fuel extractive industries—especially the independent sectors—are being plagued with materials shortages. As the Nation stands on the threshhold of a major drive toward energy self-sufficiency our fuel producers are unable to acquire the materials and equipment required to achieve this goal. In some instances, even current production levels are threatened by shortages. Coal mines have been forced to close for lack of roof bolts; and independent oil drillers have been unable to obtain sufficient pipe and casing to drill for new wells.

Mr. President, we are faced with an urgent situation, and an immediate need for its rectification. I know that many of my colleagues are very concerned about this problem, and I hope that a timely and satisfactory solution can be found.

SALUTE TO AMERICA

Mr. HARTKE. Mr. President, beginning on June 14 and ending next week on July 4, a 21-day salute to Honor America has been celebrated. From Flag Day to Independence Day the media, civic groups and organizations, States and localities, and individual Americans have been promoting America and unity among all citizens. This is the fifth such annual observance—and it records our Nation's 198th birthday.

We are all aware that while many of the problems still confronting America may appear to be monumental, they are problems that are surmountable through the exercise of the American spirit and will. In the nearly 200 years of existence, America has suffered battle, hardship, and often despair. But the Declaration of Independence and our Constitution remain intact and as Americans we still pledge to them our loyalty.

Mr. President, I ask unanimous consent that an article prepared by the Honor America Committee of the Ameri-

can Historic and Cultural Society, Inc., be printed in the RECORD following my remarks.

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

A DAY TO HONOR AMERICA, JULY 4TH, 1974

John Hancock of Massachusetts signed the Declaration of Independence with a bold, elaborate and most legible flourish. It was followed by the signatures of 55 others from the 13 American colonies, 198 years ago today.

And in signing this document they called their erstwhile colonies, "Free and Independent States", by appealing to the Protection of divine Providence (the capitals are theirs) and did "mutually pledge to each other our lives, our Fortunes, and our Sacred Honor."

On July 4, 1776, this was no empty pledge. It meant very starkly that each signer had affixed his signature to his own death warrant. Each inscription convicted its perpetrator, automatically, of treason.

Yet such was the overwhelming strength of their patriotism in their fledgling nation that they pledged their all that it might be achieved.

And in years of battle, blood, hardship and often despair, it was achieved. Today nearly two centuries later, we of America are still a nation bound by the principles set forth in that Declaration and in the Constitution which followed it.

John Adams, second President of the United States, wrote of July Fourth—"It ought to be solemnized with pomp and parade, with shows, guns, bells, bonfires, and illuminations, from one end of the country to the other, from this time forever more."

Our nation has survived much, from minor upheavals to major corruptions, to bloody civil war. But that Declaration and that Constitution remain intact. We still pledge to them our lives, our fortunes, and our sacred honor.

And in these troubled times, more than ever, we might take heed of one of our most prominent contemporary constitutional lawyers, Louis Nizer, who in a recent address at New York University Law School, said:

"Ours is a great and noble nation. We must not give vent to despondency or skepticism . . . our great nation couldn't have achieved its eminence in science, business, and culture without a healthy core . . ."

We hold these truths to be self-evident . . .

And by honoring America's founders we also honor America, itself.

THE LUVERNE JOURNAL AND NEWS (ALA.) VIEWS PRESS RESPONSIBILITY

Mr. ALLEN. Mr. President, the Luverne Journal and News of Luverne, Ala., is a newspaper widely read and respected throughout the State of Alabama. While the establishment press has had a field day at the expense of the Secretary of State, the Journal and News was examining a more fundamental concept: the responsibility of the press for fair play. In an editorial on June 12, the paper succinctly noted that the press can use freedom to destroy something great in the name of triviality. The Luverne Journal and News will not be party to the use of its first amendment rights in such a way and I believe it is to that newspaper's credit that it understands its rights and responsibilities in a free society.

Mr. President, believing that more than one side of the story should be heard concerning the now-famous Kissinger press conference in Austria, I ask unanimous consent that the editorial from the Journal and News be printed in the RECORD.

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

HIGH PRICE TO PAY

Secretary of State Henry Kissinger's outrage over the current media attack upon him is entirely appropriate—not necessarily that he is impervious to scrutiny, but the content and the timing seemed rather stupid.

If any man will go down in history as a single individual most instrumental in promoting world peace and accord, this man will surely come away hands down. We have never seen any envoy, ambassador or Secretary of State devote more of himself, body and soul, to a proposition that has Kissinger in his role of peacemaker. His Middle East achievements have been nothing sort of remarkable, and indeed the President's current trip to this area was paved by the dogged determination of this man in his relentless quest for understanding and accord among the warring Mid-East factions.

For accusations, supported by hearsay and inuendo, to smack this man in the face at this particular moment, is to say the least, grossly irresponsible. The Washington Post and the New York Times, both editorially bringing up old wiretap charges and calling Kissinger to account, represent at once the best and the worst in the concept of the freedom of the press: the best because this is a totally free democracy where such is possible with no repercussions; and worst because it can use this freedom to destroy something great in the name of triviality.

This is what is being done to Kissinger, and he has threatened to resign his position if his honor is not cleared up. We don't blame him for his attitude, though it would be a tragic loss to this country and to the world should he return home from his critical peacemaking mission to answer some fool charges that certainly could have waited.

And even if they prove to be true, would not be worth the price their clarification would exact.

FREEDOM UNDER LAW AT STAKE

Mr. GOLDWATER. Mr. President, among the mail I have received concerning my call for a dialog on whether or not newspapers shall live by the laws of the land preserving Government top secret documents is a most thoughtful and eloquent statement by Prof. Edith Clark Lowry on the risk to the American experiment in popular self-government which we must face if the press continues in its abuse of the first amendment guarantee of press freedom.

Dr. Lowry, an educator and professor of constitutional history who is ranked in "Who's Who of American Women," reminds us, as we approach the 200th anniversary of American freedom, that this Nation was built upon a constitutional system of justice, in which an accused person is tried in the courts, not in the newspapers. American justice includes the principle of a presumption of innocence until proven guilty in the proper court of law, even if the accused is a Government official. American justice means attendance to the rights of all the people, including the President of the United States, the Secretary of State, and other high officials.

Professor Lowry also reminds us that the Founders of the Constitution thoughtfully erected a representative form of government in which elected officials are chosen to serve for a specific number of years and not at the whim of fleeting emotions or transistory public opinion. In Madison's words:

It is the reason, alone, of the public, that ought to control and regulate the Government.

If we forget our own historic traditions, if we turn to the abusive excesses which led to the fall of ancient Greek and Roman societies and which the architects of our Constitution knowingly rejected, Dr. Lowry warns that the result may be the destruction of the American concept of freedom under law.

Mr. President, in order that my colleagues may reflect upon the important message contained in Professor Lawry's statement, I ask that the complete text shall be printed in the RECORD.

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

STATEMENT BY PROF. EDITH CLARK LOWRY

As a professor of Constitutional History, I can keep silent no longer. I have not spoken before, because I do not believe in trial by newspaper or television. But I must protest that the time has come, indeed is overdue, for the Press to begin to exercise responsible restraint and to allow our legal system a chance to function with at least a minimum of fairness; although the possibility of finding unbiased juries or conducting impartial court proceedings has been rendered rather remote. The Media may not have "invented" Watergate, but they have developed it into an un-ending source of copy and a veritable gold mine for publishers. More shocking, however, than the shocks of Watergate is the evidence of treasonable betrayal of security, not unlike that in Germany, and the obvious connivance of the Press, whether or not at a price, with every "leak-er" of information. Such leaks, when published, are variously defined as "secret" or "confidential", so apparently these words have new meanings. There would seem to be a deliberate movement of increasing proportion to destroy, if possible, our present legal and governmental institutions.

It is no accident that virtually every "free" government in the world has been toppled within the last year. Now it looks as if ours could be next. It is an old pattern of historic revolutions to destroy the old order in the name of freedom, and to build a "new" world *by force* also in the name of freedom. We are ourselves the children of such a revolution. Perhaps we should be asking if we want another. Our system, as it stands, is a sophisticated system which requires an essentially sophisticated society to make it work. It is built on the ordered acceptance of majority decision in every phase of government, so that we need a citizenry who know how to resist demagoguery, and whose loyalty to their country is beyond politics. Are we indeed such a society? Our American tradition commits us to a pattern of government in which all officials are elected for a fixed term of office. If we do not like their performance we elect someone else the next time round. In the interim we may freely

voice our discontent, and this is the justification for the "freedom of the Press". The results of *any* political election are binding on us *all* until the appropriate time for the next one. To change this pattern without clear evidence not only of crime but of criminal intent on the part of *any* incumbent is to destroy what has so far proved to be the most stable form of democratic government devised by man on this planet.

If crime has been committed there must be sufficient sworn evidence to bring it into the courts, and conviction can only come when there is no shadow of doubt. A man is presumed innocent until proved guilty in a court of law. This is basic to criminal justice under English Common Law which is our inheritance. The system is founded ultimately on the integrity of the individual's oath. Whether such a system can survive in a society which no longer takes seriously eternal judgment against false witness is a real question. The Judaeo-Christian tradition which has formed our Western Culture does, of course, condemn it, and even goes so far as to suggest that the just man is one who neither slanders his neighbor nor repeats the slanders of others. (Psalm 15). Be that as it may—the only justice Man can give to Man is *legal* justice. We are not God. Our perspectives are limited. We must be content to insist that our common life be played by rules that can be monitored. We can also make new rules—and should—but they cannot be enforced retro-actively. This is not pure legalism. Rather it is defense of Law as our best means of achieving such justice as is possible. Law predates formal patterns of Government. Its chief end historically is the maintenance of public order. Beyond this, a "free" society is committed to the prevention of the exploitation of the individual in a world characterized by acquisitiveness and the thrust for power. We are jealous, and rightly so, for our rights as citizens, and we are proud that in general the little man is protected as well as the great.

The inexorability of time is bringing us to the year 1976, when we are to celebrate two hundred years of independent American government. The two party system was not originally, and is not officially, part of this arrangement. We all want a better world, but we are bound to disagree on the techniques for building it. Two parties draw the battle lines, but government by discussion is the American way of resolving such disagreements, within the framework of the fifty states, composed of a host of smaller communities, but all united in a common loyalty to the Nation of which we are a part. Congress discusses and makes the rules, the Judiciary confirms them, and the Executive conducts our public business in accordance with them. Partisan politics are inappropriate in celebrating our two hundredth birthday; they are divisive of our common life at one of the most critical times in world history; and they are a disaster when they jeopardize our diplomatic efforts in the cause of peace.

This letter is a clarion call to the Press to stop malicious gossip, and to re-establish the primacy of Law. This country still has a chance to give leadership for peace, for justice among nations large and small, and for reasonable distribution of the earth's plenty. "Freedom under law" has been won for us at great cost by past generations. It can easily be lost. A self-righteous press which declares it is more important to publish unproven and unidentified "news", however slanderous, than to give a fair trial, is undermining public confidence and making the legitimate processes of government impossible. This is "Star Chamber" tactics in a new guise, where neither accuser nor accusation is known to the accused. It is unworthy of the great tradition of the American press. Have the very things we deplored in the McCarthy era really become acceptable today? In this world of instant communication the influence of the Media is frighteningly great. It must be careful not to usurp those powers belonging to the government and to the law. It is doubly important that we should be able to rely on the integrity of the Press, and on its devotion to all that is *best* in our society. Otherwise we shall be led, as have been others before us, to destroy ourselves at the very moment of our greatest challenge in history. Nothing less than the Western tradition of a *free world under law* is at stake.

EDITH CLARK LOWRY,
JUNE 1974.

BANKERS SUPPORT GUARANTEED LOANS

Mr. McGOVERN. Mr. President, on Tuesday of this week, four spokesmen for the South Dakota Bankers Association testified before a House subcommittee on behalf of an emergency guaranteed loan program for livestock producers, such as this body had passed the previous day.

Because their statement sets forth succinctly the problem in my State, I ask unanimous consent that it be printed in the RECORD.

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

STATEMENT OF SOUTH DAKOTA BANKERS ASSOCIATION BEFORE SUBCOMMITTEE ON LIVESTOCK AND GRAINS

Mr. Chairman, I am Henry Schelle of Chamberlain, South Dakota, president of the South Dakota Bankers Association. With me are John Diefendorf of Beresford, South Dakota, Art Weaver of Huron, South Dakota, and Ed Anderson of Rapid City, South Dakota, other members of the banking industry across our state.

As you know, we are here to discuss the livestock situation. We consider it to be a major disaster in South Dakota. In our state, agriculture affects 80–85% of our economy. Of that, 80% is livestock or livestock-related products. With the drop in livestock prices 45–60%, and increases in the costs of operating by 100%, you can see the adverse effect on our economy in South Dakota. We are not going to bore you with a lot of statistics, but we would like to show you the variance in the numbers of cattle in South Dakota during the last five years.

In 1968, we had 4,280,000 cattle. In January of 1974, we had 5 million. We feel that South Dakota ranchers were responding to the Department of Agriculture predictions of a shortage of meat both now and in the future. Our farmers changed their operations from cash grain to more livestock and have, as a result, built up to the biggest financial catastrophe in South Dakota since the depression. To prove this statement, a drop in the market value of $200 per head on five million cattle amounts to $1 billion: one-third of South Dakota's gross state product in 1972 which stood at $3.094 billion.

We feel that the federal government is not abreast of a serious situation and has not given this problem the attention it deserves.

In coming here we do not feel we have the answer to it all, but we do feel we have some suggestions worthy of your consideration.

We feel the loan guarantee is a step toward the resolution of our problems, but certainly it is not the complete answer. In all events, we recommend that paperwork be held to a minimum.

We feel with the high interest market of today in South Dakota, a guaranteed loan at a high interest rate will offer little encouragement to an individual who has lost his last 10 years' earnings in one year.

Gentlemen, this has actually happened. In most cases, our borrowers did not change their operations substantially from practices which had been previously successful in the last ten years except to increase their production in response to the USDA predictions of a shortage of meat.

Furthermore, the continued drain on our deposit base, coupled with that which has already occurred, may so deplete our loanable funds that we will not have the capital to make guaranteed loans. We fear the worst may be yet to come in this area.

In addition to guaranteed loans, we feel it is imperative that limits should be placed on imports. Also, the proposed meat purchases should be at least doubled and this should be done immediately to have a significant effect on the market. We understand there are cold storage facilities for such purchases.

Gentlemen, in this presentation we haven't asked anything directly for bankers. A viable cattle industry is good news for all South Dakota business. We are very worried about our cattlemen, however. Some will have no choice but to go out of business or to seriously curtail their operations. Either case will be detrimental to our state and to the livestock industry.

If our livestock industry is phased out in South Dakota, other states will also suffer, inasmuch as we are YOUR customers for manufactured goods. Moreover, we will have very expensive meat IF it is available.

We thank you for listening and we invite your questions. Mr. Anderson makes loans to cow-calf operators, Mr. Diefendorf, primarily to feeders, and Mr. Weaver and myself serve both.

TURKEY PRICES

Mr. HUMPHREY. Mr. President, a release by the Minnesota Agriculture Commissioner, Jon Wefald, points out sharply the impact of depressed prices in the turkey market.

The commissioner indicated that turkey producers are losing money as is the case with beef and dairy cattle, poultry and swine.

Now is a good time for consumers, including the Government, to make purchases of turkeys with retail prices down almost 50 percent from last fall's peak prices.

Mr. President, I ask unanimous consent that this release be printed in the RECORD.

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

NEWS RELEASE

"Despite the clamor about rising food prices, there are still some selective bargains today at the food markets," Agriculture Commissioner Jon Wefald said today. "One of the best bargains is turkeys. Within a period of about seven months, retail turkey prices have dropped nearly 50 per cent from the peak price of last fall. Actually, today's retail prices for whole turkeys compares with the pre-inflation years of the fifties—a complete reversal from the general trend in food prices," Commissioner Wefald added.

"Historically, turkey meat has generally been a close-margin item in most food stores and it is apparent that retailers are continuing this practice despite the general inflationary trends."

"Turkey meat is an exceptional food bargain from every viewpoint . . . price, nutrition and taste appeal. Turkey meat is higher in protein than any table meat. It is likewise lowest in cholesterol. So, from a nutritional and dietary standpoint, you could not select a better meat," Commissioner Wefald stated.

With whole turkeys available in sizes from 6 pounds and up, a homemaker can select a size for any size family. For the consumer who does not wish to prepare a whole turkey, there is a plentiful supply of turkey parts . . . drumsticks, thighs, wings, breasts, and quarter turkeys. In addition, turkey processors are now offering a wide variety of solid turkey meat products such as boneless roasts, steaks, filets and rolls. These further processed products are in the convenience foods category, requiring a short cooking time.

Commissioner Wefald asked, "Are turkey growers the exception in the cost-price squeeze most meat producers are experiencing? Not at all. Turkey growers' production costs have soared along with other producers and, while their plight has not been dramatized as frequently as the beef and hog producer, turkeys are selling well below the cost of production. However, Minnesota turkey growers have reacted quickly to this downward trend in prices and have cut back their flocks substantially. Revised production estimates now indicate that the 1974 crop of turkeys probably will be close to the 1973 crop. This would indicate that prices for whole turkeys will start an upward climb by early fall and continue to rise toward the holiday season. Consequently, consumers would be wise to purchase several turkeys at today's low prices and store them for future use. In all likelihood, today's low turkey prices will disappear in the near future."

THE LEADERSHIP VACUUM

Mr. MOSS. Mr. President, I rise to commend Senator METZENBAUM on his timely and thoughtful presentation to the Democratic policy committee on June 25 on the need for leadership from the Congress on three urgent problems with which our Nation must come to grips. I ask unanimous consent that Senator METZENBAUM'S memorandum to members of the Democratic policy committee be printed at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. MOSS. The problems the distinguished Senator from Ohio discussed were the threat to our economic and political stability posed by the staggering accumulation of wealth by the Persian Gulf oil producers; the dilemma of rising inflation and unemployment; and the crisis in international food supply with its effects on the American economy.

These are shockingly grave problems. Apparently there will be no forceful leadership or creative ideas forthcoming from the executive branch. It is, therefore, incumbent on the Congress, and a special responsibility of the Democratic leaders to fill the leadership vacuum.

How we should move to fill the leadership vacuum is a subject which I shall treat soon in another speech. It is a subject to which I hope our colleagues in the Senate will give serious thought. In the meantime, we owe a debt of thanks to Senator METZENBAUM for bringing the matter to the fore.

EXHIBIT 1

U.S. SENATE,
Washington, D.C., June 25, 1974.

To the Members of the Democratic Policy Committee:

I come before the Democratic Policy Committee today to discuss three national and international problems of such major proportion that I would feel remiss if I remained silent.

They are:

(1) As a result of the energy crisis, Persian Gulf oil producers are accumulating staggering amounts of wealth. They now have at least $60 billion of excess funds in their hands. No less an authority than David Rockefeller, head of the Chase Manhattan Bank, is warning of potential "economic and political chaos" if the trend continues.

(2) Our own economy is so torn by both persistent inflation and unemployment that conventional economic wisdom is being called into question. The president of the Bank of America, Mr. A. W. Clausen, is recommending a "summit conference" on the economy because, he says, "Today a lot of things go on that economists don't understand and can't explain."

(3) The world-wide food scarcity threatens starvation for the peoplle of some areas abroad, and is producing shortages and escalating grocery bills for the American housewife.

NO LEADERSHIP FROM ADMINISTRATION

Most disturbing of all is the fact that we can no longer look to the White House for leadership in coping with matters of such magnitude. We are afflicted with a preoccupied President who is unable to offer the nation guidance on many urgent issues. This Administration has no meaningful program to deal with any one of the three problems I have mentioned.

DEMOCRATIC POLICY COMMITTEE CAN FILL LEADERSHIP VACUUM

Therefore, it is more imperative than ever for Congress to step forward to fill the vacuum if leadership is to be exerted, and policy is to be enunciated. I suggest it must come from the Democratic Policy Committee in the United States Senate.

If the Democratic Senators fail to reach out and aggressively seize the initiative, we will suddenly awaken one day to find our nation as unprepared on these other problems as we were during the energy shortage.

As a freshman Senator, and a lame duck at that, I do not presume to suggest that I know all the answers. In fact, I know I don't. No one person does. But as a concerned American, I see three major problems looming ahead of us, and I also see that our nation has absolutely no policy to cope with any of them.

THERE MAY BE NO SOLUTIONS, BUT EFFORT SHOULD BE MADE

There may be no solution to one, or all, of them. But, as I see it, there is an obligation, a duty, to attempt to find the solution. And that responsibility—now more than ever—rests with Democrats in the Senate.

OIL

Oil is the subject of world-wide concern. We all know what has happened to the price of gasoline and the profits of oil companies in this country.

PERSIAN GULF OIL COUNTRIES POSE ECONOMIC AND POLITICAL THREAT

But this is just the most obvious part of the problem. The staggering amount of money being transferred to the treasuries of the Persian Gulf oil producers is creating a potentially enormous economic and political threat that is not now generally recognized.

This year the oil exporting countries will receive $105 billion in total oil income, or $80 billion more than last year. More than half of this money will go to sparsely-populated Saudi Arabia, a semi-feudal nation which abolished slavery only in 1962.

ABOUT $60 BILLION ANNUALLY IN EXCESS FUNDS

Of this total, the oil states will have $60 billion over and above what they will be able to absorb internally, event with massive expenditures on industrial development, social welfare programs and ultra-modern weaponry. By 1980, it is estimated that this liquid surplus capital will swell to at least $400 billion, leaving the oil producing states holding approximately 70 percent of the world's total monetary reserves just six years from now.

To provide some sense of scale, it is worth noting that total world reserves as of March, 1974 came to $186 billion of which the U.S. share was $14.6 billion, or 7.84 percent. In 1949, at the height of American post-World War II economic predominance, we held 56.5 percent of world reserves.

ARAB EXCESS FUNDS EACH YEAR EQUAL TWO-THIRDS OF TOTAL U.S. OVERSEAS INVESTMENTS IN LAST 75 YEARS

Even more startling is the fact that, as Joseph Alsop has pointed out: "The oil producing countries will have to find ways to place an amount of money, *in just one year, equivalent to about two-thirds of the total value of all the overseas investments of the United States in the last three-quarters of a century.*"

To illustrate graphically just what $60 billion could buy at today's stock market prices, the table below shows the cost of acquiring a controlling interest (51 percent of voting stock) in eleven major U.S. corporations:

Corporation and price of majority control as of June 24, 1974

A.T. & T	$13,046,980,000
Boeing	192,782,750
Dow Chemical	3,164,314,250
General Dynamics	128,755,125
General Motors	7,205,900,625
I.B.M	15,953,274,000
I.T.T	946,199,750
Lockheed	26,068,500
United Airlines	275,425,500
U.S. Steel	1,184,464,750
Xerox	4,704,334,875
Total	46,828,500,125

From these figures, it is obvious that not only will the Persian Gulf oil states soon be in a position to exert decisive control over the international monetary system and financial institutions around the world, but they may also (should they choose to do so and should we allow it) develop massive economic leverage inside our own economy.

DAVID ROCKEFELLER IS ALARMED

David Rockefeller, head of the Chase Manhattan Bank, has warned that this gigantic flow of money, in and of itself, could lead to "economic and political chaos" marked by "disruptive domestic unemployment and depression."

NUCLEAR POWER MAY COME INTO HANDS OF POLITICALLY WEAK GOVERNMENTS

Another ramification became evident yesterday. News reports quoted the Shah of Iran

as saying he plans to develop nuclear weapons, presumably with the help of technology and equipment purchased from France, a nation which did not sign the nuclear non-proliferation treaty. The Iranian decision brings to mind the unstable politics of this area. The vast wealth and economic power of the region is held by governments which are, in the main, politically and militarily weak.

POLITICAL INSTABILITY COULD LEAD TO GREAT POWER CONFRONTATION

Clearly, the area is a tempting target for all manner of interests, from states wishing to expand their influence to political groupings of the most varied persuasions. And a political upheaval in a major oil-producing nation could result overnight in a great power confrontation—a possibility which makes the situation even more dangerous.

ARAB INVESTMENTS IN THE UNITED STATES ARE GROWING

At this point, it is clear that the oil-producing nations are increasing their direct investment in the American economy, but their long-run intentions are not as yet clear. The Kuwait Investment Company, for example, has real estate interests in Nashville, St. Louis and South Carolina. Iran is an investor in New York City real estate and has interests in blue chip stocks. Iran has also taken the lead in "downstream" investments in the petroleum industry—acquiring control over petrochemicals and distribution as well as production. And Saudi Arabia seems to be moving in a similar direction. These are not particularly objectionable moves, but they could be the opening wedge for a more threatening series of acquisitions in the future.

No one knows all the implications of this enormous transfer of wealth to the Persian Gulf oil states. But we should be aware that it is happening, and we should be prepared to deal with the consequences.

THE ECONOMY

As we all know, the President's State of the Union message promised there will be "no recession" this year. Yet, economic forecasts from a wide variety of sources are uniformly bleak.

DOW DOWN 240 POINTS

Normally, the stock market anticipates business conditions, and for the past several months the market has reflected investor fears about future economic conditions. In January, 1973, the Dow-Jones average peaked at 1051. The average dropped by more than 200 points within a year. Over the past five months it has declined another 40 points.

Noted economists agree that our economy is in serious trouble. Walter Heller recently wrote in the *Washington Post* that we are sliding toward a recession. Arthur Okun has predicted that history will record 1974 as the sixth post-World War II recession. The President's own Council of Economic Advisers concedes that its earlier predictions for the year were too optimistic.

GNP CONTINUES TO DECLINE

Semantics aside, the statistics show that the economy is in trouble. According to the Department of Commerce, the Gross National Product declined at an annual rate of 6.3 percent during the first quarter of this year—the steepest quarterly decline since 1958. Preliminary figures indicate a miniscule upturn in the second quarter, but even Administration spokesmen do not expect the economy to recoup the earlier decline.

The second half of the year may be better than the first half. But the economic consensus is that when 1974's totals are in, we will have suffered damaging losses.

UNEMPLOYMENT CONTINUES TO RISE

In more human terms, our economic situation is even more depressing:

When Nixon took office in 1969, 2.7 million people were out of work, representing 3.3 percent of the labor force;

Last month 4.7 million were unemployed, equal to 5.2 percent of the labor force;

By the end of the year unemployment is expected to reach 6 percent and projections call for continued high unemployment next year.

INFLATION CONTINUES UNABATED

At the same time, inflation continues unabated. For 1974, an increase of between 8 percent and 10 percent in the Consumer Price Index is expected. The outlook for 1975 is not much better. During the first quarter of this year, the CPI jumped at an annual rate of 15.4 percent, following an 8.8 percent rise in 1973. We are caught in the grip of the worst inflationary spiral since World War I.

NO EASY SOLUTION AT HAND

The agony of the situation is that no one is certain what to do about it. The conventional economic wisdom is bewildered. There is a burgeoning realization that a creative, new approach to economic policy making may be necessary.

As the President of the Bank of America suggested in the article I cited earlier, economists really cannot understand much of what goes on today. As he put it:

"The economy is different from what we understood it to be in the mid-30's or at the start of this century. We have reached a point in policy making where pure economics and pure political science don't quite mesh."

For this reason he suggested the creation of a National Economic Commission to seek a way out of the current economic dilemma.

TIME TO SEEK SOLUTION: NOW BEFORE PROBLEM BECOMES ECONOMIC REALITY

Many years ago the National Monetary Commission, created in the wake of the financial panic of 1907, gave birth to the Federal Reserve System that has served this country well for so long. Now may be the time for a similar searching re-examination of our methods of economic policy making. Perhaps that suggestion should be given serious consideration. If not that, then we need to explore other steps to provide our country with a viable economic policy.

FOOD

The growing food crisis is distorting our economy and, indeed, that of the entire world.

Already, famine exists in the Sahel region of Africa (a belt extending across the continent below the spreading Sahara Desert, including such countries as Niger, Chad, Mauritania, Mali and Ethiopia). A poor wheat harvest threatens disaster in South Asia. At the same time, commodity reserves, our own included, are nearly exhausted after five successive years in which world food consumption has exceeded production.

WORLD FOOD RESERVES PERILOUSLY THIN

As Ambassador Martin, Secretary of State Kissinger's delegate to the upcoming World Food Conference said at last week's Senate hearings on National Nutrition Policy:

"The margin of safety in the race against world famine grows narrower day by day as U.S. stockpiles of grain are exhausted. The world food reserve is now measured in weeks rather than months."

The stark fact about world food supplies is that a single crop failure in even one major food producing area could require the wealthy countries to accept food rationing to avert mass starvation in the poorer countries.

CRISIS THREATENS WORLD STABILITY

And humanitarian considerations aside, the world food crisis could have a very important impact on our national security. Food shortages could bring down friendly governments around the world, and the possibility that nuclear armed nations, such as India and China, may be unable to feed their own people is frightening.

FOOD INFLATION DISTORTS AMERICAN ECONOMY

Here at home the American family suffered a 22 percent increase in food prices last year. Even the Nixon Administration concedes food prices will rise at least another 15 percent this year. The price spiral afflicts all Americans. Even the well-to-do are being forced to tighten their belts. The poor and the elderly are hurt the worst, of course. For those families, according to testimony before the Senate last week, escalating prices required some family menus to include dog food. Shoplifting has increased drastically in the food stores, poaching is up in the national forests and even zoo animals have been slaughtered for meat.

For those who are not destitute—most Americans—the drain on the family pocketbook is severe.

A family of four earning $10,000 a year that paid 25 percent of its income for food in 1972 may be forced to pay 40 percent by the end of 1974.

This means these families have less to lay out for non-food purchases, thus lowering their overall living standard and simultaneously sapping consumer demand for other goods and services. All too obviously, this could lead to economic contraction, with a consequent loss of jobs and income throughout the economy.

Just last week, Dr. Jean Mayer, the coordinator of the Senate's Nutrition Policy Conference, summed up the ominous prospects:

"As the problems of the world community becomes increasingly crucial to our own health as a nation, the need for responsible food and nutrition policies can only grow in urgency in the months and years ahead."

NIXON ADMINISTRATION TAKES CAVALIER ATTITUDE

Yet, the Nixon Administration has not even begun to respond seriously to the growing crisis. Secretary of Agriculture Butz has taken a rather cavalier attitude toward starvation abroad and malnourishment at home. The Secretary seems mainly concerned with the balance of payments benefits we derive from our agricultural exports. An important concern, to be sure, but it fails to come to grips with the basic reality; that food is not just a commodity—that it is essential to life itself.

RATIONAL FOOD POLICY, NEEDED

As the last and perhaps the only hope of mankind in the area of food production, we have a heavy responsibility to the American people and to the people of the world to develop a rational food policy. This policy must insure fair prices to the farmer and adequate supplies at reasonable prices to the consumer in America. It must take into consideration the needs of our friends and allies, and it must provide an adequate reserve to cushion against world catastrophe.

Nothing less will fulfill America's obligation to itself and the world.

OPPORTUNITY FOR LEADERSHIP UNPRECEDENTED IN NATION'S HISTORY

CONCLUSION

These are some of the major problems that confront our nation, as I see it. They are not only problems, but opportunities; opportunities for this body, the Democratic policy makers in the Senate, to provide America

with what it so desperately needs at this time in history—leadership.

WHAT'S HAPPENING TO AMERICAN VALUES

Mr. CURTIS. Mr. President, an interesting article appeared in the June 24 issue of U.S. News & World Report—"What's Happening to American Values," a conversation with former Ambassador and Congresswoman, Clare Boothe Luce. Mrs. Luce has the experience and wisdom to stand back some distance from the problems which have surfaced in America today and try to understand what lies behind them. The topics are the usual slate of "relevant" items—Watergate, Congress, women's liberation, patriotism, religion—but Mrs. Luce comments with a fresh, sensible, and ultimately optimistic outlook, which makes this article not only newsworthy, but refreshing reading in the midst of the hot air around Washington this summer.

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'S HAPPENING TO AMERICA'S VALUES

A CONVERSATION WITH CLARE BOOTHE LUCE

(Why the malaise that now seems to afflict the U.S.? Is no end in sight? In a meeting with editors of "U.S. News & World Report," a distinguished observer of the world scene speaks her mind after years in public life.)

Question. Mrs. Luce, have Americans always been as cynical as they seem today about institutions, leadership and traditional beliefs?

Answer. Oh, no. There's been an enormous change, in my lifetime, in American attitudes.

Traditionally, Americans are an optimistic and Utopian-minded people. This is because they've lived for 200 years in marvelously fortunate conditions. They've lived on a vast and bountiful land which has produced an endless quantity of material goods. They've lived under a form of government originally designed to encourage competition and personal initiative. They've lived in a country where the average American has always been better off—richer, freer, better educated—than his parents, and where he has always expected his children to be better off than himself.

Up to now, Americans have always believed that despite national ups and downs they were making progress toward the American Utopia, in which poverty—and even work—would be abolished, and all men would live equally free to pursue their own ideas of happiness. Call it "the American dream." Well, we are waking up from it. We are beginning to face the realities of the world we live in. And it's a traumatic experience.

Consider that only 25 years ago, we had won the greatest war in history, and we stood at the highest pinnacle of wealth and power any nation had ever attained. Do you remember that President Roosevelt promised to deliver the "Four Freedoms" to the whole world when the war was over? How many people today can even name what those Four Freedoms were?

The violent changes that have since taken place in the world, and that have adversely affected America, have come on us so suddenly. Nothing in our national experience has prepared us to deal with them. We are—at least for the moment—demoralized by them.

Question. Are you suggesting that this country has reached a kind of moral watershed—that we are sliding into a basic attitude of disbelief we've never known before?

Answer. Well, we are certainly losing our faith in the idea that perpetual peace and prosperity are just around the corner. We are becoming painfully aware that there are limits of our ability to amass wealth and to exercise power over the rest of the world. We have begun to realize that we are only 6 per cent of the world's population and that, at the rate the rest of the nations' populations are exploding, we will be only 3 per cent in another 50 years.

We are also aware that we are now consuming 35 per cent of the world's basic resources, and that these resources are finite—and that many, like fuel and oil, are irreplaceable. Bucky Fuller likes to remind people that it takes nature a million years to make a gallon of gas that sells for 59 cents. How long will the billions of people in other nations who are eager to industrialize and raise their living standards consent to let a handful of Americans go on consuming the lion's share of the world's perishable and irreplaceable goods? The Arab fuel crisis was a paradigm of the dilemmas we face in respect of the many vital materials we must import from abroad in order to maintain our way of life.

Remember, for years after World War II we waged cold war—economic war—against the Communist world and other unfriendly nations. Today, other nations have begun to wage economic war on us. What should we do? Pull in our belts, like they had to do? Lower our living standards? Or prepare to go to war if other nations deny us what we must have to maintain our present level of productivity? Neither answer is acceptable to us.

We talk hopefully of scientific and technological breakthroughs. And, in the matter of energy, they are altogether possible—in fact, have already been made. But at once we face another dilemma: Where are the capitalists who are willing to take the gigantic financial risks involved in developing these new sources of energy—gas from coal, nuclear plants, sun power, etc.—in the face of American labor costs and the punitive taxation imposed on today's entrepreneurs? For example, we have enough coal in America to last us 300 or 400 years. We know now how to make clean fuel from this coal. But our labor costs too much. So the coal stays in the ground, and we import coal from Poland—and are considering buying natural gas from the Russians.

Then, science and technology themselves have begun to create dilemmas. For decades Americans believed that there was nothing wrong with America, or the world, that technology and science couldn't cure. So science gave us all those lovely nuclear bombs, which more perhaps than anything else have turned so much of the American dream into the American nightmare. And the beautiful technology that was going to produce Utopia has, of course, produced some marvelous things—airplanes, TV's, autos—but it has also produced smog, pollution, traffic jams, urban decay and endless weapons of prodigious destructiveness. In my lifetime, science has prolonged the average life span 10 or 15 years, but it has also made it possible for an enemy to wipe out 50 million American lives in a 20-minute nuclear attack.

Our faith—which had virtually become a religious faith—in salvation by science and technology probably began to collapse when we realized that we didn't know—we still don't know—how to get the nuclear genie back into the bottle. A great part of our American malaise is that we have lost confidence in our ability to use our own prodigious scientific and technological know-how to our own good. We can plant our flag on the distant moon and send satellites whizzing around Mars. But we can't seem to keep our own rivers and lakes and cities clean. "Is a puzzlement" for everyone.

Question. You spoke of "pulling in our belts." Why do people seem increasingly to feel like "living it up" instead of restraining or inconveniencing themselves?

Answer. Because people really don't know what they should do in the present economic crisis. They instinctively know that if everybody stopped "living it up"—I mean, stopped spending for things they really don't need—our economy, which is a consumer-luxury economy, would quickly collapse. But they are also fearful that we may be spending ourselves into a depression.

When people know what they should do—when they are told what to do—by leaders in whom they have confidence, they respond well. In the fuel crisis last year, it was remarkable how well they responded to the White House's request for their voluntary efforts to cut down their fuel consumption.

Question. Why can't Americans practice self-restraint without being told?

Answer. Because throughout their history, the more they have spent, and even wasted, and the more they have "lived it up," the more prosperous they have seemed to become. "Living it up" is an old American habit acquired in an economy of plenty. We just don't know how to behave in an economy of scarcity.

Also the people don't practice self-restraint because their political leaders—especially their Congress—don't encourage them to do so. You don't get elected to Congress by telling your constituents they can't have what they want. You get elected by promising them you will see to it that they will have everything they want—and more. And you certainly never tell them who has to pay for it all: They do.

Question. Does inflation feed a national urge to spend before prices take another jump?

Answer. Yes, of course it does. Most people, myself included, feel quite helpless about inflation. There seems to be no agreement in or out of Government on how it should be controlled.

Some weeks ago in Chicago, I heard a couple of economists having a hot discussion on the subject. One wanted price controls; the other didn't. I asked, rather timidly, "What do you think is the cause of inflation?" They couldn't agree on that either. Finally one of them said in exasperation, "The cause of inflation is exactly what any particular economist says it is when it begins to happen." No wonder they call economics "the dismal science."

Oh yes, there was one thing on which both of those economists did agree: that Government spending simply had to be controlled. But they also agreed that Congress is a kind of economic wino—hopelessly addicted to spending, even though it knows it can all wind up in the gutter of a great depression.

Question. What has happened to patriotism—that old-fashioned concept of flag and country?

Answer. If by "patriotism" you mean the willingness to defend this country if it were attacked, I feel sure that is still there. But if you mean by "patriotism" pride in the country, well, a great many Americans, especially young Americans, aren't particularly proud of America just now.

It all goes back to the fact that America isn't living up to our historical and traditional Utopian expectations. The flag is an emotional symbol. It stands for the way you feel about the country. People who feel that

the country is doing the wrong thing—as many did about Vietnam—take out their emotions on the flag.

G. K. Chesterton once said, "To say 'My country, right or wrong' is like saying 'My mother, drunk or sober.'" A lot of young Americans feel it is patriotic to try to sober up your mother—I mean, to criticize your country when you think it is doing wrong. The trouble with a lot of these young people is that they dig holes they can't fill. They have plenty of destructive criticisms of America, but very few constructive ideas. Well, I don't have too many, either, these days. But I am sure of one thing: Violence—the Symbionese sort of thing—is no more the answer to any of our domestic problems than war is for our international problems.

There are a lot of things wrong with our country. But compared with any other country, it is still the fairest, richest and freest land of all. Patriotism, or so it seems to me, is just as much a positive value in our national life as honesty or what we call morality.

Question. Why do the churches seem so powerless today to restore faith in the old moral virtues, the "positive values"?

Answer. The churches, as formal institutions, have themselves brought too many of the materialistic values of our success-oriented society. The collapse of faith—faith in the crucified God—among churchmen themselves is too big a subject to go into here. But let me say that the churches—or rather the theologians in the churches—have failed to deal effectively with the three greatest revolutions of modern times: the scientific and technological revolution, the psychological revolution and the sexual revolution.

During most of man's history his greatest energies have been spent on conquering his environment—or taming nature. In modern times, his science and technology have given him the tools to achieve a high level of mastery over all but the most tremendous forces of nature—earthquakes, hurricanes, tidal waves, etc. He always realized, of course, that there was another problem: achieving some mastery over himself—over his own human nature, which always was, and still is a great mystery to him.

Voltaire always said that if God did not exist man would have to invent him to explain man to himself. In any event, for thousands of years, man explained the mysteries he found in himself and in his world in terms of a cosmology, or a God who had created and programed the universe, and put every living thing into it—especially man—for some transcendent and divine purpose.

Man, according to Christian belief, was the animal who was different from all other animals: He had a soul. The divinely ordained purpose of his life was to "save his soul" by loving, worshiping and obeying the law of God. All the Ten Commandments, when you think about them, are commandments to man to control his purely animal instincts and emotional impulses.

I feel like a fool trying to explain the "death of God" or the collapse of Christian faith in a few sentences. But the theory of evolution was just one of the scientific discoveries that dealt faith a blow. But Freud, who formally opened the psychological revolution, dealt it a very great blow. I do not dispute—who can?—The genius of Freud, and his tremendous insights into the subconscious workings of the human mind. But the fact remains: Freud convinced generations of men in the West that man was simply and entirely an animal, that he had no soul and that everything—but everything—man created, from banks to cathedrals, from governments to gods, were "sublimations" of his repressed infantile sexual desires.

Quite simply, between science and psychology, modern man has lost his soul. That is really what is at the root of his malaise.

Question. Could you elaborate on that?

Answer. Oh dear! Well, man is either an animal who, like any other animal, is born to devour or be devoured, kill or be killed—to rut, to rot and to die—or he is an animal quite different from all other animals.

One great difference obvious to everyone is that he tries not to be the animal, for some mysterious reason, nature intended him to be. Nature intended him, for example, to defecate and urinate whenever and wherever he had the impulse; from the most ancient times, he has toilet-trained himself. Nature intended him to kill and eat anything edible when he was hungry; throughout history, mankind has viewed cannibalism as abhorrent. Nature intended him, as an animal, to freeze, fight or flee in the face of danger. He has the same instinct for self-preservation and aversion to pain as all other animals, but he "goes down with the ship"; he accepts torture rather than betray his comrades, his country or his God. He gives his greatest good—his own life—for the good of others.

The list of unanimal-like and antianimal-like things man does and doesn't do is endless, including thinking about the future and contemplating his own death. Let us, for the sake of argument, admit that all the strange unanimal-like things he does are sublimations of his animal sexuality. We are still stuck with the mystery: Why does he repress his animal desires? Why does he "sublimate"? Freud never came up with an answer to that one.

In any event, no man can live and no society can survive for very long without a religion and a faith of some sort that explains man's nature and the meaning of his life and death. I agree entirely with Toynbee that the history of civilization is the history of society's religions. By "religion" I mean any system of thought and belief that "ties things together" and gives a society something which explains to its satisfaction the meaning of life and death, of good and evil, and of man's own nature.

Communism was such a religion to many young people in my youth. So, in Germany, was Nazism. It's hard to make a religion of democracy, because it's such a flexible system. Besides, democracy as we know it in the West is the political formulation of our Judeo-Christian ideas about the nature of man. We are bound to lose democracy in proportion as we desert our Judeo-Christian religious beliefs and values. And I'm afraid that may be what is happening now.

AS WOMEN ENTER A "MAN'S WORLD"

Question. Mrs. Luce, has the last quarter of a century brought any change for the better in America?

Answer. There has been a change for the better in the matter of the equality of the sexes. And of the races. Men are beginning to treat women less like animals, or to use the popular phrase, "sex objects."

Consider again what nature intended. It programed a normal, healthy female to have 30 children. My great-grandmother had 21. My grandmother had 11. Does any man in his right mind today want his wife to do what nature intended? Well, thanks to medical technology, she doesn't have to have any more children than she chooses to have.

I'm all for women who want children, and who desire the career of mother and housewife. But I'm also for women who prefer other careers. I'm especially for women—and with all my heart—who have to work to support themselves or their families, and are being discriminated against in their wages and jobs.

For example, look at the Pentagon. Women are almost 41 per cent of the Defense Department. Yet, out of the 885 career and appointive employes in the top three grade levels, only five are women. Over 80 per cent of the employes in the three lowest grades are women. Our Defense Department seems more scared of giving a break to women than of giving it to the Russians.

Anyway, as a woman, I welcome the entrance of women into what was once called "man's world." But what must now be done is to give them equal pay for equal work, and the opportunity for upward-mobility jobs. As to whether the effort to do away with sexism and racism in America will make us all happier, who knows? But you can say that any time we move to end discrimination, things are getting better.

Question. What other changes would you like to see?

Answer. I would like to see a reform in our educational system. I would like to prevent young people from going to college for one or even two years after graduation from high school. I would like laws permitting them to work during those two years, or maybe to go into social work of some sort.

I would like to provide a period of socially accepted "dropout" so that young people can really find out what living and working in the real world is all about. The ones who decided, after that period, to go to college would be motivated by a real desire to learn. They would go to college as matured young men and women, and not as overgrown "kids," which is the humiliating word we use now for 20 and even 24-year-old young adults.

A lot of educators have this idea. They have discovered that war veterans and even dropouts who come back to college after a year or two in the adult world become serious-minded students—and generally know what they want to study. You know, you can't teach anybody anything unless he or she really wants to learn. College should be a place reserved only for those who desire to learn.

Question. Would you prescribe the same for young women?

Answer. Oh, yes. Then there's another thing I'd like to see happen: more institutions of learning for adults. There must be thousands and thouands of adults—people over 30—in this country who would love to go to college: men who couldn't afford to go when they were young; women who married when they were young.

Take me—I never went to college. My parents couldn't afford it, and then I married very young. All my life, I have wanted the university experience. But where could a person of 40 or 50 go to college without feeling ridiculous and conspicuous? Education shouldn't be something you can get only in your 20s. I think an old-people's college would be positively jammed. Think how thrilling it would be to get your B.A. at 40 or a Ph. D. at 60!

Question. In your travels, particularly around the United States, do you find people better informed about foreign developments than they were a decade or two ago? Or are they becoming isolationists?

Answer. The American public has never, perhaps in this century, been worse informed about either foreign or domestic developments than they have been in this past year and a half. The media's obsession with Watergate has driven almost everything else from the forefront of the news. As far as much of the press is concerned, the only thing worth reporting to Americans is what happens in the Watergate depths and on the Golan Heights.

I sometimes think that this is because the press subconsciously—or consciously—can't bear to tell their fellow Americans what a

general mess the West is in, because they themselves are fresh out of ideas about what to do about it. They are, of course, out of their cotton-picking minds if they really think that getting Nixon out of there is going to solve the growing resources crisis, inflation, the threatened collapse of NATO, or any of the other serious world problems that they aren't focusing America's attention on—or letting the President attend to. If Pulitzer Prizes were being given out for distinguished services to the cause of isolationism, the Watergate press would get them all.

Also, there's this question of "sharing the wealth." Liberals aren't as eager as they were a decade ago to raise the living standards of the underprivileged nations at the expense of the U.S. taxpayer. It's one thing, they are beginning to think, to raise other people's living standards if your own are zooming, but it's another thing to raise them if doing so knocks down your own. They are beginning to wonder if today liberalism shouldn't begin—and end—at home.

Curiously enough, the liberals themselves are growing isolationist at the very hour when the electronic revolution in communications is able to bring the problems of every other nation into every man's living room. The terrible miseries being suffered by the peoples of Vietnam, India, Bangladesh, Pakistan, Africa—with the flip of the dial we can see them all. The question is: Do we really want to see them if we can't do anything about them?

One thing is certain: The U.S. has a great many difficult problems of its own to solve, and it will not and cannot undertake any great new aid programs. To this extent, it has already gone isolationist. But its diplomatic, economic and military relations with other nations cannot, and should not, be neglected or ignored. And that, unfortunately, is the effect of the media's obsession with Watergate. We have all but forgotten that any other question except "the tapes" exists.

Question. What has been the effect of Watergate on the national psyche?

Answer. Very melancholy indeed. Man has to look up, and have faith. As a child he looks up to his Godlike parents. As he grows older he finds other authority figures, in his favorite scientist, philosopher or professor.

Americans, traditionally, have very little respect for politicians as a class. The very word "politician" has always been used in a derogatory sense. Look in the dictionary if you don't believe that. When Americans respect a politician they call him a statesman. But Americans do have great respect for the office of the Presidency, and they deeply desire to look up to and have faith in the man who occupies it. They want to admire the Great White Father.

Now, no President who ever lived has been admired and trusted by all the people. F.D.R. was a popular President with a majority, but a good 40 per cent disliked and distrusted him at all times. But there is no doubt that, despite the many costly mistakes he made, he dignified the Presidency, especially after Pearl Harbor, in his role of Commander in Chief.

That sleazy complex of events we call Watergate has unquestionably robbed the President of much respect and dignity. I want to believe that Mr. Nixon will be able to restore it before he leaves the White House. But, meanwhile, our national pride in the Presidency has been wounded.

THE "HYPOCRISY" OF WATERGATE

Question. Is Watergate going to leave a deep scar?

Answer. I could wish that what it would soon leave is a scar, for that would be a sign of healing. I am more inclined to believe that the wound will become infected, and suppurate for a very long time. A lot of the political fingers that have pointed at Nixon—and pulled open and widened that wound haven't been what you could call surgically clean. And the people know that and resent it.

A certain amount of corruption, dirty tricks and law bending are endemic to democratic politics, and any politician who denies it is an expletive-deleted hypocrite. Really clearing up politics in this great democracy would be more Herculean task than cleaning up the Augean stables.

What is important is to keep corruption and unethical practices in politics, like crime in the country, at a tolerable level. When it is discovered in the White House, it tends to pass the tolerable level. But what also, perhaps, has passed the tolerable level is the hypocrisy of many of the politicians who have fingered the President on the score of unethical political practices.

Question. Have your views about Mr. Nixon generally changed significantly in the past year or so?

Answer. I have always thought Mr. Nixon a remarkably competent man. I can think of no political figure today in whose hands I think the republic would be safer. I also think that he will go down in history, despite Watergate, as a great President. I am disappointed, very disappointed, that he put his trust in such a crummy crew of counselors. But then, Julius Caesar put his in Brutus, with his gang of coconspirators, and Jesus himself picked Judas.

Great men, as a matter of fact, are rather famous for picking unreliable subordinates. Isn't it often the trusted partner who robs the safe?

Question. You once served in Congress. Has Congress gone downhill over the past quarter of a century?

Answer. The Congresses I served in were Roosevelt rubberstamp Congresses. Under the pressures of the Depression and the war, they all but totally handed over their constitutional powers to the White House. The Roosevelt Congresses turned the White House into a virtual dictatorship. The Congress has never recovered the power that it passed over to the Chief Executive after 1933.

It is doing a lot of yowling just now about recovering its lost powers and restoring the constitutional balances. Nobody who knows anything about the Congress and the way it is presently structured believes a word of it. Give it a simple problem, and the Congress will make it complicated. Faced with a really tough and complicated problem, Congress worries it for months and months, and then bounces it over to the White House to handle.

Take the energy crisis. Almost a year has passed, and what has Congress done about it except those endless hearings? To be sure, Congress still has the power—the overwhelming power that the Constitution gave it—over the purse strings of the nation. The tragedy—and it is a tragedy for the country—is that while it still has the purse, it has thrown away the strings. It counts on the White House to save it from its fiscal follies by vetoes. The Congressmen then tell their constituents, "I voted the money to you, but the mean, old, uncompassionate President vetoed the bill."

The height of compassion at this moment is to spare the people the ravages of inflation. If next November brings us a veto-proof Congress, it won't matter whether Nixon or Ford is in the White House. Unless the wise heads in the Congress prevail, we'll have the wildest inflation that the country has ever seen. Of course, there's always the hope that the media may come to its senses and take out after the Congress. But they probably won't until inflation begins to eat up the profits of the newspaper business.

Question. How would you characterize the media's handling of Watergate?

Answer. It reminds me of a famous Texas character, Judge Bean, known as "the law west of the Pecos," who said, "Let's give this here horse thief a fair trial before we hang him at 2 o'clock this afternoon."

But in criticizing the President, the media is only doing what it has always done. If you read the attacks that the press has made on other Presidents in days gone by, the attacks on Nixon are not, by comparison, much worse. In fact, Washington, Jefferson, Lincoln and—in his first term—Roosevelt were just as savagely treated. The press hotted the Congress up to impeach President Andrew Johnson.

When you read the history of the press, I think you have to admit that the media, while it is infinitely more powerful than it was even 50 years ago, is, give or take a vindictive paper here or there, altogether a much better and fairer press.

Question. In general, how can America work its way through its malaise?

Answer. We will, somehow, have to adjust ourselves to living in a world whose basic economy is now one of scarcity. We will have to learn how to handle the unpleasant and dangerous side effects of our technology—pollution, and all that. We will have to devise a foreign policy and a military strategy that will safeguard us from both economic and military attacks. All this isn't going to be easy. But I feel sure that, if we have the will, we do have the skills and physical resources to make it to our third centennial as one of the world's great—if not greatest—nations.

Question. Are the spiritual resources still there?

Answer. They are there, any time we choose to call on them. They are like the unlimited mountains of coal we are sitting on. We have to dig for them—and pay the price for doing so.

Question. Do we need a better quality of leadership in the West?

Answer. Obviously.

Question. How are we going to get it?

Answer. When you ask that quetsion, my crystal ball fogs up. I don't see any great new leaders in it just now. Some very good men, but not great—just the same faces we've had in the polls for the past eight years. But here's where faith comes in: I have faith that when we really need an inspired leader, our country will produce one.

"I HAVE FAITH IN THE PEOPLE"

Question. Do our leaders today have real faith in the democratic system's ability to change things for the better?

Answer. Well, they should have. It's the most flexible political system that has ever been created. It is my view that democracy is fair-weather government. But the marvelous thing about democracy is that when the weather turns foul—as it does in war and great crisis—it can voluntarily turn itself into a democratic dictatorship, and then, when the weather improves, return to fair-weather democracy again.

It seems to me that the idea embodied in our Constitution, of free people guiding their own destiny, is the noblest political idea man has ever had. We must never forsake it.

I would like to be more optimistic than a lot of what I am saying sounds. But while I think that America is going through a very downbeat and dangerous period, I do have faith in the character of the American people. When the going gets really rough, as it has before in our history, they will pull

themselves together, and then, pulling together, they will pull America out of danger.

We are a know-how, can-do people. But we just have to become again a will-do people.

A CLARE BOOTHE LUCE SAMPLER

Watergate: "That sleazy complex of events . . . has unquestionably robbed the President of much respect." However, "I also think he will go down in history . . . as a great President. I am very disappointed that he put his trust in such a crummy crew of counselors."

Congress: It "is a kind of economic wino—hopelessly addicted to spending, even though it knows it can all wind up in the gutter of a great depression."

The media: "The American public has never, perhaps in this century, been worse informed about either foreign or domestic developments" because of "the media's obsession with Watergate."

Women's liberation: "There has been a change for the better in the matter of the equality of sexes . . . Men are beginning to treat women less like animals."

America's limits: "We are becoming painfully aware that there are limits to our ability to amass wealth and to exercise power over the rest of the world."

Patriotism: "A great many Americans, especially young Americans, aren't particularly proud of America just now. . . . America isn't living up to our historical and traditional Utopian expectations."

Religion: Institutional churches have "bought too many of the materialistic values of our success-oriented society. . . . Quite simply, between science and psychology, modern man has lost his soul. That is really what is at the root of his malaise."

The future: "America is going through a very downbeat and dangerous period," but Americans "will pull themselves together."

MGM'S GREAT ENTERTAINMENT

Mr. McGOVERN. Mr. President, I rarely use the CONGRESSIONAL RECORD for comments on the world of entertainment. But on Tuesday night of this week, two of my daughters and I were guests of the Uptown Theater for the opening showing in Washington of "That's Entertainment"—MGM's golden aniversary highlights of some of its greatest musical and dance movies.

Listening, watching, and reliving these marvelous musicals of the past half century was one of the most enjoyable and uplifting experiences of my life. I have no hesitation in recommending this superb compilation of musical highlights to persons of all ages and tastes.

I ask unanimous consent that reviews of "That's Entertainment," by Gary Arnold in today's Washington Post and by Donia Mills in the Washington Star, be printed in the RECORD.

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

[From the Washington Post, June 26, 1974]

MGM'S "THAT'S ENTERTAINMENT!": "AN UNDENIABLY ATTRACTIVE SPREAD"

(By Gary Arnold)

There are moments in "That's Entertainment!," MGM's Golden Anniversary compilation of highlights from its frequently grand and sometimes just grandiose musical comedy past, which provoke a slight gnashing of the teeth at the foreshortening or drastic cutting of certain numbers.

Happily, the irritation is short-lived, because this collection is simply too rich and exhilarating to resist. It seems absurd to quibble about a few missing delicacies in the face of such an undeniably attractive spread.

As it happens, "That's Entertainment!," which opens today at the Uptown (after an invitation-only preview last night), is the second most enjoyable compilation ever seen, and even if badly done it's hard to resist any collection of vintage film clips.

The most engaging was a one-shot affair produced about a dozen years ago by Albert Johnson, who ran the University of California film programs. Johnson drew from all the studios, so his survey included the Astaire and Rogers musicals for RKO and the Busby Berkeley production numbers for Warner Bros., as well as the MGM musicals.

"That's Entertainment!" is a one-studio compilation, but since the studio is Metro, that represents a lot of musical entertainment and certainly musical supremacy from the early-to-middle '40s through the middle-to-late '50s.

The movie tells us much about what we lost with the abandonment of the original screen musical and the subsequent dependence in the 1960s upon Broadway adaptations.

"That's Entertainment!" hits most of the high spots from "The Broadway Melody" to "Gigi," which represents a vast esthetic distance from the exceedingly primitive to the exceedingly sophisticated. The compilation includes about 60 separate numbers, some more or less intact and others used only sparingly.

MGM had Mickey Rooney and Judy Garland (and Busby Berkeley to direct them), Gene Kelly (who brought along the teen-aged Stanley Donan as his assistant choreographer), and then Fred Astaire in the second phase of his film career. MGM got Pandro S. Berman, the producer of the Astaire-Rogers series, from RKO and Joe Pasternak, the producer of the Deanna Durbin series, from Universal.

Ironically, the greatest producer of movie musicals had been on the lot all along. The late Arthur Freed came to MGM in 1929 to do the score for "The Broadway Melody" with his song-writing partner, composer Nacio Herb Brown. Brown and Freed did tunes for MGM musicals throughout the '30's, and in 1940 Freed became a producer, specializing in musicals.

The 40 titles that begin with "Babes in Arms" include most of the important musicals made since 1940, and if one chooses "The Wizard of Oz" as the starting point—Freed was the associate producer—the list is even more fabulous.

No studio has rivaled the output of the Freed unit at MGM and no studio has picked up the tradition of the original film musical from where Freed and director Vincente Minnelli left it in 1958 with their last triumph "Gigi."

Since the running time of the film is 127 minutes, some quick arithmetic should alert musical fans to the inevitable cuts and omissions. The two great solo turns from "Singin' in the Rain"—Donald O'Connor's "Make 'Em Laugh" number and Gene Kelly's title dance—came through more or less intact. The prologues are gone, but the slapstick and lyric substance of the numbers remains, and one presumes he's joined by millions in considering them the most joyous numbers ever committed to film.

Kelly's enchanting dance with Jerry the Mouse from "Anchors Aweigh" has survived satisfactorily, and at least four Astaire highlights are unmarred—the sublime hat rack and wall-and-ceiling dances from "Royal Wedding," the "Dancing in the Dark" number with Cyd Charisse from "The Band Wagon," and that wonderfully mellow duet with Jack Buchanan, "I Guess I'll Have to Change My Plans," also from "The Band Wagon."

Although the big ballet from "An American in Paris" is not this reviewer's favorite, Kelly has a right to feel annoyed at its being cut in half, especially since the narration builds it up as the climactic achievement of the American musical cinema. It would be wiser if the narration mentioned the cuts from the outset.

Two Astaire numbers from "The Barkleys of Broadway"—"Shoes with Wings On" and "They Can't Take That Away From Me"—get rather perfunctory footage, and there's the merest snatch of his fine "By Myself" solo from "The Band Wagon."

"That's Entertainment!" is never less than an amusing memory album, but the excerpts don't begin to take hold emotionally until they catch up with the strongest musical comedy performers, namely Rooney, Garland, Astaire and Kelly. They come and go in early stages of the compilation, but they take over in the later stages, and it's obvious that MGM and American movies wouldn't have been the same without them.

If MGM's musical comedy reputation had depended upon such landmarks of the '30s as the white elephant finale from "The Great Ziegfeld" ("A Pretty Girl Is Like a Melody"), the love duets of Jeanette MacDonald and Nelson Eddy, and the proficient but uninspired hoofing of Eleanor Powell, "That's Entertainment!" would have been a rather preposterous project.

As a matter of fact, there's a slightly embarrassing sequence preceding the arrival of Rooney and Garland in "Babes in Arms" in which James Stewart describes how he and other nonmusical contract stars were required to get in the singing-dancing act.

A few of them—Cary Grant, Clark Gable, Stewart himself in a thin but appealing rendition of "Easy to Love"—fake it rather nicely, and it's pleasant to be reminded of the conviction and professionalism performers displayed in this era, whether or not the assignment suited their particular skills. Nevertheless, there is no reason to confuse Grant, Gable and Stewart with legitimate song-and-dance personalities.

When Rooney and Garland enter, they light up the screen with their youthful enthusiasm and vivacity. These kids are not faking it. They sing and dance up a storm, and even their naivete seems lyrically charged and energizing. There is no return to the "They Also Sang" tone of the '30s clips, which suggest the kind of pleasantly facetious thing that producer-director-writer Jack Haley Jr. often did on his "Hollywood and Stars" television series.

The remainder of "That's Entertainment!" is dominated by the work of unique and indispensable stars. The passages devoted to Astaire, Kelly and Garland put this compilation on another level—the level of genius.

While it's perfectly true that these are once-in-a-lifetime performers, their uniqueness shouldn't be used to make new generations of performers feel automatically inferior. There won't be another Astaire or Kelly or Garland, but there's no reason to believe these are the last of the originals. If this compilation were simply for antiquarians, it would be a waste of time. "That's Entertainment!" doesn't make you want to see only the old favorites again. It also whets your appetite for new work in the best of the old traditions.

No one in his right mind desires musicals in their former abundance. Lest we forget, there are very few shows with scripts as witty and disarming as "The Wizard of Oz," "Meet Me in St. Louis," "Singin' in the Rain," "The Band Wagon" or "It's Always Fair Weather."

As a rule, you paid for the musical highlights by suffering through tedious or downright imbecilic exposition.

The night after seeing "That's Entertainment!" I attempted to stay up to watch "Anchors Aweigh" on television, but the hackneyed plot had me in dreamland long before Kelly's good dance numbers rolled around. An ideal compilation film might put together all the good numbers from all the dreary musicals.

In theory, musicals should improve if there is no longer a need to manufacture routine, staple musicals. What happened in Hollywood in the late '50s is that the original screen musical was abandoned altogether while the Broadway hits were inflated to blockbuster dimensions. The intimate, satirical Hollywood musical vanished, and the industry failed to develop a new generation of song-and-dance specialists, preferring to "protect" their huge investments in Broadway shows by paying big for presumably big names.

The studios alternately sustained and bankrupted themselves on largescale Broadway adaptations in the '60s, but what is there left to adapt now? Perhaps Hollywood will be compelled to encourage original musical comedy material out of sheer necessity. There's no sign that audiences have ceased liking musicals.

In recent years "Funny Girl," "Oliver," "Fiddler on the Roof," "Cabaret" and "Jesus Christ Superstar" have proved successful, and Cy Feuer, the producer of "Cabaret," pointed out that such "flops" as "Hello, Dolly!" "Darling Lili," "On a Clear Day You Can See Forever" and "Paint Your Wagon" grossed a good deal at the box-office and should have been hits, if only their costs had been kept under control.

One would like to see Feuer (or someone) attempt a systematic approach to film musical production in this decade. Just because we haven't had an independent Arthur Freed is no reason why we can't have one. Perhaps "That's Entertainment!" will also help remind us which aspects of musical comedies are more and less important.

For a personal taste, the big production numbers can remain relics of the past, but gifted solo singers and dancers are absolutely essential. One may enjoy and marvel at such Busby Berkeley spectacles as his mind-boggling aquacade for Esther Williams in "Million Dollar Mermaid," but that doesn't mean they should be revived. On the other hand, it would be lovely to see a fresh group of star performers.

The simplest lyric situations leave the most lasting impressions: Astaire dancing with a hat rack, Kelly dancing in the rain, Garland singing "You Made Me Love You" or "Over the Rainbow" or "Get Happy." These are the emotionally stirring and liberating routines, and not one of them depends upon "production values." Unfortunately, it is easier to stage extravaganzas than develop singing and dancing stars.

The sequences in "That's Entertainment!" are narrated by Fred Astaire, Bing Crosby, Gene Kelly, Peter Lawford, Liza Minnelli, Donald O'Connor, Debbie Reynolds, Mickey Rooney, Frank Sinatra, James Stewart and Elizabeth Taylor. Obviously, some of these names have more legitimate links with MGM's musical heritage than others.

Stewart and Taylor were nonmusical stars at Metro. Crosby was a Paramount star who passed through MGM on loan to Marion Davies for "Going Hollywood" in 1933 and then returned 23 years later for "High Society." O'Connor was a Universal star loaned for two pictures, the immortal "Singin' in the Rain" and the very mortal "I Love Melvin." Perhaps because this is a house compilation, all the narrators tend to reminisce in generalities. The text is chatty rather than informative, and one wishes that someone—perhaps Vincent Minnelli—had been secured to reminisce about Arthur Freed.

The most effective narrator is Liza Minnelli, who introduces the sequence devoted to Garland. Part of her effectiveness stems from the personal angle—she's talking about her mother, after all—but another part derives from her youth. Minnelli is the only *young* star among the narrators, and the film desperately needs this link with a new generation.

Without her "That's Entertainment!" would seem exclusively like an oldtimer's show dedicated to celebrating the Good Old Days. Her presence allows one to look forward as well as backward, and that dual vision is necessary to anyone who cares about the survival of the musical film. "That's Entertainment!" celebrates a justly glorious past. Let's hope it also inspires a revitalized future.

[From the Washington Star-News, June 26, 1974]

NOW THIS IS ENTERTAINMENT!
AS IT WAS AND IS

(By Donia Mills)

("That's Entertainment—A United Artists release of an MGM Production, written, produced and directed by Jack Haley Jr., with music adapted by Henry Mancini. Narrated by Fred Astaire, Bing Crosby, Gene Kelly, Peter Lawford, Liza Minnelli, Donald O'Connor, Debbie Reynolds, Mickey Rooney, Frank Sinatra, James Stewart, Elizabeth Taylor. At the Uptown Theater.)

"That's Entertainment" is aptly named—an irresistible pastiche of show-stopping song-and-dance numbers from the golden age of MGM musicals, assembled to celebrate the studio's 50th anniversary. It opened today at the Uptown Theater, and here's one sentimental journey on which everyone imaginable should rush to book passage—people who love movies, people who just like movies, and especially people who have given up on movies because they aren't fun any more.

"That's Entertainment" is nothing but fun, a collage of 76 musical highlights covering 30 crucial years in the development of the genre:

Here are Gene Kelly dancing with an animated Jerry the Mouse in "Anchors Aweigh," and Fred Astaire dancing with a hatrack in "Royal Wedding"; Eleanor Powell crashing through a dozen cellophane hoops and straight into the audience's heart in "Rosalie," and Donald O'Connor flailing through his comical "Make 'em Laugh" number from "Singin' in the Rain," which lays claim to the title of funniest musical number ever filmed.

Here's a chance to wax nostalgic about an era when no order was too large for MGM production crews to fill. Working on sound stages or studio lots, they would recreate Grand Central Station or the Pacific Fleet just so Bing Crosby or Ann Miller could surge through singing a song.

Frank Sinatra, narrating at one point, says it best: "You can wait around and hope, but you'll never see the likes of this again."

He's right, of course: musicals today tend to be stuffed with money but starved for talent. Few performers can any longer muster up the moxie that Mickey Rooney and Judy Garland, just to name one couple projected in the series of the 1930s "backyard musicals" that included "Babes on Broadway" and "Strike Up the Band."

They may have had the same plots, characters and even identical lines, but they also had some immortal brand of spirit—born of who cares how many grim story conferences and tearful umpteenth takes—that still has an undiminished tonic effect.

The script of "That's Entertainment," pieced together by former television documentarian Jack Haley Jr., doesn't hesitate to point out the laughable as well as laudable in MGM's history. We are treated, for example, to a succession of musical numbers done by people who were obviously forced into performing against all their natural inclinations—Joan Crawford dancing, Jean Harlow singing, and Clark Gable doing the vaudeville routine in "Idiot's Delight" that had angry fans rising up in arms in 1939 to protest the indignity done their suave idol's image.

* * * * *

In technical matters, "That's Entertainment" is literally unparalleled. The old films have been re-shot in 70mm, which means they look even crisper and brighter than in their original presentation, and the sound tracks have been re-recorded in four-track stereo. Clips from "Gigi" and "Seven Brides for Seven Brothers" demonstrate the wide, sweeping band of old-fashioned Cinemascope, once the hottest fad in Hollywood but now obsolete. And the old-fashioned Metrocolor is simply dazzling—brassily unreal, almost iridescent, as if black, white, or halftones weren't on the MGM palette.

The compilation flows smoothly from one thematic segment to another with pleasing variety and proportion, bombarding the audience with famous faces almost faster than they can register—including some priceless newsreel footage panning down the tables at MGM's 25th-anniversary luncheon in 1949, when the famous stable was bulging with stars.

Eleven of those faces appear in the present to narrate various portions of the show, although these snippets of script are, alas, not always as indispensable as the excerpts that they were written to introduce. It's always nice to see James Stewart, Gene Kelly, and Fred Astaire, of course—and Liza Minnelli is lovely, appearing like a bright spot of hope for future musical comedy as she talks simply and earnestly about mother Judy Garland and her parabolic career in Hollywood.

But who needs Elizabeth Taylor, photographed in shimmering chiffon and a fortune in diamonds, telling us breathily: "What wonderful years those were at MGM"?

And there seems no way to avoid the sometimes cloying poignance hovering over the ruins at the nearly deserted Culver City Studio—the crumbling college set used for "Good News," the peeling white frame house where Andy Hardy lived—a virtual Acropolis of American movie mythology.

We watch the phantasmagoric aquatic revels of Esther Williams, and then see Donald O'Connor walking around the empty, weed-choked pool where they were staged.

Liza Minnelli has perhaps the most fitting line of all: "Thank God for film—it can capture a performance and hold it forever."

MINNESOTA INDUSTRY INVOLVED IN RESEARCH ON EARTH'S CONTINENTAL CRUST

Mr. HUMPHREY. Mr. President, over the years, scientists have hypothesized that the American and Euro-African continents once were part of the same land mass.

Recent studies of the Earth's crust are in support of this theory and have shown that these continents indeed are moving farther apart. They indicate that the

American land plate is formed in the mountainous rift valley that runs down the center of the Atlantic Ocean. The plate proceeds to move toward the west where it descends back into the earth's mantle at the San Andreas fault in California.

The verification of this theory has led to the further study of the Earth's crust at this rift valley. The high level of heat flow in this region where the continental plate is formed has encouraged scientists to believe that it also is the origin of many of the metallic ores that exist on the Earth's surface.

A joint French-American project has begun to look into this possibility. The primary sea craft being used in this operation is the submarine Alvin, which was built by Litton Industries in Minneapolis.

On June 23, an article entitled "Scientists Go Down To Watch the Oceans Grow" appeared in the New York Times. This piece deals with some of the continental drift phenomena that presently is being observed at depths of up to 9,000 feet with the aid of the Alvin.

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

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

SCIENTISTS GO DOWN TO WATCH THE OCEANS GROW

(By Walter Sullivan)

No modern discovery about the earth is more astounding than that the continents are not fixed in place. The Atlantic ocean basin is constantly opening; the Pacific, constantly closing, and the land masses bordering them are in motion. Asia and the Americas are, in effect, moving toward each other.

The idea of continental drift was first championed in 1912, by the German meteorologist and polar explorer Alfred Wegener. Then, it was a scientific heresy.

Now, a revised theory, called plate tectonics, is widely accepted. It stems from two postwar discoveries. One is that ocean basins are continually being split apart, and lava rises into the resulting rift valleys to add to the sea floor; the other, that where trenches descend into the ocean bottom parallel to volcanic coastlines like those of Chile and Peru, or along island areas like the Aleutians, the sea floor is descending, into the earth's deep interior, subtracting from the total. The additions and subtractions are due to the movement of giant plates on which the continents and the oceans rest.

This week, the most ambitious deep-sea diving program ever undertaken will begin. Its purpose is to observe at first hand the volcanic processes by which new sea floor is manufactured. Not only is it a project of high scientific goals. It is one of high adventure.

DIVES WILL BE 9,000 FEET

Two hundred miles southwest of the Azores, some 60 dives are to be made by American and French deep submersibles into the rift valley that bisects the Atlantic. There, two plates are being driven apart by forces still not fully understood. The vessels will penetrate water so deep—around 9,000 feet—that it will take an hour to sink into the canyons in the ocean bottom.

The American craft in the cooperative venture, known as Project FAMOUS (for French-American Mid-Ocean Undersea Study), is the Alvin, operated by the Woods Hole Oceanographic Institution for the United States Navy. It was the Alvin that finally found the hydrogen bomb that fell into the Mediterranean in 1966 when a United States Air Force mid-air refueling exercise over Spain ended in disaster.

The Americans set out from Woods Hole, Mass., on June 5, the research ship Knorr, with the Alvin lashed down on the deck, towin the catamaran, Lulu. At Ponta Delagada, en route to the diving area, the Alvin was shifted to its berth between the pontoons of the Lulu. The hope is to make the first plunge Tuesday.

The French group, two mother ships and two submersibles—the bathyscaphe Archimede and the "scoucoupe plongéante" or "diving saucer" Cyana—is scheduled to arrive a few days late. The plan is to complete the dives by early September, before the autumn storms.

In its planning, its dependence on new technologies and the special training of its crews, Project FAMOUS has much in common with Project Apollo, that landed men on the moon. It also shares with Apollo a certain risk. On the first of its seven preliminary dives into the rift last summer, the Archimede was caught by an unexpected current and several times scraped its fragile hull on the rocks. The chances of damage by a sudden volcanic eruption seem slight, however, though widespread evidence of recent volcanic activity was seen.

What will be learned about the surface of the earth, and about the theory of the plates, from studying the bottom of the sea? Scientists believe that many of the world's deposits of metallic ores originated in mid-ocean rift valleys created by plate action. Metal-rich solutions, the theory goes, are extracted by hot water from rock newly risen from deep inside the earth. The water then penetrates crevices cool enough for them to solidify. Since different metals precipitate at different temperatures, the cooling sea water sorts out the ores into discrete deposits.

Scientific interest in the past two years has focused on such deposits on the Mediterranean island of Cyprus. The ancient Egyptians got their copper from Cyprus 5,000 years ago, as did later the Assyrians, the Phoenicians, the Greeks, the Persians and then the Romans. The Romans named the metal "cyprium" or "cuprium" after the island of its origin, giving English its word "copper."

Today Cyprus exports $30 million annually in mining products. The Mavrovouni ore body alone contains 43 per cent iron, 4 per cent copper and smaller amounts of zinc, gold and silver.

The hot water deposition of metals like these can be observed within the scaldingly hot brine pools on the floor of the Red Sea, opposite the sacred city of Mecca, and it is now widely believed that the ores of Cyprus were originally formed along a mid-ocean ridge. The FAMOUS dives will help confirm similar activity in the ocean rifts.

Less clear is how the new plate theory might explain ore deposits on the tops of high mountains, such as the Andes. According to plate theory, when an oceanic plate has descended under the lighter rim of a continent, and penetrated to a depth of about 60 miles, part of it begins to melt and push upward as lava, carrying ores to the surface. Such action would account for the lines of volcanoes paralleling many coasts, as in the Andes, Japan, the Aleutians and even the Cascades of California, Oregon and Washington.

It is speculated that the copper, silver, tin and other riches of the Andes first emerged along the East Pacific Rise, the ridge from which the floor of the Pacific is spreading. Then, millions of years later, they were carried down beneath South America until they were brought to the surface by volcanic action.

The deep dives will be made in search of the starting point of this process. But even the dives may not resolve a more basic question: What is the process in the earth's core that is causing the plates to move? Until that is known, studying the plates is not unlike watching icefloes, separating here and grinding together there, in a motion so complicated that it is difficult to tell what water movements are responsible for it all.

THE MALAGASY REPUBLIC

Mr. HARTKE. Mr. President, June 26 marks the 14th year of independence of the Malagasy Republic. This island republic, formerly the Island of Madagascar, is the world's fourth largest island.

For years this semitropical island has been graced by the trade winds of the Indian Ocean which has made it a haven for sea vessels plying the trade routes of the world.

The island's population of 7.2 million trace their ancestry to almost every corner of the world, and yet, they live in harmony and peace, both internally and externally.

Formerly, a French colonial possession, the Republic became independent on June 30, 1960 and launched a program of development to benefit the entire population.

Basically an agricultural country, the Malagasy Republic exports vanilla, coffee, and vast quantities of sugar. The development of its livestock industry is growing yearly with a long-range view of eventual export.

Mr. President, I am pleased to congratulate the head of government, Maj. Gen. Gamriel Ramanantsoa and the people of the Malagasy Republic on their national day.

RETIREMENT OF ADM. THOMAS H. MOORER

Mr. THURMOND. Mr. President, I rise to bring to the attention of the Senate and the Nation the retirement on June 30 of a distinguished patriot and military leader, Adm. Thomas H. Moorer.

Admiral Moorer has been in the top echelon of the military leadership of this country since October 1962 when he assumed command of the 7th Fleet. From that point he proceeded to rise to even greater positions of responsibility to include Commander in Chief of the U.S. Pacific Fleet, Commander in Chief of the Atlantic Fleet, and Supreme Commander in the Atlantic. In August 1967 he was named Chief of Naval Operations, serving in that capacity for 3 years prior to his appointment in July 1970 as Chairman of the Joint Chiefs of Staff.

As the ranking Republican on the Senate Armed Services Committee, I am personally aware of the sound military advice and outstanding judgment provided by the Chairman of the Joint Chiefs during the difficult decisions in Vietnam. His judgment in mining Haiphong Harbor, bombing of North Viet-

nam and other critical military operations throughout Southeast Asia were instrumental in U.S. attainment of our main objectives in this difficult conflict.

Admiral Moorer is a man of impeccable integrity, superior military judgment, and outstanding leadership qualifications. The Nation owes this distinguished citizen a great debt, and it is my hope that in retirement he will assume an active role in some capacity in order that the Nation might continue to profit from his great talents.

Mr. President, I ask unanimous consent that the following items concerning Admiral Moorer be printed in the RECORD following these remarks: A biography of Admiral Moorer's career; an article entitled "A Man of Unusual Integrity" which appeared in the March 1974 issue of Sea Power magazine; and a column by the outstanding writer Holmes Alexander, entitled "Defense Needs Defending," which appeared in the February 4, 1974, issue of the News and Courier newspaper, Charleston, S.C.

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

BIOGRAPHY OF ADM. THOMAS H. MOORER, U.S. NAVY

Thomas Hinman Moorer was born in Mount Willing, Alabama, February 9, 1912, son of the late Dr. R. R. Moorer and the late Mrs. (Hulda Hill Hinson) Moorer. He was graduated from Cloverdale High School in Montgomery, Alabama, Valedictorian of the Class of 1927, and on June 10, 1929, entered the U.S. Naval Academy. As a midshipman he played football for three years. He was graduated and commissioned ensign on June 1, 1933, and through subsequent promotions attained the rank of rear admiral to date from August 1, 1958; vice admiral, to date from October 5, 1962 and admiral, to date from June 26, 1964.

After graduation in June 1933, he served six months on board the U.S.S. *Salt Lake City* as a junior officer in the gunnery department. He assisted in fitting out the U.S.S. *New Orleans* at the Navy Yard, New York, and served in cruiser's gunnery and engineering departments from her commissioning, February 15, 1934, until detached in June 1935. During the next year he was a student at the Naval Air Station, Pensacola, Florida. After completing flight training in July 1936 he was designated a Naval Aviator.

In August 1936 he was assigned to Fighting Squadron ONE-B, based briefly on the U.S.S. *Langley* and later on the U.S.S. *Lexington*. He was transferred in July 1937 to Fighting Squadron SIX, based on the U.S.S. *Enterprise*, and continued duty with that squadron until August 1939. He then joined Patrol Squadron Twenty-Two, a unit of Fleet Air Wing Two, and later Fleet Air Wing Ten, and was with that squadron at Pearl Harbor, Territory of Hawaii, when the Japanese attacked the Fleet there on December 7, 1941. His squadron was sent to the Southwest Pacific and during the Dutch East Indies Campaign, he was shot down in a PBY on February 19, 1942, north of Darwin, Australia. He was rescued by a ship which was sunk by enemy action the same day.

He was also awarded the Purple Heart Medal for wounds received on February 19, 1942, and the Silver Star Medal for "extremely gallant and intrepid conduct as Pilot of a Patrol Plane during and following an attack by enemy Japanese aircraft in the vicinity of Cape Diemen, February 19, 1942 . . ." The citation continues: ". . . Although he and his co-pilot were wounded in the attack, (he) succeeded in landing his badly damaged and blazing plane. His courage and leadership during a subsequent attack upon the rescue ship and while undergoing hardships and dangers of returning the survivors to the Australian mainland were in keeping with the highest traditions of the United States Naval Service."

He is entitled to the Ribbon for, and a facsimile of the Presidential Unit Citation to Patrol Squadron Twenty-Two. The citation follows: "For extraordinary heroism in action as a Unit of Patrol Wing Ten attached to Aircraft, U.S. Asiatic Fleet, operating against enemy Japanese forces in the Philippine and Netherlands East Indies Areas from January 1942 to March 3, 1942. Holding fast to their courage as the Japanese ruthlessly hunted them down, the pilots of (that squadron) doggedly maintained their patrols in defiance of hostile air and naval supremacy, scouting the enemy and fighting him boldly regardless of overwhelming odds and in spite of the crushing operational inadequacies existing during the first months of the war . . ."

Between March and June 1972, he served with Patrol Squadron One Hundred One and was awarded the Distinguished Flying Cross. The citation follows: "For extraordinary achievement and heroic conduct as commander of a patrol plane on a hazardous round-trip flight from Darwin, Australia to Beco, Island of Timor, on the afternoon and night of May 24, 1942. In an undefended, comparatively slow flying boat, Lieutenant Moorer braved an area dominated by enemy air superiority, effected a precarious landing in the open sea at dusk and took off at night in the midst of threatening swells, with a heavily loaded airplane. His superb skill and courageous determination in organizing and executing this perilous mission resulted in the delivery of urgently needed supplies to a beleaguered garrison and the evacuation of eight seriously wounded men who otherwise might have perished."

After his return to the United States in July 1942, he had temporary duty from August of that year to March of the next in the United Kingdom, as a mining observer for the Commander in Chief, U.S. Fleet. He then fitted out and assumed command of Bombing Squadron One Hundred Thirty-Two, operating in Cuba and Africa from its base at Key West, Florida, Boca Chica Air Base. Detached from that command, he served as gunnery and tactical officer on the staff of Commander Air Force, Atlantic, from March 1944 to July 1945.

He was awarded the Legion of Merit: "For meritorious conduct . . . as Force Gunnery and Tactical Officer on the staff of Commander Air Force, Atlantic Fleet . . ." The citation states that he "planned and supervised the development and practical application of tactics, doctrines and training methods relating to anti-submarine warfare and gunnery; supervised many experimental and developmental projects; and coordinated information on enemy tactics and countermeasures . . . By his outstanding executive ability, Commander Moorer contributed materially to the combat effectiveness of aircraft in anti-submarine warfare . . ."

From August 1945 until May 1946, he was assigned to the Strategic Bombing Survey—Japan—of the Office of the Chief of Naval Operations, engaged in the interrogation of Japanese officials. For two years thereafter, he served as executive officer of the Naval Aviation Ordnance Test Station, Chincoteague, Virginia. He next had duty afloat as officer of the U.S.S. *Midway* (July 1948–November 1949), and as operations officer on the staff of Commander Carrier Division Four, Atlantic Fleet (December 1949–July 1950).

Reporting in August 1950 to Inyokern, California, he served for a year as experimental officer of the Naval Ordnance Test Station. During the year following, he was a student at the Naval War College, Newport, Rhode Island, and in August 1953, again reported for duty on the staff of Commander Air Force, Atlantic Fleet. In May 1955 he was ordered to the Navy Department to serve as aide to the Assistant Secretary of the Navy (Air) and in July 1956 was detached to sea duty as commanding officer of U.S.S. *Salisbury Sound* (AV-13).

On July 26, 1957 his selection for the rank of Rear Admiral was approved by the President and in October, the same year, he reported as Special Assistant, Strategic Plans Division, Office of the Chief of Naval Operations, Navy Department. From January 1, 1958 until July 1959, he was Assistant Chief of Naval Operations (War Gaming Matters), after which he commanded Carrier Division SIX. He returned to the Office of the Chief of Naval Operations in November 1960 and served as Director of the Long Range Objectives Group until October 1962 when he assumed command of the Seventh Fleet. For his service in this assignment he was awarded the Distinguished Service Medal. In June 1964 he became Commander in Chief of the Pacific Fleet. Admiral Moorer assumed command of NATO's Allied Command, Atlantic, the U.S. unified Atlantic Command, and the U.S. Atlantic Fleet on April 30, 1965.

On June 17, 1967, he was awarded a Gold Star in lieu of a second Distinguished Service Medal: "For exceptionally meritorious service as Commander in Chief Atlantic, Commander in Chief U.S. Atlantic Fleet, Commander in Chief Western Atlantic Area, and Supreme Allied Commander Atlantic . . ." The citation states in part, "During the Dominican Republic Crisis of 1965–66, he directed military operations with utmost professionalism, judgment and diplomacy, resulting in a cease-fire, politico-military stabilization of the situation . . . and finally the orderly and peaceful withdrawal of U.S. forces . . ." The citation continues: "As Supreme Allied Commander Atlantic, Admiral Moorer foresaw the need, and initiated a major revision in NATO maritime strategy . . . this development of the concept of a standing naval force for the Allied Command Atlantic; and his assistance in establishing the Iberian Atlantic Command Headquarters resulted in major contributions to the North Atlantic Treaty Organization . . ."

On June 3, 1967, he was named by President Johnson to succeed Admiral David L. McDonald, USN, as Chief of Naval Operations, Navy Department. Admiral Moorer became the eighteenth Chief of Naval Operations on August 1, 1967.

On January 13, 1969, he was awarded a Gold Star in lieu of a Third Award of the Distinguished Service Medal "For exceptionally meritorious service as Chief of Naval Operations from August 1967 to January 1969." The citation indicates that "Admiral Moorer provided forceful and aggressive leadership . . . during a period of increasing worldwide commitments and continuous combat operations against enemy forces in Southeast Asia."

He was reappointed Chief of Naval Operations by President Nixon on June 12, 1969. He was then nominated by President Nixon on April 14, 1970, to serve as Chairman of the Joint Chiefs of Staff. The Senate confirmed the appointment on June 17, 1970.

On July 1, 1970, he was awarded a Gold Star in lieu of a Fourth Award of the Distinguished Service Medal "for exceptionally meritorious service to the Government of the United States in a duty of great responsibility as the Chief of Naval Operations from August 1967 to July 1970." The citation reflects his contributions to the modernization

of the Navy's ships and aircraft, to the United States future status as a world maritime power, to the security of the United States, and in support of United States foreign power and national strategy. The citation further indicates "As a member of the Joint Chiefs of Staff, Admiral Moorer, through his statesmanship and superb understanding of the factors which influence the formulation of national policy, contributed substantially to the development of important policies during a period of vital and unusual significance to the United States."

On July 2, 1970, Admiral Moorer assumed the office of Chairman. He was reappointed by President Nixon for a second two-year term as Chairman of the Joint Chiefs of Staff on June 20, 1972. The reappointment was confirmed by the Senate on June 30, 1972.

The Defense Distinguished Service Medal was presented by Secretary of Defense Melvin R. Laird on January 10, 1973 for "extraordinarily meritorious and distinguished service to the Government of the United States in a position of unique responsibility as Chairman, Joint Chiefs of Staff from July 1970 through January 1973." The accompanying citation notes, "Admiral Moorer has carried the heavy responsibilities of the country's senior military officer with great distinction during a crucial period in the history of the United States.

"He has been relied upon extensively by the President, the National Security Council, and the Secretary of Defense for advice and counsel, which has invariably been characterized by thoroughness, accuracy and wisdom." Also cited are his contributions in the areas of negotiations related to the Strategic Arms Limitations, Mutual and Balanced Force Reductions, Incidents at Sea, and the effectiveness of the Joint Chiefs of Staff representing the Armed Forces of the U.S. in the national security decision making process.

[From Sea Power, March 1974]

A MAN OF UNIVERSAL INTEGRITY

(By Ernest A. Carrere, Jr.)

In recent weeks there has appeared on the front pages of some of our most distinguished newspapers, in prime time on TV, and in positions of prominence in our major news magazines an unusual spate of stories alleging, suggesting, and in some instances claiming that three years ago Dr. Henry Kissinger was "spied" upon by members of the Defense establishment. The purpose of this unusual activity, it was further argued, was to provide the Chairman of the Joint Chiefs of Staff, Admiral Thomas H. Moorer, with information that would perhaps enable him to subvert the initiatives of President Nixon and Dr. Kissinger with regard to China, Russia and the detente, and the SALT negotiations.

It also was alleged that this quest for information was at least condoned, if not authorized and directed, by Moorer, even though there was—and is—absolutely no evidence whatsoever that Moorer has ever publicly or privately questioned, challenged, or been in disagreement with any steps proposed and ultimately taken that renewed our relations with China, brought about the framework for detente with Russia, and made SALT appear more promising so far as U.S. interests were concerned. Quite the contrary, the record shows that Moorer has strongly and consistently spoken out in support of these initiatives.

It is our firm belief that these stories are preposterous, they smack of outright character assassination, that they have not and will not stand up under scrunity, and that they warrant the most vigorous possible challenge so that the record can be put straight.

Most of the stories pointed the finger at Rear Admiral Robert Welander and Yeoman First Class Charles E. Radford as being the parties responsible for funneling National Security Council information to the Joint Chiefs and also for leaking stories to a well-known syndicated columnist. Some accounts suggested that Welander and Radford had been placed on Kissinger's White House staff for that particular purpose, and, when found out, were summarily banished. Most hinted that any information obtained and passed on would not normally have been available to Admiral Moorer. Almost none attempted to delve into the scope of the information which would have been provided him routinely as the senior military advisor to the President and as a member of the National Security Council, implying, rather, that obtaining certain information surreptitiously and illegally was the only way the Joint Chiefs were to obtain it.

To date, despite countless references to "highly informed" and "well placed" sources in the White House and elsewhere, there has been no single individual either (1) named as the source, or one of the sources, of allegations, or (2) willing to step forward and accept responsibility for the stories. There still is no explanation for the media's description of the reportedly "paranoid" mood allegedly prevailing at the time, within the National Security Council staff, and between it and the Pentagon. That's characterizing a regular working relationship with some pretty strong language, language that warrants justifying.

Media outlets have been quick to seize on other allegations of wrongdoing by the Joint Chiefs and to give them front-page play; however, they haven't been nearly so quick to utilize at all or give equivalent play to the Defense Department's prompt and complete knocking down of such charges. And even after forthright rebuttals by both Admiral Moorer, who finally took the lead in his own behalf, and Secretary of Defense James R. Schlesinger, one still sees stories suggesting that Kissinger was indeed "spied on," and that the Pentagon resorted to such tactics in order to further its own positions on international affairs and perhaps subvert Kissinger's and the President's.

We believe it is high time, in behalf of the military services, the office of the Chairman of the Joint Chiefs, and the current Chairman himself, to look at the other side of the coin, and to examine the record of the senior person involved. First, the reporting of the incident has ranged from merely lacking in thoroughness and credibility to being incredibly sloppy. There are many sound and competent reporters on the Pentagon beat who are fully aware of the normal working relationships between the Joint Chiefs and the National Security Council, and between the State and Defense Departments, and who are cognizant of the voluminous amounts of information funneled regularly and as a matter of course to those who need to know. A few checks with some of these newsmen might have helped put the initial flurry of stories in proper perspective: Instead, there were few if any statements that the Chairman of the Joint Chiefs is at all times one of the best informed men, if not the best, in the country on all affairs having any possible connection with the present and future security of the nation, and therefore doesn't need a "spy ring" to help him do his job.

Nor did those whose early accounts were given Page One play do much checking to ascertain how long there has been a Joint Chiefs liaison billet on the NSC staff. The answer is: since 1950—but we suspect most readers haven't been so informed until now. Welander, incidentally, followed on the heels of a number of distinguished officers, among them the current Supreme Allied Commander, Europe, General Andrew J. Goodpaster, USA.

Most reports inferred that the passing of information from the National Security Council to the Joint Chiefs was illegal. However, Secretary of Defense Schlesinger, in a wide-ranging discussion of the incident at a recent press conference, observed in connection with this aspect of it: "There is no evidence that I am aware of any illegal actions. . . ."

There is one *fact* that was and is cause for great concern: sensitive information *was* leaked to a syndicated columnist, who promptly gave it wide play. But few reporters, in their rush to file those first stories, bothered to dig long and hard enough to find out who had taken the initial step in bringing about a security investigation that not only stopped the leak but contributed information leading to the sources of it. That party was one at whom the media instead pointed the finger of guilt, Welander.

And what of the man who is bearing the brunt of the allegations, the innuendos, the suggestions that he has served his country less than faithfully and honestly? Thomas H. Moorer was nominated to the Congress for promotion to the rank of rear admiral by President Eisenhower. He was named commander of the U.S. Seventh Fleet in the Pacific, and promoted to three-star rank, by President Kennedy. He was nominated to the four-star post of commander of the Pacific Fleet by President Johnson, who later named him Commander-in-Chief, Atlantic and Atlantic Fleet. He thus became the first officer ever to serve as commander of both Atlantic and Pacific Fleets.

Subsequently, Johnson appointed him Chief of Naval Operations, and President Nixon reappointed him as CNO. Nixon later nominated him to be Chairman of the Joint Chiefs and, at a time the press now alleges he was ready to fire Admiral Moorer, reappointed him to this office, the highest an officer can hold.

During these turbulent years in our country's history, in addition to serving four Presidents, he also served at high levels under six Secretaries of Defense: Thomas Gates, Robert McNamara, Clark Clifford, Melvin Laird, Elliot Richardson, and now Schlesinger. They and the Navy Secretaries, who also were his boss for part of that time, recognized his talents and achievements with four Navy Distinguished Service Medals and a recently established decoration, the Defense Department Distinguished Service Medal. These are the highest noncombat awards an individual in uniform may receive.

He has served his country most ably, and with great distinction, for 45 years. He has earned the respect and admiration not only of those with whom he has served, but also of those before whom he has had to appear each year for years—the members of Congress—to present to them and to the nation his appraisal of the status and needs of the forces which defend the United States. It seems to us that, had he not been an exceptional officer, had he not been consistently forthright and honest in his dealings, had he not been a man of unusual integrity, had he not been so respected as an officer, as a man, and as an American, he would not have been given the unusual opportunities he has had to serve.

Accordingly, we believe he has earned something more than allegations that he ordered others to spy on another distinguished leader of our country. We believe he is owed something more than the less-than-competent reporting that has led to those allegations. We believe he is due more from normally wise editors and senior news commentators than hasty decisions to give wide and prominent play to a story which really doesn't make sense on the face of it. We believe his record warrants a forthright confrontation—the current Stennis hearings are a good start, we think—rather than suggestions of wrongdoings emanating from face-

less persons hidden behind the catchall word, "sources," and also a more vigorous defense of his record than has been forthcoming to date from the leaders he has served so well.

Finally, we believe that, if we all aren't willing to support Americans who give their country the best they can for almost two-thirds of the estimated life span of man within this republic, in the future there won't be nearly as many Americans who will be willing to stay on the firing line as long as Thomas Moorer has.

Hasn't America had enough of these continuing attempts to undermine and tear down the institutions which have contributed to the greatness of this country? We sure have. And we believe the time has come to do some reinforcing and building anew—now!

[From the Charleston (S.C.) News & Courier, Feb. 4, 1974]

DEFENSE NEEDS DEFENDING

(By Holmes Alexander)

WASHINGTON.—In Adm. Thomas Moorer there is just about as little strut and vanity as can ever be found in a leader of armed men.

As chairman, Joint Chiefs of Staff, the extremely knowledgeable but self-effacing Moorer holds the highest post in our military forces, and for the most part this position has not been one that glittered * * *

Only Gen. Max Taylor and Adm. Arthur Radford came anywhere matching such a booted, spurred and oracular Caesarean figure that we had when Douglas MacArthur was Army chief of staff. Indeed, the act of 1949 which unified the armed services, at least in the top echelons, seemed to contemplate something other than an image of glory. Significantly, the first chairman was Omar Bradley, known in World War II as the GI's general, a reserved, plain-spoken man with a map-of-integrity face. Designedly or not, Bradley became the prototype for his successors who have been chosen to preside over the service chiefs and to advise the civilian authorities.

Adm. Moorer is just about the perfect product of the tradition that was set in the postwar period when much—perhaps too much—care was taken to walk wide of the Prussian model. In his second term as chairman, Moorer is best known for the firm and accurate testimony he gives to committees of Congress, and for the unobtrusive, businesslike manner in which he does his important job without drawing undue attention to himself.

All this supplies an incongruity to the disagreeable publicity into which the admiral has been drawn. In the dragnet investigation of presidential affairs, it appears that intrigue is accepted as the normal way of life, and that even the servants now get in on the act. A loyal Navy yeoman, working in the National Security Council within the White House complex, thought it his duty to swipe some information and carry it across the Potomac to the Pentagon.

How the carbon copy sheets reached as high an official as Adm. Moorer, and why he bothered to receive material which he says would have reached him by normal channels in due time, would not concern this busy capital very long in ordinary circumstances. But in the present atmosphere of scandal and suspicion, the ordinary event is magnified into an ominous one, and the casual footfall is heard as the tramp of doom.

It is a gross distortion to treat this insignificant episode as having any place in Moorer's exemplary career of public service. He is not formed to be a spymaster, nor a dissenter to the rule, which is as old as the nation, that officers in uniform are subordinate to their civilian leaders. But what makes it particularly untimely for Adm. Moorer's repute to be dangled over the pit of the administration's credibility gap is that we have a special need to believe in the importance and wisdom of our naval persons.

Disarmament groups sit in several of the fashionable meeting places of Europe. It is quite within the reach of the negotiators to bring off a thinnning out of ground forces without altering the balance of power. The Israeli and the Arabs, the Warsaw Pact and NATO, are more or less in equipoise along the main fronts. We have to look seaward to perceive where the imbalance is broken. One passage in the current issue of the magazine Seapower says it all:

"The only significant change to the strategic equation during the past quarter of a century is that the Soviet Union has now achieved, for all practical purposes, equality at sea with the West."

This equality, however, is only measurable in ships, guns and numbers of sailors. Any comparison of leadership and performance is another matter. We have a present need for the prestige of our naval power, and much of that resides in the ranking Navy officer, Thomas Moorer. It would be a major loss if the admiral's good name were injured by those who are heedlessly trying to pull down anybody near the President.

RESIGNATION OF JOE E. GONZALES, U.S. SENATE

Mr. McCLELLAN. Mr. President, we, as Members of the Senate, have been particularly fortunate to have the services of dedicated staff members to aid us in carrying out our duties and responsibilities to the American people.

Joe E. Gonzales, who recently tendered his resignation as a professional staff member of the Committee on Appropriations after 19 years of service is one of this small group of dedicated public servants.

As clerk of the Subcommittee on Treasury, Postal Service and General Government, Mr. Gonzales exhibited a high level of professional competence and created an outstanding record of achievement—a record that is the capstone of a quarter-century of public service.

During those years, he was associated with some of the most distinguished Members of this body—the late Senators Hayden, Russell, and Robertson, as well as the able senior Senator from New Mexico, Mr. MONTOYA, who currently serves as chairman of the Subcommittee on the Treasury, Postal Service and General Government.

In recent months, Mr. Gonzales helped arrange hearings by the Subcommittee on Internal Revenue Service taxpayer assistance and compliance programs which will undoubtedly result in improved service for American taxpayers.

So, Mr. President, I am certain that I speak for the Committee on Appropriations and the entire Senate when I salute Joe E. Gonzales and extend all best wishes to him and to his family.

RETIREMENT OF FRANCIS S. HEWITT, U.S. SENATE

Mr. McCLELLAN. Mr. President, it is with deep regret that I announce the retirement of Francis S. Hewitt after 31 years of dedicated service to the U.S. Senate and the Committee on Appropriations.

Fran, as he is affectionately called by Senators and his colleagues, attended Rutgers University, earning a B.A. degree in 1932 and a masters degree in 1936. He also attended New York University and served as an instructor in English at Rutgers from 1936 to 1940.

In March 1943 he accepted a position on the staff of the Joint Committee on Reduction of Nonessential Federal Expenditures, which was then chaired by the late distinguished Senator from Virginia, Harry Byrd, Sr. His service with the Joint Committee was interrupted by a call to duty with the U.S. Army, from November of 1943 until October of 1945. He returned to his former position with the Joint Committee where he remained until April 1947.

He then accepted a position on the professional staff of the Committee on Appropriations where he remained until his retirement. During his 27 years with the committee, Fran has not only served as clerk to the Subcommittee on Defense, but he has also performed many other duties. For example, he performed the research that was necessary to compile and publish Senate Document 21, 90th Congress, first session, entitled "Committee on Appropriations, U.S. Senate, 100th Anniversary—1867–1967."

Regardless of the complexity of the particular assignment or task Fran could always be counted upon to perform efficiently. But because he is self-effacing, recognition has never been sought for his accomplishments. Over the years he has many times put in long hours, even though it was a great risk to his personal health and well-being, because innate conscientiousness impelled him to do so. His dedication to the committee has been an inspiration to all those who worked with him.

The committee and the Senate have gained much from his outstanding services and contributions. His absence will be sorely felt not only by members but by the staff of the committee as well. We wish Fran the best that his well-earned retirement can bring.

CIA AUTHORITY TO HALT DISCLOSURE OF INTELLIGENCE SECRETS

Mr. MUSKIE. Mr. President, in the Washington Post yesterday morning, Laurence Stern wrote that Central Intelligence Agency Director William E. Colby is asking for a legislative grant of power which would strike at the heart of our first amendment guarantee of a free press.

The measure, as described by Stern, would empower the Director to seek injunctions against the news media to prevent them from publishing material he considers harmful to the protection of intelligence sources and methods.

The article went on to say that the proposal is being circulated through the bureaucracy for comment before it is introduced in the Congress.

I would hope that someone in the executive branch would have the wisdom to put a quick end to such a proposal for it represents nothing more than a prior restraint on a free press in this

country—a concept which defies the intention of those who drafted the Bill of Rights and which was specifically rejected by the Supreme Court only 3 years ago in the Pentagon Papers case.

In an initial three-part proposal which later became the first amendment, James Madison proclaimed:

The people shall not be deprived or abridged of their right to speak, to write, or to publish their sentiments; and the freedom of the press, as one of the great bulwarks of liberty, shall be inviolable.

Reaffirming the guarantees of the first amendment, the Supreme Court denied to the Government the right to enjoin publication of the Pentagon Papers. In the majority decision, Mr. Justice Black stated:

The amendments were offered to curtail and restrict the general powers granted to the Executive, Legislative and Judicial Branches . . . in the . . . Constitution. The Bill of Rights changed the original Constitution into a new charter under which no branch of government could abridge the people's freedoms of press, speech, religion and assembly.

In the CIA proposal, the Director would not only be empowered to seek an injunction against publication of national security information, he would be authorized to determine the ground rules for the classification of the material itself.

Surely, this is the type of reach for authority which the first amendment and the Supreme Court have sought to proscribe, and I would caution those who advocate its adoption to take another look.

I would ask that the article, "CIA Seeks New Powers To Halt Leaks," from the June 26 Washington Post, be printed in the RECORD.

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

CIA SEEKS NEW POWER TO HALT LEAKS

(By Laurence Stern)

Legislation that would significantly broaden the government's power to bring criminal sanctions against employees or government contractors for disclosure of intelligence secrets is being circulated within the Nixon administration.

The measure, proposed by Central Intelligence Agency Director William E. Colby, could also empower him to seek injunctions against news media to prevent them from publishing material he considers harmful to the protection of intelligence sources and methods.

Colby's draft would give the CIA director more statutory muscle to define national security secrets and punish transgressors than ever before.

Its appearance comes against a background of court battles on national security secrecy issues ranging from the Ellsberg case to the book, "CIA and the Cult of Intelligence," written by former government intelligence officers Victor Marchetti and John Marks. The book, the first to be published in the United States after pre-publication censorship by the federal government, went on sale yesterday.

Had Colby's proposal been law a year earlier the book might well have never seen the light of day and the two authors would have been subject to 10-year prison sentences and $10,000 fines.

Under existing law, however, the best the CIA was able to do was invoke the secrecy oaths signed by both men as grounds for a civil action requiring them to submit their manuscripts in advance for government clearance.

The government won the first round in the courts when the binding nature of the secrecy oaths was upheld. But Marks and Marchetti challenged the CIA's demand, on grounds of classification, for some 350 deletions in the manuscript. After adjudication of their countersuit before U.S. District Court Judge Albert V. Bryan Jr., in Alexandria, the number of deletions was reduced to 27.

Bryan required the agency to go beyond the mere assertion by Colby and four CIA deputy directors that material in the book was classified. He asked the CIA to demonstrate in each instance the basis for classification. Much of the trial was held in a closed courtroom.

Under Colby's proposed amendment to the National Security Act of 1947, the CIA director would be empowered to determine the ground rules for classification under a general grant of responsibility for protecting "intelligence sources and methods."

The Colby proposal would exempt news media from the criminal provisions of the law. But the draft language could, according to informed officials, enable the CIA director to trigger injunctive action by the Attorney General against "any person"—presumably including journalists—before or after an act of disclosure.

In the Pentagon Papers case, several Supreme Court justices, particularly Thurgood Marshall, cited the absence of any statutes to support the government's effort to prevent publication of the Vietnam documents. Colby's proposal would strengthen the government's hand in this respect.

Colby submitted the draft measure to the Office of Management and Budget to circulate through the bureaucracy for comment before it is introduced in Congress. In a transmittal letter to OMB Director Roy L. Ash, Colby observed that in "recent times, serious damage to our foreign intelligence effort has resulted from unauthorized disclosure of information related to intelligence sources and methods."

He did not specify what that damage was.

ALBERTUS MEYERS, DEAN OF THE NATIONS CONCERT BAND DIRECTORS

Mr. HUGH SCOTT. Mr. President, a June 5, 1974, article appeared in the Morning Call of Allentown, Pa., honoring Albertus Meyers, conductor of the Allentown Band and dean of the Nation's concert band directors. Mr. Meyers was named recipient of the Golden Deeds Award of the Allentown Exchange Club and was paid a special tribute by having the Allentown Eighth Street Bridge redesignated as the "Albertus Meyers Bridge."

In light of Mr. Meyers' accomplishments in the music world and in community affairs I believe it is fitting that we make note of his efforts and distinguished contributions to the "cultural betterment of Allentown—and the Nation," as the Morning Call so aptly described them.

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:

ALBERTUS MEYERS GETS GOLDEN DEEDS AWARD

(By Dan Pearson)

Dr. Albertus L. Meyers, 83, conductor of the Allentown Band and dean of the nation's concert band directors, received the Golden Deeds Award of the Allentown Exhange Club last night.

Attending the club's 18th annual award dinner in Allentown's Lehigh Valley Club were 110 members and guests, including band directors from other cities.

Maestro Meyers, who is called Bert by most of his friends, knew in advance that his name would be inscribed in the Book of Golden Deeds.

But he had no inkling of the big surprise of the program: Gov. Shapp, in recognition of the musical distinction that Dr. Meyers has brought to Allentown and all of Pennsylvania, has proclaimed that Allentown's 8th Street Bridge be redesignated as the "Albertus L. Meyers Bridge."

The proclamation, bound in a blue and gold folder, was read by State Rep. James P. Ritter of Allentown, who noted there was not sufficient time to make the change legislatively. Eventually the state secretary of transportation will affix a bronze plaque to the structure bearing its official name.

Stunned by the governor's proclamation, Dr. Meyers turned to other seated at the head table and stared at them in disbelief.

David M. Schneck, chairman of the award committee, evoked laughter when he quipped: "Bert, now you can put the five-cent toll back on to augment your Social Security."

(A five-cent toll charged by the state was taken off in the 1940s after auditors determined the span had paid for itself).

It was Schneck who presented Dr. Meyers the handsome plaque bearing a golden book mounted on a panel of walnut. The inscription on the open pages of the book recognized Dr. Meyers' many contributions to the cultural betterment of Allentown.

The recipient, who is a former conductor of the Allen High School and Muhlenberg College bands, received a standing ovation.

"Thanks a lot, folks, this is quite an honor. I certainly appreciate my band boys being here and my many good friends in the music business," said Dr. Meyers.

Immediately before the award presentation, Allentown Mayor Joseph S. Daddona gave Dr. Meyers a tie pin bearing the seal of Allentown as a "token gift."

Praising the many musical accomplishments of Dr. Meyers, who will be 84 in September, Daddona said, "I am proud to be the mayor of Band City, U.S.A."

In a letter of commendation from the White House, President Nixon said, in part: "In presenting you with the Golden Deeds Award, the members of the Exchange Club acknowledged a dedicated and distinguished service to their community. I am especially pleased to join with them, and all of your fellow citizens, in wishing you every satisfaction and joy on this occasion and in the coming years."

In another letter from Washington, Rep. Fred B. Rooney of Bethlehem observed: "Through your efforts and dedication as conductor, the Allentown Band has become widely regarded as America's greatest concert band. High praise comes not only from those musicians who had had the privilege of playing under your direction with the Allentown Band, but also from the many thousands who have shared the enjoyment of outstanding musical performances."

Not to be outdone by the city, Donald B. Hoffman, chairman of the Lehigh County commissioners, presented Dr. Meyers with a paperweight having the county seal.

As a parent of two children who received guidance and direction from Dr. Meyers, the commissioner stressed the impact that the conductor, and former cornet player in the famed Sousa Band, has had on the lives of hundreds of young musicians in Allentown.

"They learned from Bert that the teamwork you learn in a band is one of the

most useful lessons of life," Hoffman said, adding: "You have made this a much better community in which we live."

Another well-kept secret was an oil portrait of Dr. Meyers in his Allentown Band conductor's uniform painted by Mrs. Helen Hughes Lehman from photographs. The framed portrait, unveiled by club members, was commissioned by the Exchange Club and presented by Allen High School, where Dr. Meyers was director of instrumental music 1940–56.

It was accepted by Dr. John McHugh, principal, who said the painting will have an honored place in the school.

Clifford S. Bartholomew, former mayor of Allentown and McHugh's predecessor at Allen High, recalled that Dr. Meyers was a "great band leader" at the school.

Program guests were welcomed by Warren G. Reichard, club president, who noted that the Golden Deeds Awards essentially named the recipient "Mr. Allentown" for the year.

A number of the speakers were introduced by Robert H. Wittman, assistant chairman of the award committee.

Many of the Richlandtown native's colleagues in the music field were on hand to share in the tributes.

Among them was Leonard Smith, conductor of the Detroit Symphonic Concert Band and Herbert Johnson of the former Philco Band. Saluting Dr. Meyers, also, was Henry Cresple, president-emeritus of the Allentown Band, and Donald Bryan, assistant conductor of the Allentown Symphony.

Said Smith of the recipient: "You are the dean of American bandmasters and we are very proud of you."

As his personal gift, Smith gave Dr. Meyers a full sheet of the two-cent John Philip Sousa stamp issued in the 1940s.

In a jocular mood, Edward G. Leidig, Allentown Fair president, presented Dr. Meyers a miniature harmonica that had been passed along for the occasion by the fair's musical director, Richard Heyman.

"Dick wants you to play this for Liza Minelli when she appears at the fair this season," Leidig said.

Barely able to hold it in his short, broad fingers, Dr. Meyers played the scale with aplomb and raised his eyebrows dubiously.

LOOKING AHEAD AT FERTILIZER

Mr. McGOVERN. Mr. President, as chairman of the Senate Agriculture Subcommittee which has been investigating the fertilizer supply, price, and demand situation, I want to focus the attention of the Senate briefly on the outlook for fertilizer for American agriculture for the 1974–75 crop year.

We experienced severe spot shortages throughout farm country during the past planting season, and every indication is that next year's shortages may be more acute and more widspread.

The reason for this is that the fertilizer industry went into the immediately preceding season with modest inventories. Today, the inventories do not exist, and next year's supplies will come almost entirely from current production.

To give us a preliminary outlook at what may be a serious problem next fall, winter, and spring, I ask unanimous consent to have printed in the RECORD an article from Farm Chemicals magazine entitled: "Supply Situation: Tight and Getting Tighter."

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

SUPPLY SITUATION: TIGHT AND GETTING TIGHTER

The 1973–74 fertilizer year was rought, but 1974–75 will be even rougher. The industry is coming off a sweep out year, with inventories non-existent. The outlook for fall and spring, based on interviews with leading basic producers, can be summed up as "tight and getting tighter."

Only one company reports it will have substantially more material available for the fall season. According to Dick Hiendlmayr, Olin expects its phosphate production to be up 5 to 10%. "We've done some work on our P_2O_5 plant and have had reasonable success in unbottlenecking it. Our only limitation will be rock availability. We're operating under a 90% allocation right now."

Vistron may have some additional anhydrous ammonia available "because we're diverting more away from the industrial market."

The outlook for spring is a little better, particularly in phosphates. Expansions will bring an additional 1.32 million tons P_2O_5 wet acid on stream in 1975, according to figures compiled by Texasgulf's H.V. "Van" Donohoo. Texasgulf, Agrico, Occidental, and IMC expect new production on stream by the end of '75.

Saskatchewan has removed controls on potash production for the last quarter of the 1973–74 fertilizer year, but potash is ures compiled by Texasgulf's H. V. "Van" Donohoo explains, "When the Saskatchewan government finally turned the Canadian producers loose and said we could go to rated capacity, it turned out we couldn't do it. We didn't have the manpower, and we'd let the equipment go down because there was no need to buy new equipment when we were operating at reduced capacity. Deliveries are long on equipment now. I would guess that potash is going to remain in tight supply for four or five years."

W. L. Johnson, Jr., of Kerr-McGee Chemical looks for fertilizer supplies to remain relatively tight for at least two to three years. "Additional nitrogen availability will be limited by feedstock shortages and long lead time to build new plants. Although several phosphate conversion plants are now underway, phosphate products will be limited by the availability of phosphate rock. Even potash will remain relatively tight because of transportation difficulties and the lead time to start up dormant capacity in Canada," he explains.

Pricing policies, availability of phosphate rock, natural gas supply, and supplies of other resources will determine the supply situation for the next several years, according to L. M. Gambrell of Allied Chemical. Allied anticipates its 1974–75 supply will "approximate than in 1973–74 on major products."

Swift Chemical looks for supplies to be extremely tight through spring of 1975. Joe Sullivan reports Swift has looked at the long-term picture and sees a high risk of nitrogen overcapacity by 1979, medium to high risk of overcapacity in phosphates, and medium risk in potash.

"We have not abolished the law of cycles," Sullivan says. "On the other hand, I don't think the valley this time around will be as deep as it was in the late '60s. When you combine the problems of obtaining capital, the long leadtimes in bringing plants on stream, and EPA regulations, the key components are far more complex than before and would tend to limit production."

PRICES? GOING UP

There's little question that prices will continue upward. As Dick Kenyon of Phillips Petroleum points out, "cost of power requirements are increasing, natural gas costs are going up, labor costs are up and going higher." He predicts a $10 to $15/ton increase in anhydrous ammonia in July, with possibly a second increase in January.

"We have to have a fair return, and the farmers have to have a fair price. I think price increases are coming but they will be reasonable increases."

Increased production costs will have to be reflected in the selling price, Ron Johnson of Agrico Chemical emphasizes. "We're in the throes of new construction right now and the costs are escalating very rapidly on the equipment we're purchasing for these plants. With high interest rates and the normal inflationary pressures, I think we can expect prices will continue to increase."

W. L. Johnson of Kerr-McKee expects fertilizer prices to continue upward during 1974–75 "though the expected price increases will not be as great as during this year. Previous price increases have reflected the need to catch up after several years of wage and price controls, although the industry still does not return a satisfactory profit compared to the capital investment. Future price increases will be necessary to compensate for the rising costs of equipment, fuel, labor, and other expense items. In addition, the strong overall worldwide demand for fertilizers will require price increases during the coming year, to keep available fertilizer supplies in the U.S. and not have them drawn away from our country due to higher prices available abroad."

DISTRIBUTION PATTERNS CHANGING

The tight supply situation has brought some changes in marketing and distribution. Agrico Chemical, for example, attempted "to design a system that would get our products most efficiently and most rapidly into the marketplace," according to Ron Johnson. "We tried to direct material to those people who have sufficient equipment, sufficient storage, and were, in our judgment, best able to serve the most farmers in the area."

Agrico allocated product on a state-by-state basis in such as way that each state received as much product as in previous years, but emphasizes that local distribution of the materials "may have been adjusted or modified."

L. M. Gambrell reports that in 1973, Allied Chemical utilized approximately 50 terminals for fertilizer distribution. Some of these terminals have been closed due to termination of lease agreements, failure to effect satisfactory exchange arrangements for supplies, and various economic considerations. "Notwithstanding this," he points out, "all 1972–73 marketing areas will be served by an Allied Chemical terminal in 1974."

Kerr-McGee had to substitute solid nitrogen for anhydrous and direct application nitrogen materials. W. L. Johnson reports it was necessary also "to transport available fertilizers and pesticides from area to area in order to provide products to customers served by facilities which were out of inventory at a particular time. This has added greatly to our distribution cost."

Dick Hiendlmayr notes that last year Olin made the decision to withdraw from several states east of the Mississippi. "We have for a number of years been a net purchaser of anhydrous ammonia. In 1973 these quantities for purchase were no longer available to us at prices that we could resell in the direct application market. For that reason, we decided to withdraw. We notified our dealers as early as possible and helped them to obtain other suppliers."

Vistron made a similar decision last spring when price controls were still in effect, according to Don Brinkley, withdrawing from the market in certain areas west of the Mississippi. "We tried to move our distribution closer to our plant in Lima, Ohio to offset low prices," he explains.

Joe Sullivan points out that Swift "made a fundamental decision to pull out of two areas early last year. It was a conscious decision to move out of one marketing area; in the other case, we decided to shut down a

plant because of EPA restrictions. We contacted our dealers in time to give them ample opportunity to find alternative sources of supply. We did add dealers in other areas where we continue to serve the marketplace.

"In addition, we instituted a program of executive review to approve or disapprove elimination of any dealer who we had served in the past."

Hopefully, most of the changes forced by the supply crunch have been made. But all producers interviewed recommend that dealers get in touch with their suppliers as quickly as possible. "It's no time to start shopping," they warn.

SOLAR ENERGY NOW

Mr. HUMPHREY. Mr. President, the energy crisis has brought to the forefront a problem that has been only dimly perceived by most people in the past; namely, the finite nature of our fossil fuel supplies.

The new awareness of this problem has convinced most people that alternative methods for generating power to heat and cool our houses and turn our generators is essential. In this regard, I have long been an advocate of expanded solar energy research support by the Federal Government.

While solar hot water heaters have been utilized in Florida for over 25 years, many have been abandoned because of their high cost. With the great increase in fuel and electricity prices in the past year, however, the use of solar energy in these homes has once again become feasible.

The Sun is unlimited in its energy-producing potential. It remains for us to harness this energy source and develop new, more economical, methods of storing it, so that we can heat our houses and buildings in the winter months when the energy absorbed from the Sun is at its low point.

In the next two decades, solar energy can be used as a significant aid, not a cure-all, for our energy ills. According to the experts, solar energy could provide up to 50 percent of the requirement for home heating. This would enable us to save large quantities of petroleum that would ordinarily be used for this purpose.

The energy produced by the Sun is a free and infinite commodity. We would never have to worry about a "shortage" or an increase in the price of the "fuel" manufactured by the sun.

Solar energy has unlimited potential in the future. It is important that we in the present evaluate this potential properly.

In the past few years, solar energy research has begun to take form. An excellent evaluation of its progress and potential, entitled "Solar Energy Now" was written by James Spaulding in the May 1974 issue of the Sierra Club Bulletin.

Mr. President, I ask unanimous consent that this excellent article be printed in the RECORD.

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

SOLAR ENERGY NOW

(By James Spaulding)

On the day before the House of Representatives recently passed a bill to provide the first major practical test of solar heating and cooling, the *New York Times* commented that solar energy was "clearly an idea whose time has come." So it might seem. Not only does full congressional approval of the solar heating and cooling bill seem likely, but the federal government today is backing research and development of solar energy as it never has before.

The federal government's National Science Foundation already has begun trials of solar heating in schools in four states—Maryland, Massachusetts, Minnesota, and Virginia. The foundation's $13-million research program for solar energy this year includes:

Construction of three different kinds of solar-heated homes by different universities to find the most effective ways to substitute sunlight for other fuels in the home.

Operation of a mobile solar heating and cooling laboratory to test the feasibility of solar energy in different climates and conditions in the United States.

Construction of a 100-kilowatt generator to be driven by wind—a form of solar energy stored in the atmosphere.

Testing or designing of two different kinds of systems for concentrating sunlight to provide high temperatures for driving steam turbines to generate electricity.

Continued efforts to reduce the production costs of silicon crystals, which are used in solar cells that convert sunlight directly to electricity. Progress recently was reported in this effort.

Development of a floating power station believed capable of generating large amounts of electricity from solar energy stored in the oceans as differences in temperature between the surface and the deep.

Experimenting with making high-quality methane gas for use in homes and industries from sewage. Such bioconversion of wastes to fuels also could be applied to converting organic materials like algae—which quickly stores large amounts of the sun's energy—into fuel. More than 30 universities and such corporations as Westinghouse, General Electric, Honeywell, Martin Marietta, Exxon, TRW, and McDonnell-Douglas Astronautics are participating in the research.

Besides the National Science Foundation's solar-energy research program, the foundation is supporting extensive research in developing geothermal energy, in converting coal to gas and liquid fuels, in developing better ways to store heat and electricity, in reducing energy waste, and in minimizing the harmful effects of energy production on the environment. Alfred J. Eggers, Jr., assistant director for research applications of the science foundation, told the House Committee on Science and Astronautics recently that the solar heating and cooling program was "moving expeditiously" toward practical trials this year. "The program is directed at achieving systems that will be cost-competitive in the marketplace in the earliest practicable time," he said.

Other groups also have decided to make practical tests of solar heating and cooling. For instance, both the National Aeronautics and Space Administration (NASA) and RCA have proposed to incorporate solar heating and/or solar cooling into buildings. The RCA experiment will be carried out in an addition to the RCA building in Rockefeller Center in New York City. So far, no actual designs have been submitted for the NASA project.

Solar energy enthusiasts—a few of them considered cranks—have been contending for years that solar energy should be given a trial. Why has the idea suddenly won influential friends? For a practical test program like the one called for in the solar heating and cooling act to attract broad congressional support would have seemed unthinkable five years ago. Today, however, millions of Americans have had to turn down their thermostats, slow their cars to 55 miles per hour, and wait for hours in service-station lines. The sun's energy has not changed, nor have scientists yet devised much that will improve our ability to capture solar energy. Instead, what long had been predicted finally began to happen: energy consumption in the United States overtook supply. The Arab oil boycott dramatized this dilemma. With world-wide demand for oil and gas rising, and the supply no longer unlimited, fuel prices began rising sharply.

Representative Mike McCormack (D-Wash.), chairman of the House Subcommittee on Energy, said at a Stanford University symposium on energy recently that the United States had moved in the last 24 months from an era of fuel abundance to an era of shortages that will last for decades. "The fundamental fact we have to live with," he said, "in arriving at a specific energy policy, is that we have already consumed more than half of all the petroleum and natural gas that we ever had or ever will discover on this continent or its offshore shelves." McCormick is a former research chemist.

It is the impending shortage, then, of petroleum and natural gas, and the certainty that their prices will rise, that mainly make solar energy so attractive. There are other important reasons, of course; solar energy is incredibly abundant and for practical purposes limitless. Solar heating and cooling systems are essentially nonpolluting. Electrical power generation by direct solar conversion will cause some local thermal pollution, though at much lower levels than conventional fossil-fuel or nuclear plants. But the worsening outlook for gas and oil is the central reason that the federal government is spending money for research and development of solar energy. Economic and social factors ultimately will decide whether this program succeeds.

The most obvious sign that the economic climate for solar energy is improving is the burgeoning of government programs. In the 20 years before 1971, only token amounts were spent for solar-energy research, except in the space program. But in 1971 and 1972, the science foundation spent more than $1 million annually for solar-energy research. The amount last year was nearly $4 million, and this year it will be at least $13 million. The Administration has proposed spending funds in 1975–1979 for solar-energy research that would total $200 million.

Under the Solar Heating and Cooling Demonstration Act, which is separate from the Administration's proposals and the National Science Foundation's program, $50 million would be spent in the next five years. A total of 4,000 homes—half of them privately owned—would be equipped with solar heating devices and some with cooling devices. Public buildings also would be so equipped. The National Bureau of Standards would specify the performance of the heaters. NASA would direct the manufacturing. The Department of Housing and Urban Development would be in charge of installing the heating and cooling units and monitoring their performance. So far, this legislation has passed the House.

The goal of the government solar-energy program in the United States—hedged with appropriate ifs about financing and technology—has become substantial. Solar energy, say the federal agencies, can economically provide up to 35 percent of the total building heating and cooling load, 20 percent of the nation's gas fuel, 10 percent of the liquid fuel, and 20 percent of electric-energy requirements by the year 2000, How much is all that? For the first goal alone—35 percent of the toal heating and cooling load—the estimated energy cost in the U.S. next year will be 15,935 trillion British Thermal Units (BTU), which amounts to about 113 billion gallons of gasoline, and if solar heating and cooling could provide for 35

percent of this energy load, it would save about 40 billion gallons of gasoline yearly. Such conversions of BTUs to gasoline are more than theoretical because natural gas and petroleum not burned for electricity or heating can become gasoline, either directly or by substitution.

There appears to be considearble overlapping of the goal figures for solar energy, but in any event the amount of energy the federal science agencies say can be saved with sunshine is huge. The amount of energy to be saved by substituting solar energy to produce 20 percent of the electricity generated 25 years from now, for example, would be equivalent to 22 billion gallons of gasoline annually. The solar-energy goals do not reflect the amount of solar energy available—the science agencies acknowledge that far more than man needs—but the goals reflect an economic appraisal: the devices to collect, convert, process and store solar energy will be costly.

The goals percentages reflect what scientists believe solar energy can provide in competition with fossil and nuclear fuels. Yet even though devices to store, convert, process, and collect solar energy will be more costly on a dollar-per-watt basis than current power plants at current prices, they will be a lot cheaper than fusion and are now competitive with breeder reactors.

The goals of the solar-energy program are long-range because of what seem to be substantial obstacles. Unfortunately, these are not so much technological in the case of solar heating—the most immediate goal for the solar-energy program—as they are economic, social and political. Solar space-heating devices are essentially simple, but no U.S. manufacturer yet makes them. But even if a large solar-heating industry existed, solar home heaters could be expected to cost more to make than conventional heaters, which would still be required to supplement the sun-produced heat. So the initial cost of a solar home would be high. And builders, buyers, and lenders all judge homes by initial cost, rather than by the cost over the life of the home, which would favor solar heating.

Lack of codes, standards, practices, manufacturers, designers, and builders skilled in solar energy must be overcome before solar energy is used for heating on a large scale. The National Science Foundation has taken a step toward overcoming these deficiencies by financing research for a special chapter on solar energy in the *Handbook of the American Society for Heating, Refrigeration and Air Conditioning Engineers*. The handbook, which consists of 200 chapters in four volumes, is regarded as the bible of the industry. The chapter on solar energy, which will be published in June, is 20 pages. Eight are devoted to theory and fundamentals, the rest to applications. Carl W. MacPhee, editor of the handbook, said in a telephone interview that the new chapter simply summarized what had been done in solar energy: it was not a chapter on design. "You couldn't design a solar heating system from scratch using the handbook," he said, "without reading an awful lot more and knowing much more about solar energy. But by 1978, the chapter will look much different."

Despite the obstacles to putting solar energy to work in home heating and cooling, the natural advantages of solar energy and the expected rise in oil and gas prices make solar energy appear competitive. One highly regarded study quoted by the National Bureau of Standards says that solar home heating already can compete with electric heating, and may soon compete with oil and gas. (Electricity rates in some upper-middle class homes in the Northwest have recently exceeded $250 a month. At this rate, solar energy is a bargain.) Even without rising utility rates, solar heating could compete with conventional systems if it were subsidized to the same extent. The biggest roadblock to the increased use of solar energy is not a lack of know-how, but a lack of economic incentives, such as tax credits or FHA inducements to builders.

The National Bureau of Standards has computed that a typical U.S. residence of 1,600 square feet of floor space receives about 800 million BTUs in solar energy annually on its roof, an amount equivalent to more than 6,000 gallons of gasoline. A home of this size typically requires only about 130 million BTU's for heating, but sunlight falls on the roof intermittently, and most of it in the summer months when heating needs are lowest. Because of this need to store heat when the sun fails to shine, the Bureau of Standards and other federal agencies have suggested that solar heating might be most feasible if it provided 50 to 75 percent of required home heat, with a conventional heater providing the rest. The equipment necessary to store solar-energy heat for periods long enough to provide 100 percent of the heat would be too expensive in the more northern latitudes of the United States. For the average-sized home, using solar energy to provide 50 percent of the necessary heat would save the equivalent of about 500 gallons of gasoline annually.

Lloyd O. Herwig, director of advanced solar-energy research and technology for the National Science Foundation, says that heating and cooling are the most promising immediate applications of solar energy because their technology—especially for heating—is most advanced. Solar hot-water heaters have been used for more than 25 years in Florida, and thousands are still in use there today.

Nearly half a million are in operation in Japan. Many of these devices, although effective, have been abandoned over the years because hot-water heaters fueled by gas or electricity have been cheap and more convenient. Recent skyrocketing electric bills in many parts of the country may make solar heating more attractive to many homeowners.

The typical solar collector for heating is a shallow box or tray covered with one or more layers of glass. Sunlight passing through the glass strikes a blackened metal plate in the back of the box, heating both the plate and the air around it. The plate is blackened to make it absorb more heat from the sunlight. Glass is transparent to the visible wavelengths of light that carry the most energy, but not to the wavelengths of heat radiated by the black plate when it becomes hot. Thus, the heat is trapped. This differential transparency of window glass is called the greenhouse effect. If it were not for this, the black plate would radiate back through the glass as much heat as it received from the sun, and solar collectors would work poorly. As it is, however, a well-insulated solar collector with three layers of glass can achieve temperatures inside of about 125 degrees above that of the outside air. Such a device can raise water temperature to 140 degrees—customary in a household water heater—when the temperature outside the collector is well below freezing. For maximum efficiency, flat-plate collectors are positioned to face south and are tilted at an angle of 15 to 20 degrees plus the number of degrees of latitude. Thus, the farther north the collector, the more it will be tilted.

Heat may be extracted from the collector by circulating water through thin-walled tubing soldered to the black plate or incorporated into it. Air also can be used to extract the heat. Both hot-air and hot-water systems, and combinations of the two, are in use now in some of the experimental solar homes in the United States. If the sun shone long enough every day in every latitude to meet local heating needs, solar heating might be widely used now.

Because it obviously does not, a solar heating system requires a subsystem to store heat in darkness and in cloudy weather. The method most often used today consists of tanks of water or rooms of masonry that are heated in sunny weather by the solar collector. A solar house designed for Washington, D.C., for instance, contains tanks for about 3,000 gallons of water, enough to keep the house comfortable for 21 hours when the air outside is zero degrees. The collectors cover 600 square feet of the roof, somewhat more than one-third of the roof area of the average-sized house.

Because hours of sunlight are fewer and the winter temperature lower, in general, as latitude increases, solar heating becomes increasingly expensive where it is needed most. More collectors will be needed in the north, and more storage capacity for the heat. From an economic standpoint, then, the federal agencies have categorized the United States into three zones: the southern, where solar energy can provide 100 percent of needed heat and where solar cooling will be most economical; central, where solar energy can provide a major part of the heat, but where standby heating with gas or oil will be needed; and northern, where solar energy can be counted on to provide supplemental heating for the conventional furnace in late fall and early spring.

How far north solar heating will be economically feasible will depend on the cost of solar collectors and heat-storage systems, how scarce and how costly heating oil and natural gas become, and whether incentives are adopted to encourage solar heating. For instance, some scientists and many environmentalists have suggested imposing a tax penalty on oil and gas, instead of the depletion allowance, to conserve the nation's dwindling reserves of these previous fuels. Similarly, a bonus might be paid for installing solar-energy devices, not only because they have fossil fuels, but because solar energy is nonpolluting.

Cost figures for solar-energy heating systems can only be estimated. Such estimates are discouraging, indicating that to equip a home with a solar energy heating system will add 10 percent to 20 percent to the total price of the home.

The estimate that solar-heating can compete with electrical heat at the present time is based on the assumption that if solar collectors were mass-produced, they could be priced at two dollars to four dollars per square foot. It also is assumed that the solar heating cost will be discounted at six percent and depreciated over 20 years. An engineer who has studied solar energy for the prospect of manufacturing heating equipment profitably said he doubted that costs of solar collectors could be reduced by mass production because little technology was required for manufacturing. Most of the expense, he said, was in the materials—mainly copper, aluminum, and steel—all of which are expensive and likely to become more expensive. The engineer said he was pessimistic, too, because Americans are accustomed to convenience and little maintenance. (For solar collectors to work efficiently, someone must wash the collector windows occasionally.) He said solar water housing might economically be provided to large buildings by utilities as a way for the utilities to conserve their own supplies of fossil fuels.

If the expensive equipment for solar heating also could be used to supply energy for cooling, the federal agencies contend that the system might prove more economically competitive. The National Science Foundation granted $238,000 last year to Professor George O. G. Lof at Colorado State University to build such a residential heating and cooling system. Lof, who has been president of the International Solar Energy Society, is building an experimental solar house at Fort Collins, Colorado. He said recently that both

heating and cooling are needed to justify the cost of solar collectors.

The refrigeration system required for solar cooling already has been tested successfully. It is based on the gas-absorption principle used in refrigerators commonly found in campers today, which are powered by propane or kerosene. Heat from the burning fuel raises the pressure of the refrigerant, usually ammonia or lithium bromide.

The heat is dissipated in conventional coils such as those found in all refrigerators. The refrigerant then is allowed to vaporize—the key to the cooling process—into cooling coils. These coils turn cold and provide cooling for air conditioning or other uses. The vapor is then reabsorbed in a solution.

Solar cooling has been proposed for NASA's new engineering building, along with solar heating. Solar air conditioning is an alluring prospect because air conditioning has accounted for much of the increase in electricity use in homes in the last few years. Furthermore, solar energy ordinarily is most intense when cooling is needed the most.

Karl W. Boer, director of the University of Delaware's Institute of Energy Conservation, is experimenting at Newark, Delaware, with a more sophisticated system for extracting solar energy for home use. It is intended to heat and cool the home and supply some of its electricity. The Delaware house is, in effect, shingled with solar cells made of cadmium sulfide, which, like silicon crystals, generate electricity directly from sunlight. This electricity can be fed directly into the household circuit or stored in batteries. Heat collected in solar collectors behind the cadmium sulfide cells can be used for heating. Boer and his colleagues are also experimenting with various chemicals to store the heat by using it to melt certain salts—called heat of fusion. Large amounts of heat can be stored that way, and the reverse phenomenon might be used for cooling. Cadmium sulfide cells, which so far have only been manufactured on a laboratory basis, are far less expensive to make than silicon cells, but they are less efficient and reliable. The National Science Foundation is backing Boer's research because it is interested in cutting the cost of silicon cells. At today's costs, enough silicon cells to light a 100-watt bulb when the sun is shining would cost between $5,000 and $10,000.

The Science Foundation regards its windpower experiments as one of the kinds closest to commercial exploitation among all solar energy research. Windpower electric generators are in operation throughout the world today, particularly in Australia and Switzerland, from which wind machines are being imported by a few individuals in the United States.

A NASA report to Congress indicated that wind generators placed on the Great Plains could produce 50 percent of the electricity needed in the United States in 1985—equivalent to about 140 billion gallons of gasoline. The main problem would be the costs of transporting this energy from one centralized location to various, far-flung regions of the country. Much study is needed, however, before the wind generators could be placed to produce the maximum electricity. Power from wind increases with the cube of velocity, which means that doubling the wind speed increases the electricity produced eight times.

A 1,250-kilowatt wind generator with blades 175 feet in diameter was built at Rutland, Vermont, in the early 1940's to supplement power from coal-fired steam turbines. It cost more to build, maintain and operate than a coal power plant, so when a blade failed because of metal fatigue, it was abandoned. The windpower generator financed by the National Science Foundation, will have two blades 125 feet in diameter and produce 100 kilowatts in an 18-mile-an-hour wind. It will be installed within the next year, according to plan, at NASA's Plum Brook station near Sandusky, Ohio. At least five other windpower research programs are in progress, with a total budget of $1 million this year. Next year, the wind-power research budget is expected to be $5 million to $7 million.

Wind, like sunshine, is intermittent, and batteries are not regarded as a practical way to store large amounts of electricity. The electricity could be stored by generating hydrogen by passing a charge through water. Then the hydrogen could either be burned for fuel or consumed in a gas fuel cell to make electricity directly. Such fuel cells have been operated successfully. An entire energy system based on hydrogen—including hydrogen-fueled automobiles—has been proposed by some scientists.

Not as far advanced as the wind-power solar-energy program, but designated for testing within a few years, is a scheme for extracting solar energy stored in the oceans as heat. The amount of this energy is enormous—so great that a NASA study indicated that 100 percent of the electricity needs of the United States in 1985 could be met from Gulf Stream solar-energy generators.

The proposed site for a 400-million-watt solar ocean plant is in the Gulf Stream 15 miles east of the University of Miami Institute of Marine Sciences. Professor William E. Heronemus, of the University of Massachusetts engineering department, says that from this location, either alternating current or direct current could be transmitted to the mainland by cable. The power plant also could generate hydrogen gas for transfer to shore by tanker or pipeline.

Electricity can be generated in tropical sea water because the surface is warm and the depths cold. Typically, the temperature difference is about 40 degrees. In the plant designed by Heronemus and others, the warm water heats as gas—say, propane—that vaporizes to a high pressure at the surface water temperature. The high-pressure gas drives a turbine, then is cooled and condensed to a liquid by cold water from the depths. When again warmed by the surface water, it again drives the turbine. The whole idea originated with a French physicist in the 1880's and was tried successfully in the 1920's off the coast of Cuba. It produced little power then because water, instead of gas, was used as the forking fluid.

Whether the growing program of research and development in solar energy will soon usher in a solar era remains uncertain. Future possibilities include the production of electricity through direct solar conversion, which many experts say would take no longer to develop than the fast-breeder reactor. Where the Administration thinks the priorities lie can be told from its $10-billion energy proposal for 1975–1979, which calls for spending $2.175 billion to find and develop processes to turn coal into gas and oil. By contrast, it calls for spending approximately one-tenth that amount for exploiting solar energy. More than 40 percent of the $10 billion is budgeted for nuclear energy. If the government is right, solar energy will make only a modest contribution to relieving the energy shortage in the next few decades. But if the advocates of direct conversion are right, solar energy might one day light the world.

HEALTH MANPOWER IN IOWA

Mr. HUGHES. Mr. President, the health of this Nation's citizens is a principal concern of this Congress. Right now, a number of national health insurance proposals are being considered by both the House and the Senate, and congressional hearings on this vital issue are concluding.

Before the enactment of any national health insurance plan, we must make sure that we have enough health professionals available to serve the needs of this Nation's citizens. It has been recognized for many years that many communities and neighborhoods lack health manpower. That certainly is the case in Iowa.

Yesterday, Congressman JOHN CULVER and Senator DICK CLARK presented extensive and comprehensive testimony before the Senate Health Subcommittee chaired by Senator KENNEDY of Massachusetts on the health manpower problems in Iowa.

At that time, Congressman CULVER and Senator CLARK gave conclusive evidence on the health manpower shortage in Iowa, and pointed out that Iowa has three key problems with health manpower:

First, there is an overall shortage of doctors. Second, there is a geographical disparity in the distribution of doctors and related health personnel. And finally, there is a marked imbalance between the number of primary care physicians and specialists.

Mr. President, I commend my colleagues and friends for their excellent testimony and concern for the health of Iowa citizens. Because of the importance of this statement, I ask unanimous consent that the joint testimony of Congressman CULVER and Senator CLARK be printed in the RECORD.

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

HEALTH MANPOWER IN IOWA

(Joint testimony by Senator DICK CLARK and Congressman JOHN CULVER)

Mr. Chairman: This country's health care system is in trouble. Many people cannot meet the cost of staying well or the cost of staying alive. As a result, good health care is just not available to millions of Americans. And unless something is done, unless Congress approves a national health insurance program like the Kennedy bill, unless Congress passes the kind of legislation before this subcommittee today, the situation will get worse before it gets better.

I don't know if you had the chance to see it, Mr. Chairman, but the *Washington Post* carried an interesting article on a speech Sunday by the president of the American Medical Association at the AMA's convention. The report said that Dr. Russell Roth accused public officials of creating a "phony issue" out of health care. "Politicians," the doctor said, "are not held responsible for difficulties in access to medical services or deficiencies in quality of care or even for its increasing costs." But Congress is responsible for them because Congress is in a position to do something about them, and health care deserves more—not less—attention from all of us.

The timing of Dr. Roth's statement was ironic at best. The same day that he made that speech, you and Senator Javits released a report prepared at the Department of Health, Education and Welfare that warns that the health policies of this administration could lead to a serious shortage of doctors and health professionals in the next 10 years.

And there is evidence which we are submitting to the subcommittee today that documents an especially critical manpower problem in Iowa.

As Congress increases its attention to the

problems of health care, health manpower is a good place to begin.

Mr. Charman, you and the subcommittee should be commended for your efforts to meet the manpower needs of the Nation's health care system. We very much appreciate the opportunity to discuss Iowa's particular manpower problems. Hopefully, this information will be helpful to you as you consider this legislation.

Like many other States, Iowa's health care system has three fundamental manpower problems. First, there is an over-all shortage of doctors. Second, there is a geographical disparity in the distribution of doctors and related health personnel. And finally, there is a marked imbalance between the number of primary care physicians and specialists.

There is a close relationship between the demographic characteristics of Iowa counties and the health manpower that is available in the State, and it is important to note Iowa's population's characteristics in some detail.

Iowa has about 2.8 million citizens—57 percent living in urban areas, 43 percent in rural areas. The State is divided into 99 counties, and nine out of ten of them are rural. Iowa has a very high proportion of older citizens with more than one out of every 12 persons over 65.

While many of Iowa's rural citizens do not have the kind of access to good medical care available to urban residents simply because of their location, the rural elderly's problems in getting good health care best exemplify the entire State's health manpower problems.

Iowa has the second highest percentage of citizens 65-and-older; second only to Florida. Every county has a relatively high proportion of older citizens, and most rural counties have an elderly population of over 15 per cent. Iowa's older citizens are also its poorest. Their's is a doubly difficult burden. The combination of old age and a sub-standard income often prevents them from receiving the very services they need most, and health care is the prime example.

A substandard income makes it difficult for older people to get to those places where medical services are available. In Iowa, most hospitals, doctors, nurses, and extended care facilities are located in cities. Most older people—particularly the impoverished old—are not located there.

Six Iowa counties (Polk, Johnson, Linn, Blackhawk, Scott, and Woodbury) have almost 50 percent of all the physicians. Two counties alone account for 29 percent of all the physicians in the State. Although the heavy concentration in Johnson County does not reflect doctors in private practice, but relates to the university hospitals and medical facilities, the fact remains that nearly half of Iowa's doctors are located in just six of its 99 counties and two of those six counties account for nearly a third of all the doctors.

It should also be noted that nearly 90 percent of Iowa doctors in specialty practice are located in 18 counties. The remaining 10 percent are distributed through 56 counties, leaving 25 counties with no specialists at all.

A majority of the cities in Iowa with less than 1,000 population have no physicians, and 27 cities with a population of more than 1,000 have no physicians.

This confirms what has long been suspected in Iowa: there is a scarcity of medical doctors in the sparsely populated older-age counties where the demand for medical services is especially high.

A study conducted by the Department of Health, Education and Welfare shows that of Iowa's 99 counties, only 12 of them have a "suitable" number of doctors.

The same imbalance of resource is evident in the distribution of nurses and hospital beds. Statistics prepared for the Iowa State White House Conference on Aging show that counties with the greatest percentage of older people—the rural counties have the lowest percentage of nurses and hospitals. In evaluating all of this it should be recalled that older people tend to be hospitalized more frequently, have a higher prevalence of chronic disease, and stay in the hospital for a longer and consequently costlier period of time.

Even more disturbing are the trends that seem to be developing in Iowa's rural areas. Between 1950 and 1970 the number of physicians in towns of 1,000 population or less fell drastically.

	1950			1971		
Population	Under age 70	Over age 70	Total	Under Age 70	Over age 70	Total
Towns over 1,000	1,751	352	2,103	2,792	207	1,899
Towns under 1,000	245	113	258	81	14	95

During this same period, larger communities, on the other hand, sustained their physician populations quite well; however, early retirement seemingly has increased significantly in both groups.

Most small towns in Iowa are within 10–15 miles of a community of 3,000 population or greater. Such a distance can be traveled in less than 30 minutes, yet even these miles can be a formidable barrier to any number of rural residents—especially the elderly. A more significant problem is that the number of physicians in the larger towns has not grown sufficiently to care for the growing population of people from surrounding communities, nor are the specialists as available for primary care as were their general practitioner predecessors. With this growing disparity between supply and demand, the residents of the larger communities also have problems with accessibility to medical care.

For the years 1950–1974, the medical doctor trend in Iowa counties can be summarized by the following graph:

(Graph not included in RECORD.)

In the past 23 years, the number of physicians in rural areas (counties with no city larger than 10,000 population) has decreased almost 25 percent—from 1043 to 784 physicians—while the population in these rural counties has dropped less than 100,000.

The University of Iowa, College of Medicine has responded to this situation by increasing enrollment by 50 percent since 1966, and in 1971 the school instituted a physician's assistant training program that will graduate its first class this year. Similarly, a pediatric nurse practitioner course has been established by the College of Nursing in conjunction with the Department of Pediatrics and will soon graduate its first class of students.

One of the most important factors associated with the maldistribution of physicians has been the decline of the primary care physician. The physician depopulation of rural communities has not been due to a migration of doctors to larger centers, but to an inadequate supply of new physicians entering primary care specialties. Since 1969, considerable progress has been made at the University of Iowa Medical School in reestablishing the role of the general practitioner under a new label of family physician. The university also has established a community familiarization program for medical students starting in their freshman year and extending into newly established residencies in Iowa communities. All this has been designed to attract more Iowa graduates, not just to primary care, but primary care practice *in Iowa*.

The programs initiated and designed by the University of Iowa Medical School and related institutions are very encouraging. Yet, locally and nationally, much more needs to be done.

Mr. Chairman, the statistics in Iowa speak for themselves: the need to take affirmative action in the near future is overwhelming. Last Sunday, an editorial in the *Des Moines Register* said that public service by doctors—the Kennedy manpower legislation—would give "affirmative answers" to the growing problems faced by all of our citizens. I hope the entire Congress is prepared to take this kind of affirmative action to alleviate the manpower problems afflicting the entire Nation.

One of this country's most precious assets is the health and well-being of its people. Good health and good health care ought to be a right for every individual—whether they are poor or rich, black or white, urban or rural. But right now, good health care is not a right in this country. Instead it is a privilege that all too often depends on the size of an individual's bank account. That is more than just a problem—it's a tragedy. And all members of this committee know its dimensions better than most.

Through a national commitment to medical research, this country has made astounding advances in medical technology, through a national investment in medical education—a Federal commitment of over 1 billion dollars this year alone—we train the world's best physicians and we have the world's finest research facilities. Yet we have failed to create programs to bring the fruit of that investment—good health services—back to the people who have paid for it.

Congress has initiated a number of programs to increase the availability of health services. Programs like medicare and medicaid have provided financial access to health care for millions of the elderly and poor. Congress now is considering a number of national health insurance proposals, but the success of such a program, as well as the continued success of the medicare and medicaid programs depends on the health professionals who provide the medical services.

Health manpower programs have met with little success in guaranteeing an adequate supply of doctors where they are needed. Congressman Bill Roy, a physician and an expert in health manpower, has concluded that "none of the various State and local programs have been notably effective in insuring the presence of health professionals in communities where they are needed. . . .

The regional medical and comprehensive health planning programs have different goals and no real capacity either to attract or to place health manpower where it is needed. The Federal health manpower training programs . . . have had little or no success in increasing the aggregate number of physicians in the nation."

Given the health manpower situation in Iowa and in States all across this country, there can be little doubt that the problem is very serious. Unless we find acceptable solutions now for rural practice and inner city practice, this country will have the same health manpower problems in 1980 that it does now. Certainly, the American public is aware of the situation. A recent survey by Louis Harris shows that "by 70 to 22 per cent, a sizable majority feels that 'there are not enough doctors in the country to serve the needs of everyone.' Presumably, the shortage could be even more acute if more people were covered by insurance which entitled them to doctor care."

On the floor of the Senate on May 29th of this year, Senator Hugh Scott said:

"There is a growing consensus among the American people that reform of our national health delivery system is essential; that improvement in the overall quality of health care is essential; and that action on a national level is essential."

Very few would dispute that assessment. Yet while there is strong agreement on the need for reform, there is strong disagreement on how to affect it. The legislation before

the subcommittee today deals directly with the primary need: to place the healing services within reach of all the afflicted, especially those healing services that are only available through qualified physicians.

The present situation is not acceptable. The fact that physicians are now clustered in disproportionate numbers in those communities where they can command the highest income does illustrate the economic law of supply and demand, but it ignores the human considerations of service and need.

This legislation speaks to that problem.

First, the bill provides that the money now being spent on medical education be realized directly by the student—an amount currently estimated at over 50 per cent of his total bill for medical education. This massive subsidy of one of the most lucrative professions has been concealed from both the recipient and the donor by the institutional filters through which it flows. With this bill, that concealment would end. Each medical student would know exactly how much of his education depended on the taxpayer.

The second major provision requires each medical doctor to pay back a small proportion of his public-supported education in the form of limited service—either in private practice or the National Public Health Service Corps—in a medically underserved area.

There is some apprehension in the profession about this provision. But in our judgment it's unwarranted because the requirement is not obligatory. The individual medical student can "buy out" if he chooses. The cost of exercising this option is significant, but the option remains. In addition, the period of required service is limited: Six months of service for each year of tax-supported education with a maximum of two years. And during the period of service in a medically underserved area, there would be supplementary compensation to assure the physician of an income matching that of established physicians in comparable circumstances.

The legislation before us recognizes an important fact and provides for an important need. It recognizes the fact that the American people underwrite the major share of all the medical education in this country. And it recognizes the need for service. In return for educating doctors, the American people are entitled to medical services in every part of the country, not just in those communities where it's profitable to practice. This legislation will help to accomplish that objective.

Mr. Chairman, this bill represents an ambitious and serious effort to solve the health manpower problems that exist today. We agree with its major thrust, and we support your efforts and those of the entire committee in addressing this most difficult problem.

THE INEQUITIES OF THE 1975 JOHNSON-O'MALLEY INDIAN EDUCATION PROGRAM BUDGET

Mr. FANNIN. Mr. President, in comparison to other Federal education programs such as title I of the Elementary and Secondary Education Act, the Johnson-O'Malley Indian education program is less significant, but to a number of States with reservation Indian populations it is of critical importance and even more so to those States having substantial numbers of Indian children. Enacted in 1934, the Johnson-O'Malley program has served to financially assist public schools in the education of Indian children. This assistance was viewed then as it is now, as a necessity since public schools were assuming greater responsibilities in the education of Indian children. What made JOM so important was the fact that many Indian children resided on tax-exempt lands, thus leaving the public schools without sufficient resources to meet their educational needs. As the number of Indian children attending public schools grew, to an estimated 98,000 students by 1974, the necessity for the Johnson-O'Malley program became firmly established and the affected States have come to rely on it to help meet the costs of educating our Indian citizens. It is no secret then that Arizona, like other Western States with large reservation Indian populations, has more than just a passing interest in the Johnson-O'Malley program and its budget. Because of its importance to our national effort to deliver sufficient resources for Indian education, I undertook a special review of this year's proposed budget and the basis on which it was justified and what I found disturbs me greatly. This analysis raises serious questions concerning the administration of this program.

The JOM budget is small compared to other programs, but despite its relative size, it is an important program and how its budget is allocated and on what basis it is allocated is the basic concern of my remarks.

1975 BUDGET: JUSTIFICATION AND ALLOCATION

The administration's 1975 budget for the Johnson-O'Malley program is requesting $27,952,000, an increase of $2,600,000 over the 1974 budget of $25,352,000. The official budget justification statement cities the following reasons as the basis for this year's budget increase:

1. An increase of $2,055,000 is requested to provide for an unanticipated enrollment increase of 5,500 students in fiscal year 1974 and for an additional increase of 2,000 students expected in fiscal year 1975. This increase will permit the various public schools to return to fiscal year 1973 levels of support per pupil.

2. An increase of $545,000 will be required to partially offset cost of living increases and to provide for greater tribal and parental involvement to the extent possible.

The emphasis is obviously on meeting the costs of increased student enrollments. In addition, the budget justification cites the basic need of the Johnson-O'Malley program;

Under the Act of April 16, 1934, as amened, commonly called the Johnson-O'Malley Act, the Bureau of Indian Affairs, provides supplementary aid to public school districts which face financial problems due to the presence of tax-exempt, Indian-owned lands within the district boundaries and the enrollment of relatively large numbers of Indian children.

Many of the school districts on Indian reservations have insufficient funds to operate effective school programs even with State aid and general Federal aid to education programs. Such districts have little or no tax base. In these districts, Johnson-O'Malley aids are used to assume operation of a basic school program.

Again, the theme is very clear. The Johnson-O'Malley 1975 budget is justified on the basis that JOM funds are necessary to meet increased student enrollments and to sustain the operation of schools and school programs designed to meet our goals for Indian education.

In regards to the proposed allocation of JOM 1975 funds, the budget justification is silent on how the 1975 budget is to be allocated among the various States and contracting agencies.

1975 BUDGET: AN ILLUSION

The 1975 JOM budget outlines a program to meet increases in student enrollment and to offset cost-of-living increases. To those public schools affected by such enrollments and cost increases the proposed budget increase of $2,600,000 over fiscal year 1974 would represent a significant effort by the Federal Government to meet their needs even though the States affected by JOM collectively requested an appropriation of over $41 million. Yet, on closer analysis the proposed increase is really an illusion.

Instead of an increase of $2,600,000 for JOM program support, only $1,222,000 is scheduled to meet the needs of the States over 1974. The budget justification talks of a $2,600,000 increase but further analysis shows that $1,378,000 is to be used to pay for a Department of Interior audit—$165,000—and administration support—$1,213,000. In reality, then, the actual level of program funding for the Johnson-O'Malley program in 1975 is $26,574,000 which is only $1,222,000 more than what was appropriated in 1974.

This kind of discrepancy is explainable from a budget point of view, I suppose, but it is clearly unexplainable in view of the needs that many school districts face in their efforts to provide a quality educational program to their Indian students. What is needed is not budgetary discrepancies but real, increased levels of support.

THE 1975 JOM BUDGET: THE ALLOCATION OF FUNDS

In addition to the discrepancy in the level of funds available under the 1975 budget for program support, there is a more serious issue involved in the allocation of JOM funds.

The 1975 budget, according to its justification, is based on need; that is, the need for additional funds to meet increased student enrollments and increased costs. Yet, the proposed allocation of funds seriously ignores the needs of many States which are experiencing increased enrollments. This discrepancy is clearly demonstrated in comparing the 1974 budget allocation with the proposed 1975 distribution of JOM funds as initially established by the Bureau of Indian Affairs. The results of this analysis show the following:

First. Two States gain students and will receive additional funds—Minnesota, New Mexico (Albuquerque area).

Second. Ten States gain students, but receive the same level of funding as they did in 1974—South Dakota, Kansas, Montana, Wyoming, Oklahoma, Mississippi, Utah, Washington, California, Florida.

Third. One State gains students, but will receive less funds than in 1974—Arizona.

Fourth. Three States lose students, but receive additional funds over the amount received in 1974—Alaska, Wisconsin, New Mexico (Navajo area).

Fifth. Six States lost students, but will

receive the same level of funding as in 1974—Nebraska, North Dakota, Nevada, Idaho, Oregon, and peripheral dorms (New Mexico-Arizona-Utah).

Sixth. Two States lost students and will receive less funds than in 1974—Iowa, Michigan.

Seventh. Unknown: two States—Colorado, New York.

These results were derived from the table which I ask unanimous consent to have printed in the RECORD.

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

INSERT NO. 1

COMPARATIVE ANALYSIS OF JOHNSON-O'MALLEY FUNDING ALLOCATIONS: 1974 AND 1975

State	Actual 1974 allocation	Number students 1974	1975 State request	Proposed 1975 allocation	Number students 1975	Difference in 1974–75 Funding	Difference in 1974–75 Students
Nebraska	$670,000	715	$851,000	$670,000	650	NC	−65
North Dakota	740,000	2,208	900,000	740,000	2,000	NC	−208
South Dakota	1,640,000	5,258	2,703,000	1,640,000	5,410	NC	+152
Colorado	287,000	865	366,800	292,000	NA	+5,000	NA
Kansas	102,000	236	172,000	102,000	250	NC	+14
Montana	1,060,000	7,648	2,652,800	1,060,000	7,759	NC	+111
Wyoming	135,000	932	311,000	135,000	1,105	NC	+73
Alaska	4,625,000	8,600	5,300,000	5,684,000	6,800	+1,059,000	−2,200
Minnesota	1,320,000	3,357	2,072,000	1,330,000	3,360	+10,000	+3
Wisconsin	450,000	2,247	770,600	504,000	1,162	+54,000	−1,085
Iowa	150,000	237	210,000	124,000	210	−26,000	−27
Michigan	135,000	691	264,000	111,000	673	−24,000	−18
Oklahoma	2,130,000	12,512	2,452,100	2,130,000	13,000	NC	+488
Mississippi	15,000	83	20,000	15,000	125	NC	+42
Arizona (Phoenix Area)	4,285,000	17,615	10,145,179	4,035,000	22,154	−250,000	+5,461
Nevada	230,000	2,235	500,000	230,000	300	NC	−1,935
Utah	20,000	63	40,000	20,000	300	NC	+237
Idaho	485,000	1,737	660,500	485,000	1,500	NC	−237
Washington	975,000	5,945	1,380,400	975,000	6,100	NC	+155
Oregon	70,000	1,104	163,600	70,000	800	NC	−304
California	350,000	2,913	3,000,000	350,000	8,400	NC	+5,487
Florida	10,000	225	120,000	10,000	230	NC	+5
New York			120,000	0			NA
New Mexico (Albuquerque)	1,478,000	5,032	1,955,000	1,557,000	6,000	+179,000	+68
Navajo	1,970,000	15,704	2,366,000	2,200,000	15,694	+230,000	−10
Peripheral (Arizona-New Mexico)	2,105,000	1,874	2,000,000	2,105,000	1,244	NC	−600

Mr. FANNIN. Mr. President, the inequities which this analysis demonstrates are clear. What is not clear is the reason for such inequities. Perhaps some are explainable, as in the case of Alaska where conditions and exceptional need require additional funds even in the case where the number of students served decreases. But what is not explainable is the decision of the Bureau of Indian Affairs to reduce the allocation to a State like Arizona by $250,000 when Arizona will experience an increase this year of over 5,000 students according to the BIA's own figures. It is going to take a great deal of explanation before I will be satisfied that such an allocation is based on a recognition of need. Ten other States are also experiencing increases in student enrollment but instead of increases in funds they must be content to operate on the same level as the previous year. Yet, there are nine States which lost students but either received additional funds or at least received the same level of funding as in 1974. This proposed allocation defies justification if it is based on need as the budget documents contend. Since analysis refutes the budget justification, the basis for allocation must lie elsewhere.

I have learned that the allocation of JOM funds for fiscal year 1975 is based on what is known as "Band Analysis." According to the BIA:

The "Band Analysis" approach is a method of providing the Indians and their leaders with a formal unified, system for identifying their needs in relative degrees of importance on a program by program basis. It is a method of indicating what programs are most important to a given tribe and which are of lesser importance.

Each Agency is given a listing of all Bureau programs that can be included in a Band process. For each of these programs, the tribes are provided with base figures. These figures represent an estimate of the funds, based on the President's budget that the tribes can expect to receive for each program. The total of these figures will represent the base from which the Tribes will then be able to build their proposed programs.

The Tribes are then asked to develop a distribution of three fixed levels of funds among the programs. These levels have been set at 95 percent, 110 percent, and 120 percent of the base total provided. Within these limits the tribe is given the freedom to adjust the figures on a program by program basis to satisfy their needs as they see them.

In other words, the Band system tells a tribe how much it can expect to receive for most of their programs next year. It then asks them to decide which of these programs should be reduced, which should be retained at the same level and which should be expanded next year within the 95 percent, 110 percent, and 120 percent limits.

Because the tribe will be dealing with a fixed total for each of the three levels, it must decide which programs will be expanded at the expense of other programs thereby establishing the relative importance of each program in relation to all the other programs.

Under "Band Analysis" the Bureau of Indian Affairs has proposed that JOM funds for 1975 be distributed as follows:

FISCAL YEAR 1975 AID TO PUBLIC SCHOOLS (JOM) PROGRAM

[Distribution based on States' requests compared to BIA proposed distribution based on tribal priorities]

	States' requests	Proposed distribution tribal priorities
Aberdeen area:		
Nebraska	$851,000	$670,000
North Dakota	900,000	740,000
South Dakota	2,703,000	1,640,000
Albuquerque area:		
Colorado	366,800	292,000
New Mexico	1,955,000	1,557,000
Anadarko area: Kansas	172,000	102,000
Billings area:		
Montana	2,652,800	1,060,000
Wyoming	311,000	135,000
Juneau area: Alaska	5,700,000	5,684,000
Minneapolis area:		
Minnesota	$2,072,000	$1,330,000
Wisconsin	770,600	540,000
Iowa	210,000	124,000
Michigan	264,000	111,000
Muskogee area: Oklahoma	2,452,100	2,130,000
Navajo area:		
New Mexico	2,366,000	2,200,000
New Mexico-Dorms	2,000,000	2,105,000
Arizona (see Phoenix)		2,985,000
Phoenix area:		
Arizona	10,145,179	1,050,000
Nevada	500,000	230,000
Utah	40,000	20,000
Portland area:		
Idaho	660,500	485,000
Washington	1,380,400	975,000
Oregon	163,600	70,000
Sacramento area: California	3,000,000	350,000
Eastern area:		
Florida	120,000	10,000
Mississippi	20,000	15,000
New York	120,000	0
Total, all States	41,895,979	26,574,000
Interior Department audit	165,000	165,000
Admin. support	1,213,000	1,213,000
Total budget	43,273,979	27,952,000

Mr. President, "Band Analysis" may have its place but I am concerned with its application to the Johnson-O'Malley program for the following reasons:

First, because a tribe is told by the Bureau how much it can expect to receive, it then must determine which programs should be reduced, maintained at existing levels, and which should be expanded within a 95-percent, 110-percent, or 120-percent range. These ranges, of course, are related to a funding base which in all likelihood would be the budget level for the previous year. The difficulty with this approach is the fact that if a tribe wants to expand its commitment to the Johnson-O'Malley program, its budgetary options are severely limited by the range of permissible budgetary expansion. In short, "Band Anal-

ysis" may operate to lock a tribe into a range of funding which may be insufficient to meet their educational needs.

Second, as I understand it, each tribe is given a list of Bureau programs on which they make their judgments concerning levels of funding. The Johnson-O'Malley program apparently is included on such a list despite the fact that in most cases a local school district is the administering agency. By including Johnson-O'Malley as a program subject to "Band Analysis" a tribe may give more emphasis to programs it administers directly rather than one that affects the tribe indirectly. The result may be a distortion of Johnson-O'Malley needs since given the choice the tribe would quite naturally support programs that affected the tribe directly.

Third, it may be highly inappropriate for a tribal council to determine the needs of a local school district for Johnson-O'Malley funds, under "Band Analysis" if that tribal council did not consult with the local school district and its governing board. In Arizona, I am told that none of the major impact Johnson-O'Malley school districts were consulted by tribal councils in setting a priority for the Johnson-O'Malley program for this year's budget. If there is no link between the tribal council and the local school district over setting a priority for Johnson-O'Malley then one may conclude that the proposed Johnson-O'Malley allocation for fiscal year 1975 does not accurately reflect the need of those affected school districts. On the basis of my own analysis this conclusion would seem to be clearly justified.

Fourth, by consulting only with the tribal council, "Band Analysis" defeats the role of the local JOM parent committee in developing, with the local school board, the annual JOM budget request, an objective which many Indian parents have long sought. The State request, which is a combinaton of all local school district requests, is by far more accurate in indicating need than "Band Analysis" and more reflective of Indian self-determination.

Fifth, I might add that I am not really sure that a tribal council should be involved at all in setting priorities for Johnson-O'Malley since by doing so it is intervening in the affairs of a local public school district unless, of course, the tribe was holding a JOM contract. It would be even more inappropriate in those cases where the local school board was composed of a majority of Indians. Again, in Arizona two-thirds of the major impact school districts are governed by school boards composed of a majority of Indians. If "Band Analysis" in its operations ignores the local Indian school board, as it apparently has in Arizona, Indian self-determination is eroded.

Finally, "Band Analysis" is essentially a mechanism or technique to control expenditures which in its operation may or may not have any relationship to program considerations. Certainly there can be no doubt that in regard to the 1975 JOM budget "Band Analysis" fails to appreciate the basic objectives of the JOM program. Indian education programs like JOM cannot hope to succeed when guided by a budgetary system like "Band Analysis." When a budget system creates a condition that overlooks basic program needs then that program loses its capacity to realize its own objectives; a situation we can hardly tolerate in regard to Indian education.

Mr. President, instead of basing the allocation of JOM funds on meeting the costs of increased student enrollment, the 1975 JOM funds are to be allocated on the basis of the relative priority that tribes assign to the JOM program. This explains the inequities which exist in this year's proposed allocation. It hardly seems fair to local school districts and JOM parental committees to have the allocation of Johnson-O'Malley funds determined on a basis other than need. If unlimited funds were available to meet the needs of the Johnson-O'Malley program then perhaps the problem would not be so great, but when JOM funds are limited, as they are, then it is clearly inequitable to allocate funds on any basis other than educational need as those directly responsible for educational programs see them. If a budget system like "Band Analysis" distorts need and arranges funding which results in clear inequities, that system should be replaced. But the real loser, of course, is the Indian student. If the Johnson-O'Malley 1975 funds are allocated under the present plan then a number of schools are going to find less funds behind each child to meet their educational programs.

The Phoenix area of Arizona, for example, under the proposed 1975 allocation will lose $250,000 but will experience a student enrollment increase of over 5,000 students. This would mean that Arizona will realize a loss in per pupil support compared to 1973 and 1974. In 1973 Arizona, under JOM, was provided $204 for each Indian student which dropped to $199 in 1974. Under the 1975 allocation it will drop again to $188—a loss of $16 over 1974 and $22 over 1973. Yet the budget justification argues that the so-called increase in funding will "permit the various public schools to return to fiscal 1973 levels of support per pupil." This last discrepancy in the 1975 budget only confirms that the proposed allocation fails to meet its own objectives.

This system makes no sense and I am convinced that the Congress will be making a serious mistake if it approves the allocation of the 1975 JOM budget on the basis of "Band Analysis." In this regard, I have strongly urged the Senate Interior Appropriations Committee to allocate funds on the basis of State need and not "Band Analysis." It is my hope that the Appropriations Committee will review this issue and, if possible, replace the "Band Analysis" allocation system with one which will be fair, equitable, and based on a realistic view of local educational need and not on the apparent distortions created by the "Band Analysis" system.

Finally, Mr. President, I recognize my responsibility to develop a legislative solution to this problem and I intend to pursue that objective since it is unfair to have the Appropriations Committee assume that burden. Certainly, "Band Analysis" as applied to the Johnson-O'Malley program raises serious questions as to whether the allocation of funds under JOM meets Congressional intent. For the BIA to institute, administratively, an allocation system which has never been considered by Congress and which may be at variance with congressional intentions, is in my mind, a serious error especially in the face of determined congressional efforts to legislate reforms of the entire Johnson-O'Malley program. The discrepancies and inequities which are clearly reflected in the 1975 JOM budget only support the need for review of the JOM program and the need for early reform. In this regard, it makes little sense to establish a new allocation system until Congress has a chance to consider the best approach to this problem. The allocation of JOM funds is the prerogative of Congress and any changes in that system should be determined by Congress and not the Bureau of Indian Affairs.

CONCLUSION

Mr. President, over the past few years we have experienced great momentum in developing quality Indian education programs and in providing increased resources to meet the requirements of those programs. Yet, that momentum could be threatened if the "Band Analysis" budgetary system is allowed to operate the Johnson-O'Malley program. I do not doubt for a minute the sincere motivations of those who urged the use of "Band Analysis" in allocating JOM funds. But obviously it just is not working. If we permit a system like "Band Analysis" to determine levels of support without reference to the actual needs of local educational agencies then the role of Johnson-O'Malley as a major force in Indian education programs will be eroded. This, to me, would be unacceptable, not only to those schools affected by JOM but, more importantly, to our Indian citizens and their dreams for educational attainment. The threat to the educational opportunities for Indian children is real under "Band Analysis" and it is for this reason that I find such a system inequitable and clearly inappropriate in meeting the need of those public schools which are on the front line in providing a quality Indian education program.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, on June 16, 1949, the Genocide Convention was transmitted to the Senate by President Truman who urged that it be ratified. Every administration since 1949 has supported the Genocide Convention. Most recently, President Nixon urged the Senate "to consider anew this important convention and to grant its advice and consent to ratification." Such action, said the President, "will demonstrate unequivocally our country's desire to participate in the building of international order based on law and justice."

Despite this continuing bipartisan support for the convention, the Senate has responded neither favorably nor with due

diligence. In 1950, the convention never made it out of committee. Hearings were also held in 1970 and 1971. Each time the convention has made it to the Senate floor, it has either been ignored or the opponents of the convention have tried to argue it to death. The latest example of this took place earlier this year.

Mr. President, for 25 years we have been playing volleyball with this important treaty. I urge that we stop doing so now and act effectively so as to add the United States to the list of 78 nations that have already ratified the treaty.

WORKER'S COMPENSATION REFORM

Mr. HUMPHREY. Mr. President, on June 14, the Senate Subcommittee on Labor held hearings on "Worker's Compensation Reform," in Minneapolis, Minn. I was privileged to be able to testify before that committee on this subject which is of vital concern to American workers and their families.

Mr. President, I ask unanimous consent that my testimony in support of major reforms in worker's compensation be printed in the RECORD.

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

TESTIMONY OF SENATOR HUBERT H. HUMPHREY

Mr. Chairman, thank you for this opportunity to testify before the Labor Subcommittee on legislation to reform our system of worker's compensation. I am very pleased that the citizens of Minnesota are being given this opportunity to participate in the formulation of this important legislation.

You will hear from a long list of excellent witnesses today. They will, I am sure, provide outstanding testimony, particularly on the detailed provisions of The National Workers' Compensation Standards Act of 1973—S. 2008.

For this reason, my testimony this morning will be brief.

With regard to S. 2008, I am pleased to be a co-sponsor of this important legislation. It has my full support.

There is no question that we need some minimum standards, guaranteed minimum levels of assistance, that apply to every American worker who develops an illness as a result of his job, and to his family if such illness results in death.

The reason we need Federal minimum standards is clear from the conclusion of the National Commission on State Workmen's Compensation Laws. They state unanimously that:

"The inescapable conclusion is that State workmen's compensation laws in general are inadequate and inequitable."

More specifically, the Commission reported the following disturbing findings;

In Jaunary 1972, the maximum weekly benefit in more than half the States did not equal the national poverty income level.

The benefit structure in many states makes it a certainty that victims of permanent partial disabilities, permanent total disabilities, and death cases, and their families, cannot escape poverty.

While 13 States cover 83% of their workers, 15 States cover less than 70%. Over 15 million workers are estimated to be denied any protection at all from worker's compensation.

The American working family needs the basic protection that this legislation will provide. In fact, these measures are long overdue. Millions of American families have felt the crushing burden of poverty descend upon their shoulders and the indignities of the welfare lines enter their lives, because of the deficiencies of the worker's compensation laws.

We need this legislation now. Our people need its provisions for universal coverage of all workers; extension of protection to all injuries and occupational diseases; improved benefits for the totally disabled and survivors in death cases; elimination of all time or dollar maximum limitations for either death or total disability payments or for medical care or rehabilitative services; periodic benefit increases based on changes in State average weekly wage to name a few.

Mr. Chairman, I compliment you on what I believe to be an outstanding piece of legislation. Obviously, your hearings in Minneapolis and elsewhere will result in refinements that will make this even better legislation. I hope that you will soon be able to report this legislation to the full Senate for action. When you do, you can count on my support.

I would also like to thank the Chairman for including S. 2587—The Employees Comprehensive Respiratory Disease Compensation and Registration Act—on the agenda of this series of hearings before the Labor Subcommittee.

This legislation, which I authored, provides for the care and compensation of workers and their families who suffer from respiratory diseases and disability because of their employment in America's modern industrial system.

Many of the more than 400,000 persons who develop occupational diseases each year, suffer from diseases of the respiratory tract and associated tissues.

Yet, State worker's compensation laws, with few exceptions, restrict coverage for respiratory disease.

Federal benefits have been approved only for coal miners who suffer in an astonishing degree from black lung disease. All the workers in other production industries, the 3.5 million asbestos workers, 900,000 textile workers, 770,000 workers exposed to bagasse fibers, the 600,000 workers exposed to silicon dust, the 715,000 cosmetic workers, paintmakers, papermarkers, and talcumpowder makers, bear the burden of disease, and medical expenses alone. When disease strikes they often must go on welfare. When they die, usually in their most productive years, their families are cast aside without even the most minimal assistance. They too add to our welfare rolls.

Compounding this tragedy is the fact that these workers often are unaware of the hazards they face daily. And because they do not realize the risks, they are unable to receive medical assistance which could prevent, control or cure these diseases with the horrible names and still more horrible effects—silicosis, asbestosis, byssinosis, talcosis, lung cancer, and brown lung.

The legislation I have proposed will rectify the injustice that has been done for so many years.

It is time for employers and conpensation agencies, State, and Federal, and American consumers to share the risks as they have shared them for black lung and for industrial accidents under the worker's compensation laws.

This bill will do two important things. It will provide benefits in cases of total disability due to respiratory disease at a realistic and humane level. The bill provides that benefits be paid at a rate equal to two-thirds of the employee's average weekly wage and in no event less than 50 percent of the average weekly wages paid in his State of residence.

Care is also taken to assure that if the worker dies as a result of these respiratory diseases his family will be provided for.

The bill also creates an information source which will assure us that all those exposed to these environmental hazards of the workplace will know the risks they take and their eligibility for benefits based on level and period of exposure.

If we are to make progress in combating the toll which overtakes our industrial production workers, through preventive medicine, we must provide for assessment of risks and medical follow up. A nationwide register of employees exposed to respiratory risks will be developed. It will contain data for each person tabulating exposure to disease-producing agents, duration of exposure, and severity of exposure. The record will be supplemented and kept up to date even though a person changes jobs, so long as his exposure to new risks is created. These records will be confidential and available only to the employee and his physician. The register will enable this legislation to become much more than just an insurance program. It will be part of a positive health care system to prevent disease and its costs and sufferings.

Mr. Chairman, I urge prompt action on this legislation to eliminate one of the most serious sources of injustice to American workers and their families that remains a tragic part of our industrial society.

In conclusion, I would like to thank the Chairman for this opportunity to testify in behalf of much needed reform in our nation's system of worker's compensation. I am delighted with his decision to hear from the people of Minnesota on this important issue.

TRANSPORTATION OF HAZARDOUS MATERIALS BY AIR

Mr. HARTKE. Mr. President, during the next 12 months, commercial airlines in the United States will carry more than 900,000 shipments of radioactive materials in the cargo holds of passenger aircraft. Government officials, who are responsible for the safety and welfare of air travelers, insist that those shipments present no danger whatsoever.

In fact, during testimony before a congressional committee a year ago and again in testimony before a hearing of the Commerce Committee which I chaired earlier this month, spokesmen for the Federal Aviation Administration praised the safety record of such shipments during the past 25 years. They have testified that there have been only three incidents involving the leakage of radiation from cargo containers on passenger planes in all that time.

Mr. President, if there had been just one incident involving leakage that would be one too many; but there have been many more leaks than those acknowledged by the FAA.

Some months after the hearings on the House side, acting on information received from sources in Government and the air transportation industry, The National Tattler, a weekly publication which is distributed throughout the United States, began conducting an independent investigation into the situation. Its well-researched and documented findings were published a few weeks ago and revealed conditions which are outrageous.

For example, the Tattler investigators uncovered—and obtained copies of—official Department of Transportation records documenting many times the number of incidents reported to Congress by the FAA. The Tattler investigators wove a story of conditions so dangerous to

American air passengers that I believe their investigation deserves the attention of my colleagues.

I, therefore, ask unanimous consent, Mr. President, that the text of articles which appeared in the May 12, 1974, edition of the Tattler on this subject be printed in the RECORD at the conclusion of my remarks.

I might add, Mr. President, that the merits of the Tattler's investigation were emphasized when, only a few days before it appeared on the newstands, nearly 150 paying passengers and air personnel were exposed to the dangers of radiation from a leaking container being shipped from Washington, D.C., to Atlanta, Ga., and then on to Baton Rouge, La.

Mr. President, the transportation of hazardous materials is a subject which deserves the attention of Congress, and I intend to pursue it until the American people can fly in airplanes free from the fear of being exposed to the dangers of radiation. The National Tattler deserves high praise for a good job of investigative reporting on a situation which has been hidden from the public eye by government officials.

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

[From the National Tattler, May 21, 1974]

TATTLER PROBE SPURS CONGRESSIONAL ACTION TO HALT DEADLY RADIOACTIVE SHIPMENTS IN LUGGAGE HOLDS—TODAY'S AMERICAN PASSENGER JETS ARE "ATOMIC BOMBS"—ONE CRASH COULD WIPE OUT ANY U.S. CITY, TOP PILOT SAYS; RAYS THREATEN MILLIONS ALOFT

(By William Barnhill and Robert H. Abboring)

Almost a million passenger-carrying airliners will crisscross the United States this year, carrying the threat of sickness, death and destruction for millions of Americans.

Nestled in the cargo holds of these commercial airliners will be dangerous radioactive materials, including deadly plutonium.

An intensive Tattler investigation has uncovered the shocking fact that a half million airline passengers are being exposed daily to dangerous radiation from these materials as a result of government bungling and callousness on the part of some airline officials.

Even more frightening than the danger to the health and lives of passengers is the possibility one of these planes could crash in or near a large American city.

According to one top safety expert, if one of these planes crashes near a city like New York, millions could be killed and the area would be uninhabitable for 24,000 years.

Medical experts and Atomic Energy Commission officials say that even a relatively small amount of radiation can be enough to cause:

Sterility in men;

Miscarriages or deformed babies for women;

Radiation induced cancer for every passenger.

These dangers are all very real. They also directly contradict the assurances of the Federal Aviation Administration and Department of Transportation that the carrying of radioactive materials aboard commercial airliners presents no danger to passengers.

The most recent of these assurances was made by William Burns, director of the transportation departments' Office of Hazardous Materials on March 14, 1973, before Rep. Jack Brooks (D-Tex.) and the House subcommittee on government activities.

He told the subcommittee that there have been only three leakages of radioactive materials carried aboard commercial airliners in 25 years.

But an examination of Transportation Department records by Tattler disclosed that there have been at least 11 serious leaks of radioactive materials carried aboard airliners during a 9-month period, including a major incident on Dec. 31, 1971.

All took place well before Burns made that public reassurance on March 14.

In some of these 11 incidents, radiation to which passengers were exposed exceeded by more than 100 times the maximum level considered safe by the Atomic Energy Commission.

When told of these facts, Sen. Vance Hartke (D.-Ind.) exploded:

"This has gone far enough! I'm introducing legislation to ban the shipment of radioactive cargo on commercial airlines altogether."

Rep. Brooks, chairman of the House subcommittee on government activities, said:

"The evidence shows that the air safety system for hazardous materials is in total disarray. In my opinion, the American public has not received the protection they're entitled to.

And while this is going on the FAA continues to soothe people into believing no problem exists at all."

The working pilots and stewardesses who crew the airliners have long been aware of radiation danger.

The Air Lines Pilots Association warned the aviation authority and the transportation department that unless "effective and early action" is taken pilots will refuse to fly the airliners.

A spokeswoman for the Stewardesses for Women's Rights told Tattler that stewardesses have been secretly wearing radiation-detector badges concealed in their uniforms.

"During 1972 alone, 10 stewardesses for one airline based in St. Louis became pregnant. Five had miscarriages and another had a deformed baby," she said.

"Money-making is the name of the game," said Capt. Donald Dunn, co-chairman of the pilots' association's Hazardous Materials subcommittee.

"The companies who ship this stuff say that if it's packaged properly no radiation will escape. But that's simply not true," Capt. Dunn told Tattler.

"The only way manufacturers and airline shippers could eliminate the problem is to store every shipment in containers heavily lined with lead.

"But that would cost a lot of money. So they flagrantly disregard public safety for the sake of the almighty buck," he explained.

"Anyone who must fly on a regular basis—this includes pilots, stewardesses and passengers—is quite conceivably receiving serious overdoses of radiation, based on the dosage limits established by the AEC Atomic Energy Commission).

"Another thing that's terribly unfair is the fact that passengers don't even know they're flying with radioactive cargo.

"When trucks and trains ship such stuff, they must be appropriately marked. But planes do not. The airline companies do not want to scare passengers."

There are many, continued Capt. Dunn, who insist that the doses of radiation the passengers get are so small that they do not prove fatal.

"But we're not worrying about people being killed. We're worrying about the potential long-term effects. These can include sterility, leukemia, cancer, birth defects, and so on.

"Even if the package is properly loaded, passengers sitting directly above the shipment get continuous doses of 150 millirems at their feet.

"And that's when the shipment is properly packaged and loaded. But when it's not, and far too often the containers leak, the doses go way, way up."

Tattler found from the AEC that the average citizen is allowed exposure to only 170 millirems, a unit of radiation measurement, in an entire year. This means that if passengers are exposed to a "safe" container just once in a flight, they've received the maximum exposure allowed. A second trip in the same year can exceed the safe limit.

"We found shipments emitting three times the amount allowed under federal regulations," said Capt. Dunn.

The Federal Aviation Administration and the Department of Transportation have been aware of these dangers for at least two years. In 1971, the National Transportation Safety Board warned in a public statement:

. . . The presence of gamma and other radiation is not readily perceptible to human senses. Thus an individual may be receiving radiation exposure at an excessive rate and be totally unaware of the fact.

"Gamma rays can be very penetrating, and they travel great distances in air. For example, even 5 inches of lead shielding will not absorb all the gamma radiation emitted from certain isotopes." (An isotope is a radioactive substance.)

Capt. Dunn told Tattler that passengers are not the only ones threatened by planes carrying radioactive materials.

"If an airliner carrying plutonium should crash and burn near a large city, millions could be killed and the area made unlivable for thousands of years.

"Fire will not destroy radiation and if for some reason one of those 'indestructible' containers should burst on impact the smoke from the fire will carry the radiation with it high into the air and from there wherever the wind blows it.

"It's conceivable that millions of people could be killed and the whole area poisoned by the radioactivity," he cautioned.

The dangers are very real and no one is merely crying "wolf," safety experts for the pilots' association stressed.

Tattler found out from the Air Transport Association, the federation for airline operators, that between 900,000 and 1 million shipments of radioactive materials—including plutonium—will be flown around the U.S. in the cargo holds of the airliners on which you travel this year.

And, according to ALPA, 9 out of 10 of these shipments violate federal safety regulations in some way.

SENATOR HARTKE DEMANDS BAN ON SUCH CARGO ABOARD ALL PASSENGER CRAFT

Sen. Vance Hartke (D.-Ind.), a member of the Senate Aviation Subcommittee, was among the first to react when Tattler presented him with the facts about airline radiation danger.

"What is it going to take to make the bureaucratic power structure and private industry pull their heads out of the sand and face reality?" he demanded.

"Must we have a major disaster as a result of radioactivity shipped aboard commercial aircraft before someone takes positive action?

"Time and again, I have watched glaring safety violations being pointed out to the FAA (Federal Aviation Administration) and each time they practically fall all over themselves to make excuses for the airlines. They take only the most delicate action only after it has been forced on them.

"The airlines, shippers of radioactive cargo, and their friends at the FAA say there's no significant danger to the flying public from radioactive cargo.

"Why then did so many federal officials from so many federal agencies jump into

the act following the radioactive spill aboard the Delta Airlines passenger plane in 1971–72?"

"I have written to Alexander Butterfield, FAA Administrator, John Reed, chairman of the National Transportation Safety Board, and William Burns, director of the Office of Hazardous Materials, asking what follow-ups, if any, have been made to find out if there have been any NON-immediate injuries.

"I also want to know why FAA officials and Director Burns told Congress last year that there have been only three radioactive spills during the past 25 years when there have been at least 11 during 1972 alone.

"Mr. Burns told Congress: 'In 25 years of transporting radioactive materials on passenger planes, there have been no deaths or injuries known to have resulted from the radioactivity of a shipment.'

"But I'd like Mr. Burns to tell me if there have been any deaths from cancer, have there been any fetal deformities, or have any males become sterile.

"The American people need and deserve protection. To provide that protection, I have asked my legislative staff to prepare a measure for introduction in the Senate to ban the shipment of radioactive cargo aboard any passenger-carrying aircraft."

THESE LEAKS FOUND IN 9-MONTH SPAN

Although officials stated there were only three incidents of radiation leakage aboard commercial aircraft in 25 years, Tattler's Bill Barnhill documented these cases during one nine-month period. They include:

Dec. 31, 1971–Jan. 2, 1972—This was the first and most serious incident. The Delta Airlines jet, carrying highly radioactive Molybdenum-99, sprang a leak in New York City, then stopped at 10 other U.S. cities before the mishap was discovered in Houston, Texas. A total of 941 passengers and crew came in contact with the deadly plane. Safety experts told Tattler: "There's no doubt at least some of the passengers received several hundred percent more radiation than is considered acceptable by the Atomic Energy Commission in a single year."

Jan. 7, 1972—A cylinder containing Irridium 192 was being unloaded from an Allegheny Airlines plane in Washington when the cover came off, spilling the radioactive contents.

Jan. 8, 1972—a shipment of radioactive isotopes fell from a cart as it was being wheeled to a Northwest Airlines plane at Kennedy Airport in New York. The container fell out of its lead-lined safety package.

April 17, 1972—The cover of a box containing a Class III radioactive material (Class III is the most dangerous) was pulled off its hinges as it was being loaded aboard a North Central Airlines plane at Duluth (Minn.) International Airport. A level of high radioactive emission was recorded at four to five feet from the box.

April 29, 1972—A shipment of radioactive isotopes fell from a wooden support and was run over by a fork-lift truck, breaking two glass tubes, as it was being put aboard an American Airlines plane in Chicago.

June 22, 1972—Delta Airlines personnel found a damaged carton containing radioactive materials in the cargo of one of their aircraft at Houston International Airport after it had arrived from St. Louis.

July 20, 1972—While unloading a shipment of radioactive material from the hold of an Alleghany Airlines plane at Washington National Airport, workers discovered an open container. The shipment had come from Boston.

July 29, 1972—At Stapleton Field, in Denver, Colo., a container with a Class III radioactive cargo was found damaged in the hold of a Braniff Airways plane. The plane had come from Lima Peru, via Miami, Fla.

Aug. 8, 1972—Delta Airlines personnel found one of five packages aboard a Delta plane at Washington National Airport to be damaged. Radiation was detected.

Sept. 17, 1972—A shipment of Class III radioactive material was found to be wet aboard a Delta Airlines Plane at Miami International Airport.

FINANCIAL STATEMENT OF J. GLENN BEALL, JR.

Mr. BEALL. Mr. President, on May 6, 1974, I included my financial statement in the CONGRESSIONAL RECORD.

It has been brought to my attention that certain figures were printed incorrectly, therefore, I am submitting the statement for reprinting, and I ask unanimous consent that it be printed in the RECORD.

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

FINANCIAL STATEMENT—SENATOR J. GLENN BEALL, JR.—DECEMBER 31, 1973

ASSETS

Cash in bank:	
Checking accounts	$8,535.73
Savings accounts	12,201.51
Total	20,737.24
Stocks and bonds (see list attached, appendix A)	190,554.53
Life insurance—cash surrender value	19,909.20
Beall, Garner & Geare, Inc., retirement trust (vested interest)	30,861.67
Real estate:	
Beall's Lane, Frostburg, Md.	50,000.00
Western Avenue, Chevy Chase, Md	80,000.00
Total	130,000.00
Personal property	20,000.00
1972 Chrysler 4 door sedan	2,500.00
Total	414,562.64

LIABILITIES

Note payable, First National Bank & Trust Co. of Western Maryland	5,000.00
Due on life insurance	2,744.26
MORTGAGES PAYABLE	
The Fidelity Bank, Frostburg, Md. Frostburg house)	14,180.79
Citizens Building & Loan Association (Chevy Chase house)	53,725.61
Total	75,650.66
Net worth	338,911.98

APPENDIX A—STOCKS AND BONDS

34 Allegheny Power System	$680.00
39 Beall, Garner and Geare, Inc. (Common)	116,248.18
100 Beall, Garner and Geare, Inc. (Pfd.)	26,000.00
Beall, Garner and Geare, Inc. (7% conv. notes)	5,000.00
100 Canadian Export Gas and Oil	312.50
1 Capitol Hill Associates	100.00
163 Cumberland Fair Associates	3,260.00
50 The Fidelity Bank	1,000.00
232 First National Bank and Trust Company of Western Maryland	15,080.00
50 General Telephone and Electronics	1,250.00
5 Irving Trust	134.37
17 Kaiser Aluminum and Chemical (common)	$337.87
8 Kaiser Aluminum and Chemical (4¾% com. conv. pfd. 1959)	448.00
170.522 Massachusetts Investors Growth Stock Fund	2,013.86
60 Minnesota Mining and Manufacturing Co	4,680.00
34 Northern Illinois Gas	739.50
34 Tenneco	765.00
30 Exxon	2,823.75
268 United States Fidelity and Guaranty Co	9,681.50
Total	190,554.53

STATEMENT OF INCOME AND TAXES FOR 1973

*Gross income	82,195.00
Less adjustment to income	3,000.00
Adjusted Gross Income	$79,195.00
Less:	
Contributions	2,325.00
State and local taxes	7,871.00
Interest paid	5,162.00
Miscellaneous exp	901.00
Total contributions	16,259.00
Total income	62,936.00
Exemptions	2,250.00
Taxable Income	60,686.00
Federal income tax paid	22,462.00

*Income includes long term capital gain in amount of $6,469.00 from sale of real estate.

MOTHER TERESA AND THE HUNGRY

Mr. McGOVERN. Mr. President, during my 2 years as Director of the Nation's food-for-peace program, 1961–62, I came to know of the soul stirring work among the hungry, sick, and dying of Calcutta by Mother Teresa. This great humanitarian continues her work of mercy at the present time. She deserves the affection and admiration of the world.

I ask unanimous consent that an article about Mother Teresa in the Washington Star of June 26, 1974, 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 26, 1974]

MOTHER TERESA DUE ON "TODAY"

(By Patricia Simmone)

"It's like talking to a modern-day saint," Barbara Walters said yesterday about Mother Teresa, who will be coming back for a second appearance July 8 on the Today Show.

The frail, 63-year-old nun famed for her life in India working with the starving and poor of Calcutta, will be here to enlist Congressional support for the world-hungry, including those in Africa and the Middle East.

"She is fascinating," Ms. Walters said.

Malcolm Muggeridge and the BBC had the same reaction when they more or less discovered Mother Teresa a few years ago doing a documentary about her work, which has now spread to three continents.

"The response was greater than I have known to any comparable program, both in mail and in contributions for her work," Muggeridge wrote.

"The letters came from the young and the old, the rich and the poor, educated and uneducated, all sorts and conditions of people. All said approximately the same thing: "This

woman spoke to me as no one ever has and I feel I must help her.' "

In one of her interviews Mother Teresa was asked if the hunger in Harlem (where some of her nuns are now working) could be compared to that in Calcutta or Bombay?

"All hunger hurts deeply . . . we are all of the same family. And it is not always hunger for bread but for love. Sometimes the bread is easier to give. But in Western countries, I think the hunger is more for love," she answered.

Her nuns treat half a million patients a year in 125 dispensaries and run 12 homes for the dying poor. When she first started the Indian government gave Mother Teresa an abandoned Hindu Temple, and it was here that the sisters brought the disease-ridden outcasts they found dying in the gutters of Calcutta.

"What exactly do you do for them?" Muggeridge asked.

"We want them to know that they are wanted," Mother Teresa explained. "We want them to know there are people who really love them, who really want them, at least for the few hours they have to live."

DISASTER ASSISTANCE

Mr. HUMPHREY. Mr. President, I want to applaud the House action yesterday on the conference report on H.R. 12412, providing disaster relief assistance to the drought-stricken countries of west Africa, and to Pakistan and Nicaragua. This measure is now cleared for the President.

I first introduced this legislation in the Senate with Senators JAVITS, JACKSON, and KENNEDY on October 2, 1973. Since that time, the crisis in the Sahel has grown considerably. The funds now authorized and appropriated by Congress are urgently needed to save lives and to contribute to the reconstruction of economies devastated by drought.

We have seen the generosity of the American people in their private efforts to assist those affected by disasters around the world—and in their strong support of this legislation.

I hope that the President will act immediately to sign this bill into law and provide this desperately needed relief assistance to the people of west Africa, Pakistan, and Nicaragua.

THE CONSUMER PROTECTION AGENCY ACT

Mr. THURMOND. Mr. President, I am greatly alarmed by S. 707 and the unprecedented powers it would bestow on a Federal agency if it were enacted. Creating a massive intergovernmental bureaucracy is not going to service the average citizen with a legitimate consumer complaint.

Bureaucracies are noted for paperwork, and this agency will be the alltime recordholder. In my opinion, the planned Consumer Protection Agency can only grow and grow until the national paper work load is pandemic.

While the plan to establish the CPA as a complaint clearinghouse may be a noble purpose, I stagger at the thought of the scope of this task. In my opinion, all that paperwork will come to no action since "the CPA has no authority to impose any resolution of such complaints or any person or government agency." In addition, I think we must realize that the Better Business Bureau already serves as a consumer complaint clearinghouse.

A complaint-filing system is not the only duplication created by this legislation. The very concept of the CPA to serve as a governmental watchdog to snap at the heels of other Federal agencies duplicates the activities of those agencies.

Every agency of the Federal Government was created to serve in the best interests of all the citizens of the United States. The design of the CPA is to divide our people—shopowner against customer and farmer against consumer. However, all shopowners are also customers and all farmers are also consumers—their individual interests are complementary. The Federal agencies were established to serve these complementary needs.

If this system is not working to peak efficiency, then let us pass legislation to shore up the administration system. When you are already 95 percent successful, you do not discard the system in the expectation that starting all over will gain you 100 percent effectiveness. Creating a CPA will destroy the interagency balance of business-consumer needs—we will have much less efficiency with this new "advocacy agency" and doubtfully any more service to consumers.

The powers of access to information, authority to disclose such information, and judicial review are powers we should not bestow lightly upon a new agency. I think many people are unaware of the dangers of this bill. I look forward to the extended debate planned when this legislation is brought to the Senate floor because I wish to explain the dangers I see in any agency designed to hound good government.

SUPPLY AND DEMAND, REBALANCING THE EQUATION

Mr. NELSON. Mr. President, I call attention to a speech given by the president of the Bank of America, Mr. A. W. Clausen, before the annual meeting of the Society of American Business Writers on May 6 of this year.

The speech is entitled "Supply and Demand, Rebalancing the Equation," and it deals in broad-brush terms without current economic crises of inflation, unemployment, and productivity. Mr. Clausen perceptively points to resource shortages as one of the significant factors which contribute to our current situation.

The speech is in many respects excellent and well written but I raise it now to call attention to a specific proposal made by Mr. Clausen.

The proposal interests me because its philosophy is so similar to the philosophy behind Concurrent Resolution 88, relating to a national economic emergency, which I introduced recently along with Senators HART, HUMPHREY, and JAVITS, and which has since acquired the cosponsorship of a number of other Senators.

The part of Mr. Clausen's speech to which I refer reads as follows:

I have a suggestion that may be worth considering. Back at the turn of the century, in the wake of the financial panic of 1907, the business, financial, and political communities became acutely aware that we needed a new banking system. They recognized that neither Congress nor the Executive Branch had the strength and expertise to construct such a system and make it palatable to the prevailing interests.

So Congress created the National Monetary Commission, Although it was a Congressional body with Senator Nelson W. Aldrich of Rhode Island as its chairman, the Commission drew heavily on outside leaders and experts. The Aldrich Commission, as it came to be called, gave us the Federal Reserve Act of 1913. As I think you'll agree, it worked. Even though my banking colleagues and I sometimes differ with the Fed, the Fed is unique among U.S. institutional innovations.

I know that the federal government today is bottom-heavy with special boards and commissions. They are appointed with fanfare, and then they lapse into limbo. Their reports are more often ignored than not.

Yet I can think of no better way to mobilize the leadership of government, business, labor, consumers, the financial community, and other interests than to bring them together in a sort of supra-government council—a summit commission representing all the interests that would have to agree in order to put a new economic policy into effect.

So I propose a new National Economic Commission, to be composed of the national leadership, broadly conceived. It would be unique both in its membership and the power it represented and also in that it would build on the work of the many previous commissions which produced exhaustive studies—which have rarely received the attention they deserved—studies on such subjects as national priorities, money and credit, financial institutions, productivity, and many others.

It would be unique in another very real sense, for it would accept political responsibility for putting its findings into practice.

This would take a lot of effort. But I think it would work. I don't see anything else on the horizon that has a chance. Frankly—and I hesitate to say this—I doubt the capacity of government, even when the President and the majority in Congress are of the same party, to deal effectively with fundamental economic problems without the sort of effort I've proposed.

But I don't take a proprietary interest in the idea. If someone has a better way—a more practical way, a way with better promise of success—I'm for it.

The crucial point, to paraphrase Clemenceau, is that economic policy is too important to leave either to economists or to politicians. It is everybody's responsibility.

We have reached a critical juncture. We must either stop inflation or reconcile ourselves to living with it and with its consequences, which include the ever-present threat of a serious recession.

The American people are deeply concerned about inflation and the changes it might force on our economic habits and our freedom of choice.

So far there is no evidence of a fundamental change in the overall pattern of spending, saving, and investing. One of our strongest bulwarks against inflation is still in place—the determination of most people to fight inflation rather than yield to it.

We cannot count on this bulwark indefinitely. We must reinforce it with a convincing long-range—and up-to-date—program.

In closing, I must emphasize as forcefully as I can that the strength of our economy is awesome. I suppose, if we had to, we could somehow survive much worse inflation than

we have now. But the cost would be far more than economic—the greatest costs would be measured in social and political terms.

The central question is not how much punishment our economy and society can endure. We have been given the stewardship of the world's mightiest economic machine. The question is: are we equal to the task?

Of course, Concurrent Resolution 88 does not recommend establishment of any permanent machinery or commission. It would add nothing to our Federal bureaucracy. It would, however, on an ad hoc basis permit the Congress to act as if it were being assisted by such a permanent commission.

Mr. President, the problems faced by our economy are so serious that we in the Congress can no longer wait to respond.

PALESTINIAN TERRORISM

Mr. RIBICOFF. Mr. President, both the New York Times and the Washington Post yesterday editorially treated the subject of Palestinian terrorism from different perspectives but with unusual perception. Looking at past events, the Times justifiably described the Sudan's release of the murderers of a Belgian and two American diplomats as "a mockery of justice." In order to prevent future outrages its call for all nations "to ostracize those nations whose rulers cannot be counted on to stand up to international murder, extortion, and piracy."

With the exception of Israel, almost all of the governments in Western Europe holding convicted Arab terrorists have already released them. The Times cites these nations as "accomplices in the spread of international terrorism," and surely their actions are as contemptible as those of the Sudanese authorities.

The Post, in its editorial, made a point sometimes overlooked by commentators on Palestinian terrorist attacks and the Israel responses to these attacks. This is the responsibility the Palestine Liberation Organization must bear for the terrorists' forays against Israel women and children.

The editorial described as "foolishness" the PLO's demands to be recognized as the political body representing Palestine at the same time it claims the right to mount these murderous raids from its havens in Lebanon. Israel cannot be expected to negotiate with self-styled Palestinian leaders who not only plan the murderous attacks on Israeli civilians, but hide out among Arab civilians in refugee camps.

In its call for "A New Approach to Palestinian Terror," the Post underscored the need for Lebanon to follow Jordan's example in preventing terrorist raids on Israel from within its borders. Only when this is done, will the killing in the Middle East end, and the parties then will be able to get down to the task of finding ways of living with each other in peace.

I ask unanimous consent that both editorials be printed in the RECORD.

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

[From the New York Times, June 26, 1974]

MOCKING THE DEAD

Last year, when the authorities in Khartoum captured eight "Black September" gunmen who had tortured and killed a Belgian and two American diplomats, the Sudanese Government condemned the outrage and promised to bring the criminals to justice. The Sudanese Foreign Minister called the brutal killings "a criminal act" to be prosecuted and punished. Sudan's President Nimeiry himself denounced the barbarous deed on television.

The civilized world reacted with relief and admiration when it appeared that Khartoum stood ready to defy Arab pressure to release the murderers. That estimate of President Nimeiry's toughness was, unfortunately, exaggerated. The President has now sacrificed justice to expediency. Although a Sudanese court sentenced the eight murderers to life imprisonment, President Nimeiry has decided to turn the killers over to the Palestine Liberation Organization.

Making a mockery of justice as well as the victims' memory, General Nimeiry engaged in the charade of first commuting the sentences to seven years in prison and then assigning supervision of the sentence to the Palestinians—an act equivalent to releasing a gangland killer to the custody of his own Mafioso family.

Khartoum thus has joined the dishonor roll of countries which, by surrender to Arab pressures, have made themselves accomplices in the spread of international terrorism. In the end, these cowardly officials will increasingly expose their own governments and people to the danger of unpredicable slaughter. The appropriate response of governments interested in the maintenance of international law and safety is to take every possible peaceful step to ostracize those nations whose rulers cannot be counted on to stand up to international murder, extortion and piracy.

[From the Washington Post, June 26, 1974]

A NEW APPROACH TO PALESTINIAN TERROR

It is plain that the old approaches to Palestinian terror are inadequate: they neither save lives nor insulate the state-by-state diplomacy of the Mideast from the shocks of guerrilla violence. The latest incidents prove the point again. The Israelis, responding to the murder of three civilians at a northern kibbutz, conducted three days of air raids against guerrilla facilities in some of the 15 refugee camps in Lebanon. As usual, innocent civilians were also killed. Three more terrorists then killed a mother and her two children, and a soldier, at an Israeli seaside resort. Under Prime Minister Rabin's policy of "perpetual war" against terrorists, more reprisals were at once planned.

Israel, while trying to stiffen defenses on its own territory, seems increasingly ready to carry retaliatory and preemptive attacks to Lebanese soil. It would thereby like to force the Lebanese government to police "Fatahland," the southern jump-off area where some 6,000–10,000 guerrillas operate. The United States endorsed the theory of this policy—though it regularly deplores the civilian deaths that result from the practice of it—in the Nixon-Rabin communique provision calling on states "to refrain from organizing or encouraging the organization of irregular forces or armed bands including mercenaries for incursion into the territory of another state." But instead of cracking down on guerrillas who abuse its hospitality, Lebanon, militarily and politically vulnerable, is now asking Egypt and Syria to help provide a defense against Israeli raids. Egypt and Syria are under at least as strong political pressure to help the Lebanese and Palestinians as the Israeli government is under to fight back against terror. Down that road lies more violence, more tension between the Israeli and American governments, stalemate in the American-sponsored Mideast settlement effort, and perhaps worse.

Is there an alternative to this wasting contest of Israeli and Palestinian wills, an alternative that will at once satisfy the legitimate Israeli goal of halting terror and the legitimate Palestinian goal of gaining political rights? One possibility, perhaps long overdue for exploring, might be for the Palestine Liberation Organization to accept responsibility for controlling the guerrillas—all guerrillas, not just those operating out of southern Lebanon. Right now the PLO's situation is contradictory and untenable. The PLO demands to be recognized as the political body representing Palestinians, but it refuses to accept the first and fundamental obligation of any body demanding political status—to control and take responsibility for military actions committed in its name. Rather, even while claiming a general right to fight against Israel, the PLO either formally disavows specific operations or offers the fantasy that the operations are mounted from inside Israel—in any case, an abdication of political responsibility.

The Palestinians are right, as we have long said, to claim political status. But, we also believe, the Israelis are no less right to deny it to them as long as the Palestinian's act like "irregular forces or armed bands including mercenaries." This was the descriptive language of the Nixon-Rabin communique which the PLO decried. Too many Palestinians believe they should automatically be endowed with political rights simply by asking for them. This is foolishness. No other would-be nation has ever been recognized on this flimsy basis. The Palestinians must earn political rights, not just by issuing manifestos and programs but by demonstrating that they can use power responsibly and control those in whose name they profess to speak.

Under this requirement, the PLO—if it is serious—should undertake in effect to run a sub-administration in "Fatahland" and to stop violating the sovereignty of one state, Lebanon, by using its territory to launch operations violating the sovereignty of another state, Israel. The PLO should punish—rather than lionize—those of its members who commit such crimes as killing foreign diplomats. For instance, not to punish the eight terrorists handed over to the PLO the other day in Sudan—the eight killed two American diplomats and a Belgian diplomat last year—only validates the description of Palestinians as "irregular forces and armed bands" and undercuts the PLO's claim to be accepted as a legitimate member of the international political community. The question of the PLO's representation at Geneva can hardly be considered while the PLO remains a political adolescent. Its political aspirations will deserve and win respect only as it goes beyond demanding "rights" and starts to accept responsibilities as well.

STATEMENT ON A VOTE

Mr. CLARK. Mr. President, yesterday, my vote on final passage of the debt ceiling bill, H.R. 14832, was not recorded. At that time, I was speaking with groups of 4–H students from Black Hawk County and Franklin County, Iowa. Since I was near the floor of the Senate—we were meeting on the Senate steps of the Capitol—a page was sent from the floor to let me know the vote was in progress. The page misunderstood the directions and I was not summoned to the floor. However, as was announced at the time, had

I been present I would have voted for passage of the bill.

NORMAN JONES: DISTINGUISHED KANSAN

Mr. DOLE. Mr. President, with the passing of Norman Douglas Jones on May 31, Kansas lost one of her most distinguished sons. For the many veterans he served, a trusted colleague will be sorely missed.

SERVED VETERANS LOCALLY AND NATIONALLY

Norman Jones was distinguished in his service to veterans. Having graduated from the University of Kansas in 1948, he went to work for the Kansas State Veterans Commission and became its director. In this capacity he provided tireless assistance to thousands of World War II veterans in Kansas. He worked hard to insure the high quality of veterans programs, particularly in education and training under the GI bill.

Mr. Jones left this position in 1957 to work for the Veterans of Foreign Wars as assistant director of the organization's Vocational Rehabilitation Service. Two years later he became the director. This position later became the National Service Officer and he occupied the office until the time of his death.

Norm Jones' help to veterans all across the country was invaluable. He was without peer when it came to knowledge about veterans programs. He worked closely with officials of the Veterans' Administration and enjoyed a warm and productive relationship with them. His work in conjunction with the VA and the Department of Labor's Office of Veterans Employment improved the lives of countless veterans.

An example of Mr. Jones' compassion was the selfless effort he put into the VA Volunteer Service. Through his perseverance, the VAVS became a viable program. The lives of thousands of veterans in VA hospitals across the Nation have been brightened by the warmth, kindness, and entertainment extended through this service and it has been in no small part because of Norm's efforts.

As national service officer for the VFW, Norm Jones was especially dedicated to the aid of disabled veterans. This dedication led to his appointment in 1965 as chairman of the Committee on Disabled Veterans of the President's Committee on Employment of the Handicapped. Acting in this capacity, Mr. Jones supervised the development of special projects designed for the rehabilitation and employment of disabled veterans.

Finally, Norm Jones helped many of us in the Congress in our efforts to pass meaningful legislation for veterans. His expertise on education benefits for veterans was unequaled. I can personally attest to the assistance he provided and express my heartfelt appreciation.

DEDICATION A HALLMARK

Norm was dedicated not only to his work, but to his country as well. A native of Vinland, Kans., he joined the Kansas National Guard in 1939, from which he was called to active duty a year later. During his outstanding service in the infantry throughout the Second World War, Mr. Jones was awarded the Bronze Star, the Asiatic-Pacific and European Theater Ribbons, the American Defense Service Ribbon and the Combat Infantryman's Badge.

Not only will Mr. Jones be missed by the country he loved, but by the family he cherished. He leaves behind his wife, Catherine, two daughters, a son, two stepsons and four grandchildren.

While his untimely death is to be mourned, those of us whose lives he touched will look upon his life as one devoted to the aid of others. Whether it be as a friend, family man, or public servant, Norm Jones had a sense of dedication known but to a few.

AFRICAN DEVELOPMENT FUND

Mr. HUMPHREY. Mr. President, today the Senate Foreign Relations Committee held hearings on S. 2354, a bill I introduced with Senators BROOKE, JAVITS, KENNEDY and MCGEE, to authorize U.S. participation in the African Development Fund of the African Development Bank. This fund is a joint effort by industrialized nations and the developing nations of Africa to provide soft-term loans for economic development projects in some of the poorest countries in the world. Our contribution would be $15 million over a 3-year period. It would be less than the contributions of Canada and Japan.

I believe the United States should participate in this truly multilateral, cooperative effort.

Mr. President, I ask unanimous consent that my opening statement at these hearings be printed in the RECORD.

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

STATEMENT BY SENATOR HUBERT H. HUMPHREY

Mr. Chairman, the bill we are considering today, S. 2354, would authorize the United States participation in the African Development Fund. The Fund is an important institution in the cooperative effort by developed and developing countries to realize Africa's vast economic human potential. Our pledge to contribute to the regional development bank of the poorest of continents is long overdue. I hope this Committee will act speedily to fulfill the promise the United States government has made to the nations of Africa.

The African Development Fund is the "soft loan" window of the African Development Bank. It is the branch of the Bank which provides loans for development projects in the poorest countries of Africa—those countries which cannot afford credit on normal terms. It also provides loans to the other countries for projects which are essential to development but which do not themselves yield immediate high returns. Where the African Development Bank itself is a "self-help" effort by the nations of Africa, the Fund is a joint effort by the Africans and the developed nations. Thirty-nine African states have subscribed more than $380 million of their scarce convertible currencies to their Bank to be lent on regular terms for development purposes. They have asked the developed countries to establish with them this Fund for lending on easier terms.

At the time when this special fund was first conceived, the United States government enthusiastically supported it and promised to contribute if other donor countries showed an interest. At first, in 1967, we promised to contribute $60 million over three years if other countries would contribute $90 million. The Fund was inaugurated in July, 1973. Today, sixteen other donor nations have made pledges of over $100 million—and the United States has not even fulfilled its reduced promise to match Canada's $15 million contribution over a three-year period. We are the only country which participated in negotiations to establish the Fund that has not yet met its promise to contribute. We have been given a year longer than any other country to become a Charter Member. We have six months left.

I met with the President of the African Development Bank, Mr. Labidi, when he was here in March. He expressed confidence that, in his words, "the United States will soon take its rightful place among the developed countries, which support our endeavors to contribute to the economic and social progress of the world's poorest continent, by fulfilling its commitment to the Fund."

The African nations believe the United States is sincere in its commitment to economic development and in its support of their Fund. Yet they are understandably distressed and puzzled by our delay in meeting a commitment of only $5 million per year for three years. This is a small sum when compared with the more than $1 billion annually we allocate to the other two regional development banks. A failure by the United States to fulfill our commitment by December 31 of this year would be a serious blow to our relations with the nations of Africa.

I believe that Members of Congress representing the broad spectrum of opinion on foreign economic assistance will all find ample reason to support United States participation in this Fund.

Those who believe that the initiative for economic progress must come from the developing countries themselves should support this Fund. For the African states took the initiative in establishing and funding their own regional development bank. By contributing to the Fund, we can express our support for this joint effort by poor countries in solving their own development problems.

Those who believe that the United States should do more to support truly multilateral institutions should be especially interested in a U.S. commitment to the Fund. For this is not an institution dominated by the United States. It is a genuine joint effort. Our contribution would amount to only 12 percent of the total. It would be less than the contributions of either Canada or Japan.

Those who believe our development assistance should be focused on improving living standards for the poorest people of the world have every reason to support this Fund. The projects it finances will be in some of the world's poorest countries—and will contribute to their ability to provide the food and services their populations so desperately need.

Finally, this legislation should be actively supported by those who believe that the problems of world poverty and hunger are among the most important issues in international relations. Our cooperation with the developing countries in solving these problems is every bit as important as our cooperation with the Russians in reducing the threat of nuclear war.

I hope that the representatives of the Administration here today will pledge their full and active support of this legislation. After all, its purpose is to fulfill a long-overdue commitment made by this country to the people of Africa.

APPEAL FROM SOVIET JEWS IN MOSCOW

Mr. JACKSON. Mr. President, I would like to share with my colleagues an ur-

gent message cabled to me and to Senators JAVITS and RIBICOFF from Moscow by Soviet Jewish scientists and other prominent emigration applicants who are the main targets of a renewed and brutal campaign of intimidation, arrests, and reprisals. Among the signatories of the cable are the wives of two scientists who have already been placed under arrest.

I ask unanimous consent to print this telegram in the RECORD.

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

[Telegram]

Senators JACKSON, RIBICOFF, JAVITS,
Washington, D.C.

DEAR SENATORS: It became known to us from radio broadcasts that you are discussing with the Secretary of State, Dr. Kissinger, the matters connected with a compromise in the matter of the amendment to the bill of trade. Among other things, the necessity of the receival of guarantees from the Soviet authorities about the ending of the persecutions of persons who had submitted applications for emigration from the USSR had been stressed. It was even mentioned that the Soviet authorities would be ready to make a statement that the submission of an application for emigration from the USSR does not contradict the Soviet laws.

We do not know whether the Soviet authorities will make such a statement officially but we do know beyond all doubt that the Soviet authorities had answered and are answering by tyranny and complete disregard for their own laws to all the demands of observing the Soviet laws in regards to the Jews who had been deprived of the possibility to leave the USSR under various fabricated pretexts.

Our experience had confirmed numerous times that a Jew who had stated about his desire to leave the USSR is placed outside the law: 1. He is illegally dismissed from work so that he could be later illegally accused of "parasitism". 2. His postal correspondence is read illegally and his telephone is bugged or disconnected altogether. 3. He is forbidden sometimes to leave his place of residence and sometimes "hunts" after persons with Jewish features are staged at railway terminals, airports and bus-stops. 4. He can be subjected to an illegal arrest at any moment and sent to prison without any charges being presented against him. 5. He can be presented with false, fabricated charges and sent to a labour-camp for a long period of time. These are, in brief the "legal aspects" of the life of the Jews living in the USSR and desiring to emigrate.

During the same days when official Soviet representatives make unofficial statements about that the restrictions of the Jewish emigration will be stopped and the repressions of the Jews will end a further escalation of the repressions takes place. A number of observers connect it with the forthcoming visit of President Nixon to Moscow. We do not know whether the President's visit is the reason or the pretext for the intensification of the repressions against the Jews. Already in 1972 telephones were disconnected and 11 Jews were arrested one day before President Nixon's arrival in Moscow.

This time no telephones will be disconnected prior to the visit as all of them were already disconnected in the middle of May. Arrests had started in Moscow 10 days before the President's arrival and their number of the arrested will be much larger than the one in 1972. This time—and this did not happen before—the KGB and the militia are breaking out the doors in the apartments of the Jews in order to send to prison the tenant of the apartment, who had refrained from going out into the street fearing an arrest, accusing him of disturbing public order. Following KGB's instructions the court today sentences the Jews to prison terms in absentia and then the militia detains these people and no-one of the relatives can find out about their fates.

We have no doubt in that the repressions will become even more cruel in the next few days. Same as before we hope that you and all those who care about the position of the Jews in the USSR and insist on the improvement of their fates will not allow themselves be misled and will insist on the receival of firm guarantees foreseeing free emigration of Jews from USSR in reality and the complete end of all repressions and tyranny.

Respectfully yours,

Polsky, Victor and Elena; Pestin, Vladimir and Elena; Koshevoy, Leonid; Mikhailova, Irina; Abramovich, Pavel; Balashinskaya, Marta; Agursky; Rubin; Akselrod, Inessa; Slepak, Maria; Polotsk; Lapiduss; Shpolyanskaya; Druk, Aleksandr and Drestiana; Levit, Vladimir and Alla; Korenfeld, Ludmila and Lidia; Belopolsky, Leonid; Inditsky; Drabkin, Victor and Sara; Toker; Lerner, Aleksandr and Yudif; Beilin, Iosif and Dina; Ramm; Balatnik, Bella; Kandel, Feliks; Esses, Ilya; Lunts, Ludmila; Nudel, Ida.

H.R. 8660—TO ASSIST FEDERAL EMPLOYEES IN MEETING THEIR TAX OBLIGATIONS UNDER CITY ORDINANCES

Mr. McGEE. Mr. President, although the senior Senator from Ohio (Mr. TAFT) was present yesterday, he was necessarily absent when the legislation to allow the Federal Government to withhold city income taxes from its employees (H.R. 8660) was cleared for the President's signature. The Post Office and Civil Service Committee is aware of his work upon this measure, and I am pleased to ask unanimous consent that his statement regarding its final passage be printed in the RECORD.

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

STATEMENT OF SENATOR ROBERT TAFT, JR., ON SENATE PASSAGE OF H.R. 8660

Mr. President, as the original Senate sponsor of H.R. 8660, I am delighted that the legislation has finally come before us for final passage and submission to the President. I wish to compliment the Post Office and Civil Service Committee for their diligent work.

Today marks the end of over two years of waiting and negotiating on this legislation for me. I first introduced a similar bill in the Senate as S. 3469 in the 92d Congress, on April 10, 1972. On September 5th of that year, I introduced it as an amendment to the Revenue Sharing Act of 1972. Although it was not accepted as a part of that act, the Senate passed such a proposal as part of H.R. 7577, an omnibus tax bill. That bill never became law.

Undaunted, the Senate again accepted my amendment to H.R. 8214, earlier in this Congress, to accomplish the purposes of this legislation. That bill never became law either.

From this history, the Senate can understand why I am extremely pleased to see the bill in its final form.

Although the legislation is far from the most important which this Congress will act upon, I believe it certainly merited the extended fight. It will benefit directly hundreds of thousands of civilian Federal employees, including a disproportionately large number of Federal workers in Ohio.

Because local income taxes are not withheld from the wages of Federal employees, these workers are forced to pay the taxes in lump sums on a quarterly or annual basis. The obligation to pay a substantial amount in local taxes at one time presents a serious hardship to many Federal workers. As of early 1972, one-third of Cleveland's postal workers had not been able to meet this obligation, and owed the city hundreds of dollars per person in back taxes.

The legislation before us will allow Federal workers to pay their city taxes in the same convenient manner as other workers, by making the payments in even installments throughout the year.

The proposal will also provide some extra money for the cities. Because the cities' tax collection departments will no longer have to devote extra attention to Federal workers, administrative costs will decrease. The cities of Akron, Columbus, and Toledo expected in 1972 that they each could save up to $35,000 per year in this manner. The major source of the cities' new income would occur, however, as a result of a reduction in tax delinquencies and an increase in the cities' ability to collect delinquent taxes. Cleveland's tax department had estimated that because of fewer losses in uncollected taxes, the city's income could be increased by $300,000 to $400,000 annually, if my bill were adopted. The city of Cincinnati expected that the bill would save its taxpayers about $100,000.

The bill received past support from the National League of Cities, U.S. Conference of Mayors, the National Postal Union, and other major Federal employees' associations, as well as the Treasury Department and the Office of Management and Budget. I am grateful for their assistance and I am confident that the bill will result in the benefits we all expect.

WATERGATE AND LABOR

Mr. HANSEN. Mr. President, the distinguished Senator from Idaho (Mr. MCCLURE) has contributed some excellent remarks today about the value to this country of evenhandedness and fairness.

It is a concern and point of view that has been expressed by more and more of the people of Wyoming—and I would guess throughout the Nation.

As the Senator (Mr. MCCLURE) asks, it is curious that we have seen little in the newspapers in Washington about the full extent of the investigation of the Senate's Select Committee on Presidential Activities. Yet we know that Mr. David M. Dorsen, the assistant chief counsel, and Mr. Donald G. Sanders, the deputy minority counsel, did by letter, solicit information from officials of major American unions, and cooperation from these union officials in connection with the committee's work on Presidential campaign activties.

Many of us are curious as to what was learned in this area by the committee's probe. Perhaps it has been printed in the Washington newspapers, but if so, the Senator from Wyoming has missed the news. If it has been reported to the Senate, the Senator from Wyoming has not had that report brought to his attention, either.

Yet there have been many "leaks" to the press from all the investigations underway into the 1972 election campaigns, and judging from what I read, if those "leaks" have anything to do with Watergate, or if it can be alleged that these "leaks" could be vaguely related to the President of the United States, the

"leaks," plus accompanying theories and speculation, have been printed, generally on the front pages. So far as I have been able to find out, the information the committee may have obtained from the labor unions has not been "leaked" to the press. It appears that labor and some of the other possible campaign abuses of 1972 are ship tight.

The Washington Post today did print an article about certain Presidential campaign managers invoking the fifth amendment when asked by the committee to testify about alleged illegal campaign contributions to unsuccessful candidates for the Presidency. But it would seem we can agree that most of the publicity so far has been aimed at the campaign of the man who was the successful candidate for President.

The distinguished Senator from Idaho (Mr. McCLURE) has asked some pertinent questions in his remarks. They are the same questions that the American people are asking.

Mr. President, the American people are entitled to some answers.

The very knowledgeable columnist, Victor Riesel, in an article printed May 22 in the Wheeling, W. Va., Intelligencer, suggested that "at least one huge set of dossiers in the Watergate Committee files has been sealed." He said these "contain the replies received from some 220 national and international labor leaders to a committee questionnaire dispatched to them on September 27, 1973."

Mr. President, it may be, as Mr. Riesel suggests, that such information is "sealed," but the junior Senator from Wyoming has every confidence in the committee that the information, if it exists, will be presented to the Senate and made public when the committee completes its report.

I ask unanimous consent that Mr. Riesel's column of May 22 be printed in the RECORD, along with the committee's letter to union officials and attachments, including the 15 questions asked of leaders of organized labor.

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

[From the Wheeling (W. Va.) Intelligencer, May 22, 1974]

"LEAKS" ON UNION INQUIRY STRANGELY MISSING—WATERGATE PANEL SHIELDS LABOR SPENDING

(By Victor Riesel)

WASHINGTON.—At least one huge set of dossiers in the Watergate Committee files has been sealed. These contain the replies received from some 220 national and international labor leaders to a committee questionnaire dispatched to them on Sept. 27, 1973. In it were 15 queries seeking answers to one fundamental question: How much hard and soft cash did "you or your union" contribute "in connection with the 1972 presidential campaign"?

Despite the fact that the Ervin committee has leaked constantly like a huge sponge under a compressor, all inquiries on these replies have been turned away.

All efforts to examine the documents have been rebuffed. It was made crystal-clear that the communications are extremely "sensitive." There will be no hearings on labor contributions, no executive session questioning of any labor leaders.

They may never be made public though the committee is scheduled to fade away on June 30 after "some further investigatory work." Thus the huge final report may not contain any reference to labor's financing of any 1972 candidate.

"The question on release of the questionnaires came up recently," one of the Ervin group's most active officials told me. "The committee expressly directed those of us who have access to the labor contributions material to keep it all on an absolutely confidentiality basis.

"We were told this wide-ranging questionnaire should not be made public or 'leaked.' They said they want to go over it first."

The official who has seen whole sets of photostated documents turned over to newsmen on a regular (sometimes even messengered) basis was puzzled.

"There are far more matters here which are far more sensitive than the labor money questionnaires," he added. "Yet the other material was handed to favored men. But we had no ban put on those, only the labor replies. And they feel they may not release it at all."

However, a leak is a leak and I got to them. Fascinating. Only one labor leader contributed anything but pennies. He gave $500. The rest of the money, of course, came from the rank and file.

The contributions ran about 15 to 1 in favor of George McGovern. Some $44,000 officially went to Dick Nixon's campaign.

None of this was followed up. Virtually no staff time was allotted it. At best, a researcher telephoned union leaders asking if . . . full nature and seriousness of the questionnaire. And that it must be answered honestly.

There was no move to confirm the answers to Questions 10 and 11. The first of these asked: "Did your union provide any goods or services, including the supplying of personnel or facilities, to any candidate, committee, or political party in connection with the 1972 Presidential Campaign?—If so, state full details." And the latter query asked: "Did your union pay any bills, salaries or obligations on behalf of any candidate, political committee or political party in connection with the 1972 Presidential Campaign?—If so, state full details."

These are the soft-cash inquiries. Soft cash, for example, in the 1974 elections is what San Francisco Mayor Joseph Alioto's labor supporters were preparing to spend. They asked for bids on millions of Alioto-for-Governor buttons, ties, tie clasps, T-shirts, pins, etc. Some committee or other, some "rank-and-filer" would pick up the bill on delivery. However, the definite orders were postponed when the California labor political committee endorsed not only Alioto but other Democrats as well in the primary race.

That's "soft cash." So is the money which went to the teams of political specialists which labor poured into the recent series of special elections and primaries in Michigan, Pennsylvania, Ohio and California. None of it surfaces as money contributed to the candidate.

Since none of the answers to the 15 queries can be traced through individual national and international union records, this valuable information is destined to permanent darkness like royal artifacts sealed in an undiscovered pyramid.

Thus, for example, the total contributions listed in the replies reveal that $600,000 went to Sen. McGovern. Obviously far more than that was spent by a combine of AFL–CIO unions and independents such as the United Auto Workers and others inside labor.

There's something strange somewhere. Sam Dash, the Watergate Committee's chief counsel, said the "public should have the information." But the senators disagreed.

"The committee," Dash told me, "felt we shouldn't be intruding on the impeachment proceedings. So I do not have a report on the labor union material other than a general impression of the questionnaire. No, there won't be any hearings on these. We will look at them again. There's an issue of privacy here."

Thus the sluice gate was shut on at least one fount of information—the replies of national labor leaders when asked to put on record what their unions poured into the 1972 political war chests. Apparently the committee has some competent plumbers of its own when it wants to shut off a leak. Well, almost competent.

SELECT COMMITTEE ON PRESIDENTIAL CAMPAIGN ACTIVITIES,
Washington, D.C.

As an official of a major American union, your cooperation is being sought in connection with the work of the Senate Select Committee on Presidential Campaign Activities. This Committee has, as one of its areas of inquiry, the question of campaign financing and, in order for the Committee to do its work effectively, data on campaign solicitations and contributions are being sought.

We would appreicate your completion of the enclosed form directed to union officials, and its return to us in the envelope that we have provided for such purpose. In addition, if you or your spouse made contributions totaling $500 or more in the 1972 Presidential campaign, we are requesting that the second form directed to individual contributors be completed.

If you fill out and return the applicable form within ten (10) days of your receipt of it, in all likelihood there will be no further need for you to participate in our inquiry. However, should you fail to complete the form in the indicated time, the Committee may find it necessary to subpoena you or your records in order to complete its work.

We would like to call your attention to the provision of Title 18, United States Code, Section 1001, which deals with making false statements to the government. We are enclosing a copy of the Statute for your information.

We would like to assure you that no inference of any wrongdoing should be drawn from this request.

Finally, if you have any questions concerning this inquiry, please contact us at the above address, or phone 202–225–0531.

Sincerely,

DAVID M. DORSEN,
Assistant Chief Counsel.
DONALD G. SANDER,
Deputy Minority Counsel.

NOTICE

Your voluntary cooperation is being sought in connection with the work of the Senate Select Committee on Presidential campaign activities. We assure you that no inference of wrongdoing should be drawn from the fact that you are being asked to complete this questionnaire.

TITLE 18, UNITED STATES CODE, SECTION 1001

Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry shall be fined not more than $10,000 or imprisoned not more than five years, or both.

SENATE SELECT COMMITTEE ON PRESIDENTIAL CAMPAIGN ACTIVITIES: QUESTIONNAIRE FOR UNION OFFICIALS

1. Name, address and office telephone number.

2. Did you or your spouse contribute a total of $500 or more to any political candidate, committee or party in connection with the 1972 Presidential Election? ------ If so, please complete the attached questionnaire for contributors to the 1972 Presidential Campaign.

3. Please list the names and addresses of all unions with which you were affiliated as an officer or agent between January 1, 1971, and December 31, 1972. (Note: Hereinafter, when the phrase "your union" is used, it shall refer to *all* unions listed in your answer to Question 3A.)

B. For your union during the period January 1, 1971, through December 31, 1972, please list the chief executive officer, the chief fiscal officer and the official responsible for relations or liaison with the United States Government and its agencies and departments.

4. A. Please list the political action arm(s) or political education committee(s) affiliated with your union, if one existed in 1972; and list the chief executive officer and chief fiscal officer of the same committee(s).

B. Please state the customary procedure followed by the political action arm(s) or political education committee(s) when they are soliciting donations for political campaigns.

C. Please include a copy of any audit or statement or memos of disbursement of these funds for *Presidential Candidates* in the 1972 election.

5. Were you contacted in person, by telephone or in a personal letter for contributions in connection with the 1972 Preidential Election? ------ If so, state details, including person soliciting and summary of conversation or communication. If you have any written communication or record, please attach a copy to your response.

6. Did any representative of any candidate, political committee or political party in connection with the 1972 Presidential Campaign contact your union to solicit contributions from union funds, to solicit the union's assistance in obtaining contributions from members, or to suggest that you make a personal contribution which would be reimbursed by the union? ------ If so, state full details.

7. Did your union make any contribution out of union funds, directly or indirectly, to any political candidate, committee for a candidate, political party or firm or person on behalf of any political candidate, commitee or party in the 1972 Presidential Campaign? ------ If so, state full details.

8. Did your union effect, or attempt to effect, a plan for making deductions from members' dues which would or did inure, directly or indirectly, to the benefit of any candidate, political committee or political party in connection with the 1972 Presidential Campaign? ------ If so, state full details.

9. Were the members of your union directly or indirectly asked, encouraged or instructed to make contributions which would or did, directly or indirectly, inure to the benefit of any candidate, political committee or political party in connection with the 1972 Presidential Campaign? ------ If so, state full details.

10. Did your union provide any goods or services, including the supplying of personnel or facilities, to any candidate, committee, or political party in connection with the 1972 Presidential Campaign? ------ If so, state full details.

11. Did your union pay any bills, salaries or obligations on behalf of any candidate, political committee or political party in connection with the 1972 Presidential Campaign? ------ If so, state full details.

12. Did any representative of any candidate, political committee, or political party in connection with the 1972 Presidential Campaign, directly or indirectly, suggest or indicate to you or, to your knowledge, any other officer or employee of your union that any action would or might be brought against you, your union or the employers of any members of your union if your union failed to make a contribution to the 1972 Presidential Campaign? ------ If so, state full details.

13. Did any representative of any candidate, political committee or political party in connection with the 1972 Presidential Campaign, directly or indirectly, suggest or indicate to you or, to your knowledge, any other officer or director of your union that for the receipt of a campaign contribution that some benefit would accrue in any fashion to you or to your union? ------ If so, state full details.

14. Did you solicit funds from your membership on behalf of a 1972 Presidential Candidate? ------ If so, state full details.

15. Do you have any other information or comments regarding fund-raising in connection with the 1972 Presidential Campaign?

NOTE.—Attach additional sheets if necessary in responding fully to all questions.

REMARKS BY SENATOR JAMES A. MCCLURE

Mr. President. Very soon now the Senate Select Committee on Presidential Campaign Activities will end its historic work and issue its final report. This report will likely carry much weight here in the Senate as Congress begins its attempt to reform campaign laws and insure a better election process.

I am compelled, therefore, Mr. President, to rise today and voice my concerns and apprehensions about the question of evenhandedness or, more to the point, the probable lack thereof, that I hear may be the trademark of the final report.

I think certain aspects pertaining to the investigation process deserve the scrutiny of my colleagues as well as the American people to perhaps place in better context and perspective the forthcoming final report.

Mr. President, in late August, 1973, Mr. David Dorsen, Assistant Chief Counsel to the Watergate Committee sent questionnaires to what was reported by the *Washington Star-News* as a "couple of hundred individual contributors and a couple of hundred corporate officials" who helped finance the 1972 President campaigns.

Mr. President, of course no one questions the Committee's right to engage in such interrogatives; however, it should be noted that these questionnaires were mailed without either an accompanying Minority signature *or prior approval of the Minority side of the Committee.*

Judging from the feedback to the Minority Members, the mailing was geared heavily toward Republican oriented companies and contributors. Some of these recipients, subsequently, were subpoenaed by the Committee and sworn testimony was taken.

I am informed, Mr. President, that because of the furor this caused among the Minority Members of the Committee and at the urging of some Minority Members of the Committee, an additional questionnaire was mailed to a number of Democrat oriented corporations and labor unions.

I note that a Deputy Minority Counsel, Mr. Donald G. Sanders, was at least allowed to be a signatory to this second mailing.

Mr. President, I have been informed that the upcoming final report by the Watergate Committee gives, at best, only passing comments about the information received from this second effort.

In light of Mr. Douglas Caddy's recently published book, entitled *The One Hundred Million Payoff,* which discusses organized labor's tremendous financial interests in the political process as well as today's published reports about apparent questionable campaign contributions to Democratic campaigns by the Associated Milk Producers, Inc., some very significant questions arise to which the American people and the United States Senate deserve explicit answers—Answers which I sincerely hope are forthcoming in the Committee's final report.

For example, Mr. President, why did it take a strong reaction to the initial questionnaire to get a second questionnaire sent to Democratic oriented organizations including labor leaders and labor unions?

Who were the corporations and the reportedly 80 union leaders this second questionnaire was sent to and which ones fully replied and which did not—and why?

Just as it will be helpful in our efforts to write proper campaign reform Legislation to know in detail corporate abuses, wouldn't the information contained in the returned questionnaires from labor leaders be equally important and helpful to the Senate in drafting legislation which could correct actual and/or potential labor abuses?

Why, Mr. President, was there no testimony taken from labor leaders by the Committee in its investigation?

How can the Senate draft and adopt proper and effective campaign reform legislation without knowing the degree of involvement of corporations supportive *of both* sides of the political spectrum and of labor leaders and labor unions in campaigns?

These articles suggest an additional question which needs answering in the name of objectivity and fairness—why is it that whatever information was returned by the Democratic oriented organizations such as labor unions in this second set of interrogatives was kept so secret and confidential and was not "leaked" to the press for public consumption?

In all candor, Mr. President, I had to chuckle when I read newspaper accounts about this situation which quoted Mr. Sam Dash, Chief Counsel for the Committee, as saying ". . . There's an issue of privacy here."

Mr. President, with the recent disclosures of confidential information being printed on the front page of newspapers and in numerous columns around the country, one must be suspicious of a possible new aspect of a "Watergate coverup." If the information contained in these questionnaires exonerates organized labor and other Democratic oriented organizations any questionable involvement in campaigns, that should be made known to the American public. If that information, however, indicates abuses of the electoral process by Democratic corporate officials and labor leaders, that information is critical to the Congress before it can write proper reform legislation. In either case, I suggest that only passing comment about it in the final Watergate report will be difficult to accept as emblematic and characteristic of evenhanded and objective analysis of the 1972 Presidential campaign abuses.

Mr. President, a recent survey by Opinion Research Corporation in Princeton, New Jersey, indicates that the majority of American people feel organized labor is much too powerful. Could it be, Mr. President, that this information in the possession of the Watergate Committee would unquestionably confirm that suspicion?

Mr. President, I want to make it clear to my colleagues that I raise these questions in the context of attempting to contribute to a proper analysis of the forthcoming final report by the Watergate Committee and in the spirit that only with all pertinent information can this Congress draft the best possible legislation in our sincere effort to better our election system.

Mr. President, I am afraid that after all the publicity, attention and legislative support given the Watergate Committee over these past several months, that the questions I raise here may not be answered, let alone be asked, by the final Watergate report—I sincerely hope I will be proven totally wrong.

Thank you.

LOCKHEED AIRCRAFT CORP.

Mr. PELL. Mr. President, earlier this month the management of Textron, Inc., and Lockheed Aircraft Corp. announced an agreement involving a substantial investment in Lockheed by Textron and a restructuring of Lockheed's debt.

The effect of the agreement would be to strengthen the financial structure of Lockheed and eliminate the U.S. Government guarantee of Lockheed loans which was authorized by the Congress in 1971.

Mr. President, I am much encouraged and very pleased by the announcement of the Textron-Lockheed agreement.

I am pleased primarily because the agreement, when it becomes effective, would eliminate the participation of the Federal Government in the financial affairs of Lockheed Corp. Except in rare circumstances in which vital public services are involved, I believe it is bad policy and bad economics for the Federal Government to become enmeshed in the financial affairs of private corporations, and for that reason I voted against the authorizing legislation. Consequently, I am delighted that there now appears a chance, through the Textron-Lockheed agreement, that the Federal Government and the taxpayers may be relieved of their involvement in the corporate affairs of Lockheed.

In addition, Mr. President, I am proud that one of the principal parties to the agreement, Textron, Inc., is a Rhode Island corporation with its headquarters in Providence. Txetron has gained a national reputation for sound management, corporate responsibility and business leadership, and it brings those qualities to its agreement with Lockheed.

The Textron-Lockheed agreement is complex. Its implementation requires cooperative and coordinated actions by many segments of the business and banking community and by the Federal Government.

It is very much in the public interest that the Lockheed Corp. be restored as a viable and vigorous participant in the economic life of our country, without the necessity for props, subsidies or guarantees from the Federal Government. Because of that public interest, I hope very much that each of the interests involved in the Textron-Lockheed agreement will make extra efforts to take the actions necessary for execution of the agreement.

That includes, specifically, the Federal Government agencies which must rule or give opinions on various aspects of the Textron-Lockheed agreement. I hope that those agencies will expedite their reviews acting within their statutory responsibilities.

Of particularly critical importance to the execution of the Textron-Lockheed agreement is a requirement that Lockheed obtain a sufficient number of confirmed orders for the Tri-Star aircraft which it produces. I am not an expert in aircraft, in the competitive characteristics of aircraft, nor in the economics of the air transportation industry. I would urge however that the airline companies, as an act of corporate community responsibility, review their aircraft acquisition plans in the light of the Textron-Lockheed agreement.

In conclusion, Mr. President, I express my admiration for the ingenuity and initiative displayed by all of those involved in negotiating the Textron-Lockheed agreement and particularly congratulate Mr. G. William Miller, a Providence resident and principal executive officer of Textron for his leading role in this connection and for demonstrating the business vitality that has been the hallmark of our State these past three centuries. I hope these efforts bear fruit by relieving the Government and the taxpayers of an unhealthy and I believe unwise participation in the affairs of a major private corporation.

I ask unanimous consent that there be printed in the RECORD several items regarding the Textron-Lockheed agreement, including an article from the Providence Sunday Journal of June 9, 1974, entitled "Declaration of Independence from Federal Loan Crutch"; an article from the Washington Post of June 9, 1974, entitled "The Big Deal, No Hurdles for Textron"; a letter to Textron shareholders by G. William Miller, chairman of the board of Textron; and the text of the joint announcement by Textron and Lockheed of the agreement.

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

[From the Providence Sunday Journal, June 9, 1974]

DECLARATION OF INDEPENDENCE FROM FEDERAL LOAN CRUTCH

(By Joseph L. Goodrich)

American corporate enterprise struck a solid blow for freedom from government intervention last week. And it was particularly fitting that this bid for the separation of business and government should come from Providence-based Textron Inc.

This move parallels, in some respects, the blow struck for freedom by Rhode Islanders some 200 years ago by the sinking of the Gaspee. This is not to suggest that Textron is inciting a revolution. Far from it. But what Textron is proposing to do is a significant reversal of the current trend toward increasing dependence on big government by business.

It concerns Textron's plan to rescue Lockheed Aircraft Corporation from its financial difficulties. A significant part of that plan, which has been tentatively approved by the directors of both companies, is the release of the federal government from its guarantee of up to $250 million in bank loans to Lockheed.

That guarantee had saved the California aircraft and aerospace company from bankruptcy in 1971. At the time, it appeared to be the only way of pulling Lockheed from the brink of disaster since none in the private corporate sector appeared willing even to touch the Lockheed problem with a 10-foot pole.

Coming on the heels of the federal government's guarantee of $100 million in borrowing by the bankrupt, bumbling Penn Central giant in 1970, the federal rescue of Lockheed appeared to signal that Big Brother in Washington had moved into a field, business was vacating by default, largely because it was unable to take care of itself. As an aside, the federal loan guarantee to Penn Central has simply prolonged the railroad's agony.

Considerable controversy boiled up over the Lockheed loan guarantee proposal. Critics accused the Nixon administration and Congress of bailing out the military-industrial complex, and the measure skinned through the Senate by a single vote.

Now comes Textron with its plan to get Lockheed back on the profitability track without the help of big government. Under the leadership of its board chairman and chief executive officer, G. William Miller, Textron believes it can help Lockheed work itself out of its financial difficulties with the application of the management skills and sound business practices that have worked to make Textron a singularly successful multimarket company. Its successes include military helicopters and other aerospace business.

What's more, Textron is ready to back up that conviction with an $85 million investment of its own funds in Lockheed. Of that sum, $60 million would be invested in Lockheed common stock and the balance in a new issue of preferred stock.

The point is that the bulk of the Textron investment is in ownership equity which involves considerable risk. Should Lockheed be forced into bankruptcy, the common stockholders, of which Textron would be the largest, would be at the bottom of the totem pole when the company's assets are distributed in the liquidation. They would get the residue after all creditors and preferred holders are satisfied. Often, by the time the stockholders' turn comes around, there is little left to distribute.

Hence, Textron's insistence that big government be released from its loan guarantee is a very real declaration of independence by that corporation. It is a demonstration of willingness to asume the risk without a government crutch, and is evidence of Textron's confidence in its ability to effect a successful Lockheed recapitalization on its own.

Textron, under Miller's leadership, has prided itself on being a good corporate citizen. It recognizes the necessity for big government, but it also believes that corporate business has a responsibility to make the grade through the application of the best management techniques and ethical business practices. That's a Miller conviction, and it permeates the entire Textron organization.

Textron isn't involved in the Lockheed plan for altruistic reasons. It expects a substantial return for its risk taking. Its proposed common stock purchase will give it a 45 per cent ownership of Lockheed which gives Textron effective control of the company. That ownership will give Textron a 45 per cent equity in Lockheed earnings if Textron can restore the company's profitability. That's what profit incentive is all about.

Whether Textron can convince all 24 banks now participating in the $620 million of Lockhed's present bank debt that the federal loan guarantee must go is still a question.

Miller has said that the lead banks in the group have agreed to go along with the plan, and that's a good start. It would seem to be in the banks' best interest to go along with Textron not because Textron wants to get big government out of the act, but because the banks will get out whole from a very delicate situation if the Textron plan works as Textron is confident that it will.

Under the plan, the banks are being asked to convert $275 million of the $620 million they have loaned to Lockheed into a new issue of Lockheed preferred stock, assuming an equity position and thereby contributing to a substantial reduction in Lockheed's debt service costs.

Since no one else in the private sector has come forward with a plan to solve Lockheed's problems, the choice appears to be acceptance of the Textron proposal or face the possibility of the Lockheed problem worsening to the point where it could become an albatross around the neck of both business and banking.

The federal government's guarantee of $220 million of Lockheed's currently outstanding bank loans is basically a negative

thing. It implies a lack of faith in the ability of the corporation whose loans are guaranteed to make the grade.

Textron is demanding a restoration of that faith.

[From the Washington Post, June 9, 1974]

THE BIG DEAL: NO HURDLES FOR TEXTRON

(By Jack Egan)

PROVIDENCE, R.I.—"You ought to know us by the company we keep," Textron, Inc., advises in a recent advertisement.

Textron itself may be little known, the slogan says, but the products under its multimarket conglomerate umbrella—including Speidel watchbands, Bell helicopters, Homelite chain saws, Sheaffer pens and Eaton paper—are pre-eminent and familiar names in their areas.

Last week, many more people got to know the Textron name through the latest company it is trying to "keep"—Lockheed Aircraft Corp., the nation's largest defense contractor and the financially troubled manufacturer of the L-1011 TriStar widebodied jet.

Directors of both companies announced that, in a bold move, Textron is ready not only to come to the financial rescue of Lockheed, but also to bail out the U.S. government from its politically embarrassing $250 million emergency loan guarantee uncomfortably granted to Lockheed in 1971 to stave off bankruptcy.

But this latest acquisition—should it be completed—is not really a merger but an investment on the part of Textron.

The intricately worked out deal—arrived at after months of negotiations with the assistance of Lazard Freres & Co., the investment banking firm—would give Textron 45 per cent ownership of Lockheed's common stock, a chunk of new preferred stock and the chairmanship of the company in return for an $85 million equity investment.

In addition, another $15 million would be raised for Lockheed through a new stock offering to shareholders.

Is it a speculative gamble for Textron or a shrewd and relatively reckless move?

As the details of the restructuring package unfolded during the week, it turned out that it includes a number of intentionally difficult barriers that must be hurdled—by everyone but Textron—before the deal is consummated Nov. 30.

And true to the pragmatic corporate character of Textron—which many consider to be both the first and the most successful of the breed of conglomerates—the agreement with Lockheed is financially conservative and very well hedged.

Here is what happens if all the pieces fall together:

Lockheed has a good chance to regain a robust profitability level—albeit under the control of another corporation—by neutralizing once and for all the fund drain imposed upon it by the ill-starred TriStar program.

Except for the cost of administering and accounting for the L-1011 program on its books—including debt service—Lockheed earned operating profits on its other programs of about $150 million in 1973. This compares with net profits of $16.8 million afterwards, on sales of $2.76 billion.

Under the deal with Textron, Lockheed will once and for all write off between $500 and $550 million against the L-1011 inventory, which is $300 million after taxes. Simultaneously, its debt load will be reduced and also its interest expenses.

Lockheed's banks, with $620 million now outstanding, have a chance for the first time in three years to begin to get repayment on these loans. In return, the 24 bank lending group, headed by Bankers Trust Co. of New York and the Bank of America, must agree to convert $275 million of this debt to prefered stock, and also reaffirm a $275 million credit line to Lockheed at an almost ludicrous 4 percent interest rate.

These two steps alone would reduce Lockheed's debt costs, and increase its pre-tax profits by an estimated $50 million to $60 million next year.

Though some analysts feel the banks have little choice if they ever want repayment, the lenders came to no quick agreement to be generous in their own self-interest when they met with the principle parties in New York last Thursday. A decision is expected in the next week or two.

The Nixon administration can exit "with honor" from its politically controversial loan guarantee, made to keep the company from going under when its engine manufacturer, Rolls Royce, Ltd., went bankrupt and had to be reorganized by the British Government. This severely delayed the L-1011 program.

However, the Justice Department antitrust division must still approve what it may consider to be an unholy alliance between two multi-billion-dollar companies who, if size isn't enough, are also both involved in aerospace.

Lockheed's customer airlines would benefit by the assurance of the aircraft manufacturer's existence 10 to 20 years from now to supply them with spares and back-up for their fleets of L-1011s. Lockheed officials readily concede the uncertainty of its financial future has itself put a crimp on new orders.

But, in what may be the most formidable hurdle of them all, Lockheed must get 45 new firm L-1011 orders before the deal is completed in November. Although present airline customers hold 67 "second-buy" options with minimum down payments, some observers believe that the current airline industry climate would make this condition all but impossible to meet.

One analyst, who watched the deal unfold closely, was sure that Textron would waive this requirement if everything else were guaranteed, but would use it as an "out clause" in November if it decided to back out.

However, there is also much sense in this clause of the agreement, because Lockheed would be assured of a steady production flow on its L-1011 cash flow and assembly line for years to come. This would give further solidity to the company.

Finally, Textron stands to benefit handsomely, and almost instantly, if all other aspects of the deal work out. By comparison, its investment is relatively modest—the cost of four L-1011s.

"Everybody wins," Textron chairman G. William Miller says, almost gleefully, as he considers the symmetry of the package. "The best business plans are those that have nothing but a positive result for everybody," he says.

Miller is especially proud that the arrangement "brought together so many parts of the private economy to work together without a government prop."

Miller, 49, just last April was named chairman of Textron. He joined the company in 1956, lured by its founder Royal Little with the carrot of a vice presidency and a stick in the form of a threat to fire him if he didn't prove himself in a year. He became Textron's president four years later, and the story is part of the company's legend.

Under the arrangement with Lockheed, he will also be chairman of the aerospace company, perhaps a unique situation for a single individual to stand at the helm of two billion-dollar corporations.

The challenge doesn't faze the lively Miller whose managerial style already is to delegate authority and concentrate his energies only where they are required.

He says he is already chief executive of the 34 component companies of Textron, and sees this as just another extension of his stewardship of the company's assets. "It's just another $85 million," Miller says in an interview in his office on the 23rd floor of a modern building in the midst of downtown Providence.

Unlike many companies the same size, the firm has no Textron building, and no fancy logo for the name. The company occupies only three floors in this building, with a staff of 130, having moved 18 months ago from an older tower nearby where it had only one floor.

Miller's manner, as well as the company's, is plain spoken, energetic but prudent, and with the emphasis on quality in earnings and product.

Miller abhors the word conglomerate to describe Textron, not because it is inaccurate, but because of the connotations it has of a company multiplying in size with all of the abandon of a colony of rabbits.

Textron—the name is a J. Walter Thompson coinage combining the words textile and rayon—was founded in 1928 as the Franklin Rayon Corp. In 1952, its founder, Little, embarked on a program of "balanced diversification."

Today, Textron is completely out of the textile business but has a carefully acquired list of companies in the aerospace, consumer products, industrial products, metal products and venture capital categories. The emphasis is on quality companies with well-known proprietary products. The Textron organization stands in the background, serving almost like a portfolio manager.

The strategy was "designed on the one hand to afford protection against economic cycles and product obsolescence and on the other hand to provide a means for participating in new markets and new technologies," according to Textron's 1973 annual report. "The key elements are balance and flexibility in a rapidly changing world."

Certainly this philosophy, along with realistic accounting, a light debt load and conservative management, have put Textron in the perfect position to take advantage of Lockheed's present situation.

Last year, Textron had net income of $100.8 million on sales of $1.86 billion, both records for the company. Although there were substantial dips in net sales and income for Textron's aerospace and consumer products divisions, this was more than compensated for by gains in the industrial and metal product areas, a testament to its structural ability to thrive during periods of shifting economic trends.

For the ten-year period ending in 1982, Textron has targeted and annual 8 per cent growth in sales to $3.5 billion, and a yearly 10 per cent increase in net income to $200 million.

Miller insists that Textron is not interested in merging with Lockheed and is only keen on the company as a good investment.

Asked for a parallel to the proposed equity participation and control, Miller invokes the example of DuPont's investment in General Motors, DuPont has majority interest in the auto giant until the courts made it divest itself in the 1960s on antitrust grounds because of interlocking business relationships between the two companies.

Miller does not anticipate trouble from the Justice Department on Textron and Lockheed. "We don't do business back and forth," he says. As for the problem of "bigness per se," he notes that Lockheed's and Textron's sales last year added together "don't move us up on the Fortune 500 very much."

Miller says the provision that Lockheed achieve 45 new firm orders for the L-1011 is "a key factor" in the deal, and refuses to speculate on what happens if it is not achieved. The requirement is necessary, he says, to assure Lockheed stable production in future for the program.

"It is the genius at the heart of the plan,"

Miller says, to "restructure the program past the point where you have problems."

What happens if Lockheed only gets 40 of the required 45 firm orders? Is the deal then off?

"If we get 40, we'll get 45," Miller says confidently. "It seems logical for the airlines to cooperate," he says. Miller indicates that only two-thirds of the second-buy options need to be converted. Likely sources include Delta, Air Nippon Airways, Cathay Pacific and British Airways, Miller says, as well as some new orders from a few Middle Eastern carriers.

Speaking of the airlines that already hold options, Miller believes it is in their interest to firm these options into orders because otherwise they could jeopardize their previous investment in L–1011s.

The Textron chief does not anticipate that the company will involve itself in any new mergers while the Lockheed deal is pending, or for a substantial period after it goes through.

"We're conservative people," he says. "We make sure things are well in control, well executed and well implemented before we undertake new initiatives."

TEXTRON,
Providence, R.I.

To Textron Shareholders:

On June 3 an announcement was made with respect to a proposed Textron investment in Lockheed Aircraft Corporation. *This proposal does not involve a merger or consolidation of the two companies. Textron would not assume any of Lockheed's debts or other liabilities. The plan would not result in any change in Textron operations.*

The plan, which will be effective only if approved by Textron shareholders, does involve an equity investment by Textron in Lockheed and a restructuring of Lockheed's debt.

The proposal contemplates a new equity investment in Lockheed of $100 million. Textron would provide $85 million of this total. Sixty million dollars of Textron's investment would be by purchase of 12 million new common shares of Lockheed at $5 per share. Textron would also invest $25 million in a new Lockheed preferred stock. The remaining $15 million of the $100 million total would be provided by a rights offering to Lockheed shareholders.

After the purchase of Lockheed common stock, Textron would own 45% of the 26.4 million Lockheed common shares then outstanding.

Under the proposed plan, Lockheed would continue as a separate corporation, with the benefit of the new financial support provided by its banks and Textron and by Lockheed shareholders.

The stock of Lockheed acquired by Textron would be carried as an investment. This means that Lockheed's sales, costs or expenses would not be included in Textron's income statement. However, Textron's pro rata share of Lockheed's earnings would be reflected in Textron's financial statements. If the plan had been put into effect a year ago, with the restructuring and accounting changes contemplated in the plan, there would have been an increase in Textron's earnings per share after the effective date of the plan.

Several conditions must be met and approvals must be obtained before the plan becomes effective, including those of Lockheed's banks and other creditors, Lockheed's and Textron's Boards of Directors and shareholders and various government agencies.

Approval of the plan by Textron shareholders is not required. However, Textron management has decided that your approval will be an essential condition. Accordingly, a special meeting of shareholders will be held for this purpose, probably in October. A proxy statement describing the proposed transaction in detail will be sent to shareholders of record well in advance of that meeting. I hope you will consider this material carefully before making your decision on the proposal.

Sincerely,

G. WILLIAM MILLER.

NEWS RELEASE, JUNE 3, 1974

Daniel J. Haughton, Chairman of the Board of Lockheed Aircraft Corporation, and G. William Miller, Chairman of the Board of Textron Inc., jointly announced today that their respective Boards of Directors have approved a tentative plan which would include an equity investment by Textron in Lockheed and a restructuring of Lockheed's debt. Mr. Miller indicated that Textron has held talks concerning the plan with Lazard Freres & Co., Lockheed's financial advisor, and also with some of the Lockheed lending banks.

The plan contemplates a new equity investment in Lockheed of $100 million, of which Textron would provide $85 million by acquiring 12 million new common shares of Lockheed at $5 per share and $25 million of a new Lockheed preferred stock. The remaining $15 million would be provided by a rights offering of 3 million new Lockheed common shares to Lockheed shareholders at $5 per share to be underwritten by Lazard. After the purchase of 12 million shares of Lockheed common stock, Textron would own about 45% of the approximately 26.4 million Lockheed common shares then outstanding.

It will be a condition of the plan that the Lockheed lending banks convert $275 million of the present $620 million Lockheed bank debt into the new Lockheed preferred stock, and confirm a bank credit to Lockheed of $375 million.

In addition to the infusion of new equity, the plan would result in a significant reduction in Lockheed's debt service costs and would improve cash flow during the next several years.

Under the plan, Lockheed would continue as a separate corporation, with the benefit of the new financial support provided by the lending banks, Textron and Lockheed shareholders. The stock of Lockheed acquired by Textron would be held for investment, and there would not be a merger or consolidation of the two companies. Textron operations would not be affected in any way.

Except for Mr. Miller becoming Chairman and Chief Executive Officer of Lockheed after the proposed recapitalization is finalized, at which time Mr. Haughton will become Vice Chairman, no other changes in the management of Lockheed are contemplated. Mr. Miller will continue as Chairman and Chief Executive Officer of Textron.

Textron is a diversified company with total assets of $1.3 billion, and with 1973 sales of $1.9 billion and net income after taxes of $100.5 million.

One of the primary purposes of the plan is to give additional support to Lockheed's TriStar L–1011 commercial air transport program. The TriStar is an important part of the air fleet of many major airlines around the world. In order for the plan to become effective, it would be a condition that sufficient airline second buy options be converted into firm orders, or new orders be obtained, to bring the TriStar program to a total of 180 firm production commitments including the 74 airplanes already delivered. Cumulative orders to date total 202, including 135 firm orders and 67 second buy options.

It is contemplated that the TriStar program will run to at least 300 aircraft over its entire lifetime, extending well into the next decade.

Under the proposed plan Lockheed would undertake to adopt a change in accounting policy by writing off certain non-recurring costs related to the TriStar program. These non-recurring costs have already been expended and are currently being amortized by Lockheed over the planned 300 airplane program. It is estimated that under the amended accounting policy, the write-off, which would be charged to Lockheed's income in 1974 as a condition to and before the plan becomes effective, would amount to approximately $300 million net after providing for the anticipated related tax benefits. It is anticipated that in future years the TriStar program would operate near a breakeven after all charges. With continuation of Lockheed's other substantial and profitable programs, this would permit Lockheed to return to greater profitability.

Lockheed's operations include Lockheed Missiles and Space, located in Sunnyvale, California, which produces fleet submarine ballistic missile such as the Poseidon, satellite space vehicles and other research and development projects; Lockheed-California, with plants in Burbank and Palmdale, which, in addition to producing the TriStar L–1011, designs and manufactures military aircraft such as the P–3C Orion and the S–3A Viking; Lockheed-Georgia, located in Marietta, which designs and builds large military and commercial airlift and cargo aircraft such as the C–130 Hercules; Lockheed Aircraft Service, with headquarters in Ontario, California, which is the nation's oldest and largest aircraft maintenance and modification firm with operating branches around the world; and a number of other divisions.

The plan is intended to assure availability of sufficient capital so that these Lockheed operations will not be restricted by lack of adequate financial resources. Many Lockheed programs are essential to national security and represent some of the most advanced technology in the world.

The suggested plan contemplates release, on terms satisfactory to the parties, of the U.S. Government loan guarantee for Lockheed which was approved by Congress in 1971. The proposed support from private banks and private industry should assure continued vitality of Lockheed as a unique and vital American enterprise.

With the restructuring of debt, it is expected that Lockheed would be able to generate sufficient cash over the next few years to make substantial reduction in its senior securities and maintain itself on a sound financial basis.

The preliminary plan, if accepted and implemented, would be subject to approval by Lockheed's banks and other creditors and by Lockheed and Textron directors and shareholders. It would also be subject to several other conditions, including agreement by Rolls-Royce as engine supplier to continue its support of the TriStar L–1011 program, and approval of various U.S. Government agencies.

It is expected that closing would occur by 30 November 1974.

HEALTH CARE FOR THE ELDERLY

Mr. HUMPHREY. Mr. President, I want to commend the Subcommittee on Health Care of the Elderly, of the Senate Special Committee on Aging, chaired by Senator MUSKIE, for holding hearings on the "Barriers to Health Care for Older Americans," on June 25 and 26. I also want to thank several distinguished citizens from Minnesota who testified at this hearing about the success of the Senior Citizens' Clinic of Minneapolis.

Health care for the aged is one of the most important issues facing Congress today. The overriding problem that Mr. MUSKIE's Subcommittee on Health Care of the Elderly addressed is simply that all too many elderly persons in America cannot, on their own, afford the cost of adequate health care. We must not continue to allow spiralling health care costs, and gaps in insurance coverage,

to place our elderly population outside the mainstream of our health care system. We must protect these Americans from the financial ruin all too often associated with a major illness that occurs so commonly with age.

Older Americans need more health care but at the same time they have less money, in comparison with other age groups. Therefore, the elderly are not able to utilize the full range of health services they need. They are economically forced to wait until they need acute in-patient hospital care. The elderly in America are further discouraged from obtaining health care because they are concentrated in central city and rural areas that are geographically isolated from health service areas.

In recent years, Congress has been attempting to deal with the most urgent needs of our elderly population. The medicare program has enabled our older citizens to obtain some basic health care, but there are still many problems. The average medicare patient now pays more in out-of-pocket expenditures for health care than he did before the inception of the program.

The average personal health care cost for the aged in 1973 was $1,000, but the average out-of-pocket payment was $276. In 1969, medicare paid 46 percent of their health bill, but today it pays only 42 percent. This decline in medicare's share of the health bill of the aging is a primary problem of the total health care picture in America today. We must do something about it. I hope this hearing and the experience of the Minneapolis Age and Opportunity Center clinic for the elderly will help generate some solutions to this problem which seems to be increasing daily.

I am proud of the successes that Minnesota has shown in providing health care for the aged. The senior citizens' clinic is an important example for the entire American health care community. I hope the Minneapolis Age and Opportunity Center and the personnel at the Abbott Northwestern Hospital keep Congress informed of their successes and their problems. This hearing is an opportunity to generate some excellent solutions to the health problems of the aged by discussing the impressive progress of the Abbott-Northwestern/M.A.O. Senior Citizen's Clinic.

I again want to thank all of my friends from Minnesota for sharing their experiences with Senator MUSKIE and the members of the Subcommittee on Health Care of the Elderly.

Mr. President, I ask unanimous consent that an article on the Minnesota Senior Citizens' Clinic which appeared in the Washington Post be printed in the RECORD.

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

MINNESOTA BLUE CROSS SAID TO BLACKLIST CLINIC FOR ELDERLY

(By Bradley Graham)

Physicians, nurses and medical center administrators yesterday accused Blue Cross-Blue Shield of Minnesota of attempting to frustrate an experimental clinic that has offered virtually free health care to old people.

Since November the Minneapolis clinic, in treating elderly persons who have annual incomes below $4,500, has said it would accept as full and final payment only what Medicare will provide—thus sparing the elderly substantial additional out-of-pocket expenses.

But Blue Cross, which determines what Medicare cases are compensable in Minnesota, has been rejecting many of the claims of those treated by the free clinic, although it continues to pay the claims of patients who receive identical treatment at other centers.

"They are making it very difficult to support quality health care," Lavetta Pearson, director of the clinic, told a Senate subcommittee investigating health care for the aged. "It just seems unfair."

The clinic is believed to be the first of its kind in this country, and thousands have already registered for medical attention, clinic officials reported. The overwhelming response indicates Medicare is not sufficient in serving the health care needs of the elderly, they said.

Blue Cross, however, has refused to go along, and has told the clinic it does not approve. The minutes of a recent meeting between clinic and Blue Cross officials, released yesterday, quotes a Blue Cross supervisor as admitting that the clinic has been blacklisted.

"We (Blue Cross) are being discriminatory against the clinic because of the way you are set up," Sharon Blood, supervisor for the Blue Cross Medical Review Team, is quoted as saying.

The Clinic has been "singled out because you have opened your arms and said to everybody come to us—we will take care of your problems," she said.

According to the minutes, she indicated that Blue Cross was stunned by the volume of claims and was finding it difficult to determine which claims should be paid, adding "it was almost a flip of the coin" in deciding among them.

Blue Cross is scheduled to answer the charges before the subcommittee today. Sen. Edmund S. Muskie (D-Maine), the subcommittee chairman said at the end of yesterday's hearing that "Blue Cross is left in a position at best ambiguous."

The hearings were marked by earnest and often dramatic testimony, orchestrated by the clinic sponsors—Abbott Northwestern Hospital and the Minneapolis Age and Opportunity Center—to highlight their main point: that many old people are still not seeking the medical care they desperately need because they cannot afford it.

"These are not just people coming in with a few arthritic pains," said Daphne Krause, executive director of the health center. She read the files of several patients who had been treated for protruding bladders, fractures, heart failures and other serious medical problems.

She said the free clinic provides the low-cost curative and preventive care, plus the guarantee of independence, that she said are lacking in Medicare.

THE POZNAN UPRISING

Mr. WILLIAMS. Mr. President, I wish to join my colleagues in the Congress in honoring the 18th anniversary of the heroic Polish uprising in Poznan which sparked a resurgence of hope and struggle toward freedom and independence.

On June 28, 1956, the courageous workers in Poznan began a 3-day uprising to protest deplorable living conditions, the presence of Soviet forces and the stifling of democratic ideals by the Polish Communist Government. The heroic strikers blocked the streets of Poznan chanting "We want freedom" before storming the security police headquarters and the Communist Party Building.

Inevitably, the Communist rulers sent in armed forces to crush this noble uprising. Yet these brave Poles continued, undaunted, in their battle for freedom in the face of tanks and trained infantry until the revolt was finally suppressed on June 30. Casualties were estimated in the hundreds.

Mr. President, in spite of these tragic consequences, the Poznan uprising was not in vain. The Communist government was forced to grant greater freedom of the press and to increase the autonomy and rights of various people's councils. These councils, in turn, initiated demands for greater freedom and democracy.

The Poznan rebellion is but one shining episode of many in the history of a nation deeply devoted to the principles of liberty and independence. The Polish nation has struggled in the cause of freedom for the last 35 years, under the oppression of first the Nazis and then the Communists. The Poznan uprising renewed and strengthened the determination of this nation to continue its historic crusade against tyranny.

Mr. President, I am proud to represent over 217,000 Polish-Americans in my home State of New Jersey who exemplify the love of dignity and freedom found in their heritage. It is appropriate that Americans, and all freedom-loving people, pay tribute to the undying dedication of the Polish nation to democratic ideals on this anniversary of the Poznan uprising.

MEDICARE BENEFITS FOR SENIOR CITIZENS

Mr. HANSEN. Mr. President, on Tuesday and Wednesday of this week, the Subcommittee on Health of the Special Committee on Aging held hearings focusing on the operation of a unique clinic being operated by Abbott Northwestern Hospital in conjunction with the Minneapolis Age and Opportunity Center. This clinic recently began offering medical services to low-income Americans over 65, accepting medicare reimbursements as full payment for services rendered. This operation was facilitated by the contributions and personal dedication of a group of individuals, associations, and private corporations, in addition to a limited amount of Government grants.

In response to such service at low cost, the clinic was flooded with patients needing immediate medical care. Whether the onslaught of patients was due to a large amount of aged persons who had been delaying procuring needed medical care because they could not afford it, or whether the patients were simply coming to the clinic because it was cheaper than anywhere else, has not been conclusively determined.

The testimony presented by the representatives of Abbott Northwestern Hospital offers all of us who are concerned with the situation of the aged person an opportunity once again to examine

this issue with more clarity and perception.

I would like to reaffirm my deep and sincere concern for the health care of our aged persons. Surely, after years of productive and valuable contribution to society, our senior citizens deserve and should be entitled to help from the greater society in meeting rising living and medical costs.

Equally evident is the unfortunate plight of many of our senior citizens who, through blunders and mistakes of other segments of society, are caught in a position where they are no longer able to remain self-sustaining, and are left with little or no recourse to procure essential living and medical needs. This was dramatically brought to our attention at the recent hearings. It is a tragedy indeed that there are so many senior citizens in our country of plenty that do not have adequate access to the proper medical care.

The efforts of individuals at the Abbott Clinic who have so freely contributed of their time and means, without compensation, to help the aged in their community is significant. Also to be commended are the private foundations and associations who have so generously contributed in funding the operation. We may consider this an excellent example of what the efforts of dedicated private individuals and associations can accomplish on their own initiative without the mandating authority of the Federal Government.

Although pleased to view these efforts, I am somewhat concerned with their recommendation that the Federal medicare program increase its coverage and scope of benefits to pay for a greater portion of the senior citizens' medical costs.

Let me make myself clear: I agree and wholeheartedly subscribe to the need and worthiness of providing health care to the aged population. Such a cause indeed is beyond question. However, the method of providing such recompense and aid is of prime concern to me.

Traditionally, it has been the role and responsibility of the family to provide for and take care of its aged. The family was integrally interested and personally concerned with its aged, as the ties of blood and kinship were strong. Each individual and family felt a responsibility to repay in some small measure the many years of toil and sacrifice their parents or grandparents had given.

These efforts have often been supplemented by private individuals and local associations. These efforts preserved a unique emotional tie between the aged and the younger generation—one of love, respect, and trust.

In the last hundred years we have witnessed a marked departure from the traditional responsibility for the aged. As our society has become more complex and many of the moral values have changed, we have seen more and more of this responsibility shifted from individuals and families to disinterested third parties such as the Government. What was once primarily a family, individual and local responsibility has now, by default, been handed over to the Federal Government.

The recent demands for increased Medicare coverage and benefits, in my opinion, are uniquely representative of the seeming uncontrolled passion in certain circles for shifting major moral and social responsibility from individuals, where it ought to lie, to the Government, who carries it as a third-party tool.

Great difficulties lie ahead if we continue to increase the Federal role in providing medical care for our senior citizens.

One of them is cost. In 1971, Medicare paid $7.5 billion in reimbursements. If this was actually only 40 percent of the medical costs of the elderly, then to have paid the full medical costs would have cost the Federal Government $18.75 billion. Such a figure staggers the imagination. Taking into account inflation since 1971, the figure to provide needed medical care to our senior citizens at a Federal level now would be much higher. The fact is that the health needs of senior citizens are unlimited, and will never be able to be fully met by a government hand-out program.

The task is one of herculean proportions, and may be beyond the capacity of our economy to sustain, without a renewed demonstration of personal and family commitment to help.

In a period when inflation is our nation's number one problem, and is principally caused and aggravated by spiraling Government expenditures, I find it highly irresponsible to propose increasing to unthinkable proportions the expenditures of the Federal budget for health, when these costs could and should be met at State, local, and individual levels.

Another serious problem that we should consider in removing the financial barriers is the sharp increase in demand that would be experienced within the health system if it were suddenly opened up to increased requests for health care services. If the experience at Abbott Northwestern Hospital were duplicated all over the country when medical care was offered for free, can you imagine the turmoil and confusion that would result? I suggest that all of our health care facilities would be inundated with demands for health care, legitimate and imagined, far beyond our capacity to provide it. Such a situation would have no other result than to repeat the experience of 1965 when medical prices sharply increased as the demand heavily exceeded the supply of medical facilities.

Many physicians noted that as the demands upon their time increased as the patient load became greater, they were forced to spend less time with each patient. In order to assure that the patient had been diagnosed properly, and to protect himself from malpractice suits, the doctor often ordered various laboratory and X-ray tests. These tests were not always necessary, but to "be safe," they were requested.

As the financial barriers are lowered, the doctor becomes further and further inundated with patients demanding care. Of course, he cannot continue to supply the same quality of care as before.

So you see, we have a very real practical problem with reducing financial barriers to medical care.

Mr. President, there is no doubt in my mind that, when medical services are offered at low cost or for free, most individuals, whether they are actually delaying going to the doctor because of limited resources, or whether they are just going some place where they will have to pay more, will opt for the cheaper of the two alternatives. I suspect that this is what happened in Minnesota.

Without demeaning or ignoring the need for providing medical care for our senior citizens, then, let me suggest that we turn from further Federal responsibility in this area and encourage private and local efforts.

Numerous instances have shown that private and State efforts to provide for the elderly can be successful. These efforts should be expanded and encouraged by Federal policy.

It is of great interest to know the extent of such efforts as represented by private philanthropic contributions to health care. During 1973, $3.98 billion was contributed by private philanthropy for health and hospitals, about 4 percent of total health spending, and about 19 percent of private, nonprofit construction costs. A statistical report prepared for the American Association of Fund-Raising Counsel, presenting figures on 84 fundraising campaigns shows contributions totaling $183,500,849. Goal attainments ranged from 210.8 percent of a $250,000 goal to 58 percent of a $1.5 million goal. Corporations accounted for 37.9 percent of the total raised; other individuals accounted for 16.3 percent, and foundations for 15.1 percent.

Of particular note is that of 244,680 gifts, 242,000 were gifts of $5,000 or less. In 32 instances the largest gift was made by a corporation or financial institution; in 11 instances by an individual or family; in 10 instances by a foundation and in 6 instances by a hospital auxiliary organization.

Of supreme importance to me is that in these fund-raising campaigns, 33,513 volunteer workers were involved.

The figures are significant, for it shows that the principle of private and local responsibility for philanthropic contributions is not lost. I assert that this is what we ought to encourage. Surely if such efforts were expanded we could deal much more effectively with the problems of our senior citizens.

A proposal which shows real understanding of the basic issues involved is that made by William Buckley printed in the CONGRESSIONAL RECORD several months ago. Mr. Buckley, the noted columnist, proposed that:

> The burden of the nonprofessional work done in behalf of the aged should be done by young men and women graduated from high school, during one year before matriculating at college . . . The experience would remind young people at an impressionable age of the nature of genuine, humanitarian service, which is the dis-interested personal act of kindness, administered by one individual directly to another individual . . . The opportunity is great for initiative from the private sector.

Mr. President, I ask unanimous consent that Mr. Buckley's article be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. HANSEN. Mr. President, such a policy would return us to a realization of the responsibility of the individual and local association to provide help for the elderly. It would inculcate among our people a sincere interest of love, trust, and appreciation for the senior members of society. And that is the basis for sincere community efforts to help them procure needed medical care.

Let me refer to just one more example from my home State of Wyoming. This is the exciting story of Eileen Hunter, of Jackson Hole, Wyo., who has played such an important role in the construction, operation, and expansion of the St. John's Hospital there. St. John's Hospital has just completed an expansion that adds six semiprivate rooms, a physical therapy department and a nurses' station. The project was begun over a year ago and reflects the continuing commitment of Eileen Hunter and the public response her altruism stimulates.

Noting that the nursing home facility might be phased out due to a rapid increase of acute care patients, during 1973 Mrs. Hunter raised the initial $50,000 of the total $150,000 for the expansion. She then spearheaded the drive to make up the full amount. When asked an approximate total of her hospital donations Eileen replies—with typical Eileen Hunter style—

If I can afford to give a lot and another can afford to give a dollar, then we're even.

While the contributions of Mrs. Hunter and John D. Rockefeller, Jr., were paradigms of philanthropy at its best, it must be noted that the working men and women of Jackson Hole, by pledging amounts of only a few dollars per month over a period of years persuaded the board of St. John's that it could build the new hospital facilities.

I submit that this is the type of thing we ought to consider. While the sustained dedication Mrs. Hunter exhibits is uncommon, I suspect that through some formal encouragement such efforts could become much more common and effective in carrying the burden of providing help to our senior citizens.

It is the principle of this issue that is most important—that individuals and private entities become active and involved in charitable support and contributions. It is far better for individuals to recognize their responsibility to help their neighbor than to shirk the responsibility or abdicate it to the government. Disinterested, third-party intermediary government roles will never match personal efforts based on sincere concern and motivated by love, trust, and respect.

Demands for the expansion of governmental programs of medicare and medicaid would be sharply reduced if private individuals, associations, and local governments, to the extent of their abilities, would take care of their families, kin, and the underprivileged.

The political advantage to be had by supporting far-reaching, comprehensive benefit programs for the aged are great. But in this instance, in all good faith and candor, I must defer the responsibility to your State and local governments, and private individuals and associations. To do otherwise would be to hold out false promises that may never be met, and will surely result in further discontent and distrust of our public officials by all our people.

EXHIBIT 1

[From the Washington Star-News, Mar. 21, 1974]

A UNION OF THE YOUNG AND THE OLD

(By William F. Buckley, Jr.)

I spoke the other day of the excruciating problem of the aged, and how it grows worse.

Simultaneous with the increase in the aged is the increase in the college population. That population in 1930 was 1.1 million. In 1970, 8.4 million.

It is my proposal that the burden of the nonprofessional work done in behalf of the aged should be done by young men and women graduated from high school, during one year before matriculating at college. The idea of public service of some kind or another by the citizenry has frequently been proposed. There has been an instinctive coolness towards the idea primarily because of the conscriptive feel of it: The suggestion that government require anyone to do anything of a philanthropic character tends to put one off, and for reasons not by any means all bad. The opportunity is great for initiative from the private sector.

I envision a statement by the trustees of the 10 top-rated private colleges and universities in the United States in which it is given as common policy that beginning in the fall semester of 1976 (to pick a year far enough away to permit planning, soon enough to generate excitement), no one accepted into the freshman class will be matriculated until after he has passed one year in public service. I say public service because if the plan were very widely adopted, there would be more young help available than could be absorbed in the nursing homes alone. There are many other ways in which the young could be used. As guards in the grade schools, just to give a single example (there are 1,700 auxiliaries in the New York schools alone), but for convenience I dwell on the care of the aged.

As regards the financing, it would be required only that the government exclude this category of volunteers from the provisions of the minimum wage. Otherwise the economic advantage would substantially dissipate. The nursing homes would of course provide board and pocket money (mostly, the volunteers could continue to live at home). In the unusual case where the 18-year-old is helping to support his own family, the college could either suspend the requirement or concert with foundations to find ways to permit the young volunteers to eke out the year.

The colleges would take the position that they desire, in matriculating freshmen, an earnest of public concern, and extra-academic experience of a useful kind. The intervention of hundreds of thousands of 18-year-olds into the lives of the aged would serve more than merely the obvious purposes of cleaning the rooms and pushing the wheelchairs and washing the dishes. It would mean, for the aged, continuing contact with young spirited people in their most effusive years.

For the youth it would mean several things. It would postpone by a year their matriculation at college. College administrators are all but unanimous in their conviction that an older student, one year, rather than freshly graduated, from high school gets more out of college. The experience would, moreover, interrupt the inertial commitment to more-and-more education, and some of the less strongly motivated, the rhythm having been broken, would probably elect not to go on to college.

The experience—particularly because of the voluntary aspect of it—would remind young people at an impressionable age of the nature of genuine, humanitarian service, which is the disinterested personal art of kindness, administered by one individual directly to another individual. And the experience would touch the young, temperamentally impatient with any thought of the other end of the life cycle, with the reality of old age; with the human side of the detritus whose ecological counterparts have almost exclusively occupied fashionable attention in recent years. Their capacity to give pleasure to others, without the stimulant of sex, or the pressure of the peer group, or the sense of family obligation, or the lure of economic reward, could not help but reinforce the best instincts of American youth, and these instincts are unstimulated at our peril.

What it might provide for society as a whole, this union of young and old, is, just possibly, the reestablishment of a lost circuit: of spirit, and affection, and understanding.

NEEDED REFORMS IN OUR HEALTH CARE SYSTEM

Mr. HUMPHREY. Mr. President, the urgent need for health care reform in America is evident to all of us in Congress. It is time that all Americans, regardless of ability to pay or geographic location, should be able to obtain adequate medical care.

The tremendous advances in medical technology must be made available to all of our citizens. We must not continue to allow spiraling health care costs to outprice good health care. We must protect Americans from the financial ruin all too often associated with a major illness.

Recently, I had the distinct privilege to address the graduating class of Hennepin County School of Nursing in Minneapolis about the health care situation in America, and I would like to share these thoughts with my colleagues.

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

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

REMARKS BY SENATOR HUBERT H. HUMPHREY

Nothing could please me more than to be here with you on this most important day. I would like to thank William Kreykes and the Hennepin County General Hospital School of Nursing for extending their gracious invitation to me.

All of you are entering a crucially important field in which there is a tremendous need for more personnel. Hennepin County General Hospital has done an outstanding job of training you, and I am saddened that you will be its last graduating class.

I understand that since this program's inception in 1947, seven hundred and six nurses, including yourselves, will have received diplomas. Of course, clinical experience for students from other institutions still will be learned at Hennepin for collegiate-based associate degrees and baccalaureate degree programs. For this we are grateful.

The shortage of trained nurses becomes more crucial every year. This shortage ex-

tends through Minnesota and the whole country. In fact, the latest Health, Education and Welfare statistics show that we need 157,000 registered nurses. This acute nursing shortage will affect you as soon as you start working, as it adversely affects the entire health care delivery system.

There are nearly 20,000 registered nurses here in Minnesota, over 6,000 licensed practical nurses and almost 12,500 nursing aides and orderlies. One-third of these are meeting patients' needs in our hospitals.

Nurses perform an invaluable service to those who need medical assistance. With all the furor about health care these days, more of us should realize that nurses have a very crucial role to play in utilizing services. Forty-six percent of all health care personnel—by far the largest component of the nation's health manpower—are made up of nurses' aides and orderlies.

You are called upon daily to administer and assist with the latest breakthroughs in medical technology, while remaining a compassionate and calm human being, sometimes in the face of great pressure and tragedy.

Tremendous strides have been made through the efforts of dedicated health professionals like yourselves in prevention and treatment of illness, injury, and disability. Despite this, and despite the fact that many Americans receive excellent health care at prices they can afford, far too many of our people remain outside or on the periphery of our nation's health care system.

The best medical care America presently has to offer may still be the best in the world. Why do you think so many ailing kings and potentates frequently come to our famous medical centers? Yet many of the standard health statistics comparing the United States with other industrialized nations suggest that something is very much amiss.

Why do we rank 15th in infant mortality? Why do we rank 12th in life expectancy among females and 27th among males?

A single example will highlight the mortal meaning of these figures. If the U.S. infant death rate last year had been proportional to Sweden's, 50,000 fewer babies would have died in this country.

Such figures tell us much about our peculiarly destructive way of life—our dietary habits, our air pollution, our lack of regular exercise, our emotional pressures.

But by now nearly everyone recognizes that the system itself is also to blame.

A large portion of Americans are saying that medical services are unaffordable or unobtainable, and that the practitioners are frequently unaccountable.

Americans are disturbed with the cost of health care. In 1973, $441.00 was paid out for health services for every man, woman, and child in this nation—over 91.4 billion dollars, and fully 7.7 percent of our entire Gross National Product. Medical costs rose more than 81 percent from 1960 through February, 1974, over one-third faster than the rise in consumer prices as a whole.

The staggering increases in the cost of medical care, and the failure of public and private health programs to keep up with them, has caused great hardship for millions of Americans. Health insurance today covers only 37 percent of each consumer dollar spent on medical care in the country. The remainder must come out of his or her pocket.

Another disturbing fact is the continuing critical health manpower shortage in our country.

Unbelievable as it is, many central city and rural areas in the United States have fewer doctors and nurses per person than many Latin American countries, and some doctor-to-people ratios in these areas are comparable to those found in India and Bangladesh.

Doctors, like all entrepreneurs, tend to cluster where the money is, therefore shortchanging large areas in America. The state of Mississippi, for instance, has only 82 physicians for every 100,000 persons, compared to 371 physicians for every 100,000 in Washington, D.C. At last count, some 5,000 towns in 130 counties throughout the nation had no doctor at all.

A 1965 study of 1,500 towns and cities in the upper-Midwest found two-thirds of those communities doctorless; 200 other cities were down to only one doctor, and more often than not he was in his 60s or 70s.

The pattern is repeated in countless urban ghettoes. Albuquerque has 250 physicians per 100,000 population overall, but its Chicano and Indian section has only three physicians per 200,000. Boston's Roxbury district hasn't a single pediatrician. Washington Park, another huge Boston ghetto, has just seven doctors, and their average age is 66.

More must be done to correct these intolerable inequities.

We cannot continue to accept the rationalization of this situation as an unfortunate by-product of free enterprise.

Because of the continuing health care manpower shortages and maldistribution, increasing numbers of nurses are assuming broader roles in health care. Nurses are assuming greater responsibilities in community mental health centers, school needs, home health needs, in maternal and child health, and in the care of the chronically ill.

With this in mind, I would like to tell you briefly about two areas of special concern to me, and in which I have proposed specific care of the chronically ill.

Even more serious than the general shortage and maldistribution of medical manpower is the critical scarcity of medical personnel providing primary health care to children.

More than 1,600 counties with over 23 million people do not have a single active resident pediatrician.

It was very disturbing for me to learn just how many children either have not visited a physician or do so far too infrequently to receive adequate health care.

A recent study revealed that 18.7 percent of all children up to 5 years old and 39.2 percent of the children 6 to 16 years of age had not seen a physician in the year prior to the study.

Obviously something needs to be done to improve the access to good health care for our children.

I have introduced the Child and Maternal Health Care Extension Act to help solve this serious problem.

It would signal the initiation of a new child and maternal health care policy for the United States. It would authorize a program guaranteeing that all infants, children, and pregnant women without regard to their place of residence or family income, will have equal access to medical diagnosis, screening, and comprehensive medical care.

Among other things this bill would:

Establish mobile health care facilities in physician shortage counties across the nation;

Authorize an extensive program of grants to institutions of higher learning, specifically for the training of pediatric nurse practitioners; and

Provide a number of new programs to assure that children suffering from life-threatening and catastrophic illnesses will receive needed medical care, regardless of their parents' income.

A second area demanding urgent attention is the treatment of the chronically ill.

Today, over 700,000 Americans are long-term hospital patients, and over one million more are patients in nursing homes. In addition, almost 20 million people who are not in institutions have disabilities severe enough to restrict or prohibit major activities.

At present, we do not have a comprehensive, humane, and cost-effective system to meet the health care needs of chronically ill or disabled persons. Such a system must be developed in fairness to these people and in order to remove a severe burden from our hospital facilities.

For this reason, I have proposed enactment of the National Chronicare Demonstration Center Act of 1974.

Basically, this proposal would provide grants for the development of programs offering a comprehensive range of services to the chronically ill residents of areas with different needs and health care capabilities.

More specifically, HEW would make grants to a limited number of community chronicare health centers serving rural, suburban, and urban populations. These projects would then be closely monitored and evaluated for the lessons they might provide for other similar communities.

I believe we need this legislation and the answers it can provide. And we need the answers just as soon as it is possible to get them.

There is another pressing issue affecting nurses and facing Congress this month, the Public Health Service Act. The Public Health Service Act authorizations originally were supposed to expire on June 30, 1973, but were extended another fiscal year until June 30, 1974. Therefore, well over a dozen major Federal health programs are due to expire this month.

Although there has been major legislation introduced to extend these programs—most notably by Congressman Rogers in the House and Senator Kennedy in the Senate—nothing substantive has been signed into law yet. Many of these programs directly affect the nursing professions and provide a substantial Federal financial input into our health care system.

I would like to mention one provision which is of direct concern to me and should be of concern to you. Title VIII of the Public Health Service Act is of crucial importance to nurses.

Its provisions are designed to meet some of the most pressing needs in nursing, including the need for more nurses, more teachers in schools of nursing, education programs to expand the qualifications of nurses for primary care responsibilities, and accelerated activity to recruit persons with nursing potential into the profession.

Some of you here today have received your training through courses provided under Title VIII. The accelerated courses especially were designed to allow an individual to receive his or her accreditation with the least possible financial burden and in the least amount of time.

This program needs to be continued. Last year's budget request by the Administration proposed to cut back on this important health program. This year's request is more frugal and stringent than last year. Congress must keep on the vanguard and press for adequate funding for the medical professions and especially the nursing profession.

I will fight with all my power to prevent a further erosion in health programs such as Title VIII by an indifferent Administration.

Finally, I would like to discuss with you briefly one of the most important issues facing Congress and America today—national health insurance.

The urgent need for reform is evident to all of us.

It is time that all Americans, regardless of ability to pay or geographic location, are able to obtain adequate medical care.

I have been attempting to deal with this most urgent health need of our population for 25 years.

In 1949, I introduced my first health insurance bill in the Senate. Finally, in 1964, a

revised version of that legislation was enacted as the Medicare program.

Medicare, and now the Medicaid health program, have enabled those most in need of assistance—the elderly and the poor—to obtain some health care. But the average Medicare patient now pays more out-of-pocket expenditures for health care than he did before the inception of the program.

Many poor persons and the aged are unable to meet either the Federal or State eligibility requirements for these medical insurance programs. For a person on the Medicaid rolls, the State of residence is the single most important factor determining the scope of coverage to which he is entitled. While some States have generous benefits packages and eligibility criteria, other poorer states offer a more limited scope of services and have restricted the size of their Medicaid population.

The time for reform is now, not only for the elderly and the poor, but for all of our citizens.

I want you to know that I support the enactment of a comprehensive national health insurance plan as I did over 25 years ago.

The Senate now has before it three proposals which are providing the basis for the health insurance debate. These are the Kennedy-Mills bill, the Administration proposal and the Long-Ribicoff bill.

No one can predict today the exact details of the national health insurance plan that will be enacted. But one thing is certain: We will have a national health insurance program that goes well beyond anything the government has done in the health field in the past—and we will have it soon.

I hope its basic features will be the result of counsel and advice from professionals in the health care field, like you of this graduating class.

Whatever plan is adopted it must conform with three basic principles:

1. That every American must be treated equally in having access to quality health care.

2. That comprehensive health care services must be readily available at the lowest possible cost.

3. That government has a direct responsibility in seeing to it that these services will be provided and that these objectives will be met.

In conclusion, let me emphasize that we really need the help of medical professionals like you. I am proud of your successes here at Hennepin—you are an important part of America's health service. I hope you keep in mind that adequate health care is a right of every American and that you play a crucial role in making sure that Americans receive the best possible health care.

In your professional work in the coming years, I ask all of you to keep in mind the wisdom of the old proverb which says:

"He who has health, has hope.
He who has hope, has everything."

DEVELOPING CONSENSUS ON CRIMINAL JUSTICE DATA BANK LEGISLATION

Mr. ERVIN. Mr. President, since January of 1974 the Constitutional Rights Subcommittee has been working on criminal justice data banks legislation. Hearings were held in March of this year on two bills: One, introduced by me, S. 2963, and the other introduced by Senator HRUSKA on behalf of the Justice Department, S. 2964. Since that time members of my staff, Senator HRUSKA's staff, and the Justice Department have been attempting to draft a compromise provision reflecting some of the ideas expressed at the subcommittee hearings, and taking into account the concerns expressed by FBI Director Kelley and other law enforcement officials.

I understand from members of my staff that negotiations have gone quite well. Two developments have come to my attention which suggest further support for some of the concepts contained in S. 2963 and S. 2964.

First is a resolution passed by the most recent National Governor's Conference in Seattle, Wash. The resolution urges enactment of Federal legislation containing many of the same elements as S. 2963 and S. 2964. I was pleased to note in the last sentence of the resolution that the Governor's Conference believes that any Federal legislative solution "should expressly provide for full participation by States in the development and promulgation of regulations and in the administration of the act."

S. 2963 would create a new Federal State Board for development of policy on criminal justice data banks which is entirely consistent with the conference's position.

Mr. President, I ask unanimous consent that the resolution be printed in the RECORD following my remarks.

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

(See exhibit 1.)

Mr. ERVIN. Mr. President, on June 10 of this year the FBI promulgated a new policy regulating the dissemination of arrest records to banks and other noncriminal justice agencies.

Effective July 1 of this year the FBI will only disseminate records to noncriminal justice agencies if the arrests appearing on the record contain a final disposition. The only exception to this rule would be records indicating an arrest which is less than 1 year old. This policy is a recognition by the Bureau that dissemination of incomplete arrest records could be prejudicial to persons applying for jobs or licenses. This is only one more indication of Director Kelley's efforts to attempt to protect the rights and reputations of innocent persons whose records are maintained by the FBI. Although the policy does not go quite as far as S. 2963, I do believe the Bureau should be congratulated on its efforts. I believe that only conviction records should be made available to noncriminal justice agencies except perhaps in circumstances where a charge is still pending for less than a year. However I do believe that this policy is an important new development. I ask unanimous consent, Mr. President, that the Director's letter to all fingerprint contributors be printed in the RECORD at this time.

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

U.S. DEPARTMENT OF JUSTICE,
FEDERAL BUREAU OF INVESTIGATION,
Washington, D.C. June 10, 1974.

LETTER TO ALL FINGERPRINT CONTRIBUTORS

Re FBI identification services

NON-FEDERAL APPLICANT FINGERPRINT PROGRAM
CHANGE IN DISSEMINATION POLICY

DEAR SIR: My associates in the FBI and I are dedicated to the continuance of our identification services to our fingerprint contributors. At the same time we recognize our responsibility to insure that arrest information is disseminated under procedures which will minimize possible inequities and will be fair to everyone concerned. It is my strong conviction that arrest information in our Identification Division files should be made available to law enforcement agencies for law enforcement purposes without restriction. There will be no change in our dissemination procedures for law enforcement purposes. We have concluded, however, that because of recent court cases, pending Federal legislation, and as a result of our own experience that a change is imperative with reference to the dissemination of arrest information disseminated in connection with fingerprints processed for Federally chartered or insured banking institutions and for state and local agencies for employment and licensing purposes, pursuant to Public Law 92–544. Therefore, effective July 1, 1974, the following new procedure will be implemented, but I want to assure you that this change in our policy is designed to insure our continued service to our fingerprint contributors and should not be interpreted in any way as an indication that the FBI is critical of any local agency's practices.

Under the new procedure only arrest information accompanied by final dispositional data will be disseminated unless the arrest is less than one year old. This one-year provision is necessary because of the time involved in the adjudication of some offenses. This procedural change will modify the current policy of disseminating all arrest information for employment and licensing purposes and result in the discontinuance of disseminating arrest data more than one year old not accompanied by dispositions for these purposes.

Fingerprint cards processed by the FBI Identification Division under the above procedure for which no prior arrest record is located or for which a record is located containing arrests more than one year old without reported dispositions will be returned to the contributors stamped "No Arrest Record Meeting FBI Dissemination Criteria." If a record is located meeting the dissemination criteria, it will be stamped "Arrest Record Meeting FBI Dissemination Criteria," attached to the fingerprint card and returned to the contributor.

All arrest data in the FBI identification files will continue to be furnished in response to other fingerprint submissions, including those submissions for employment with law enforcement agencies and correctional institutions. Notice of this policy change is being furnished to you in advance of its announcement to the public which I intend to make on or about June 24, 1974, followed by publication in the Federal Register.

For your information, final disposition reports are being received at the highest rate ever. Current submissions total some 10,000 more each month than in 1971. This response indicates the awareness of the contributors to the need for complete identification records and we solicit your cooperation and attention in promptly furnishing all arrest dispositions as such records become available.

Very truly yours,

CLARENCE M. KELLEY,
Director.

EXHIBIT 1

RESOLUTION OF THE 1974 NATIONAL GOVERNOR'S CONFERENCE

CRIMINAL JUSTICE INFORMATION SYSTEMS

Recognizing that certain basic standards are needed to assure the confidentiality and security of criminal history data, the National Governors' Conference urges development of legislation establishing minimum standards for the development, structure and operation of criminal justice data systems. The legislation should define the kind of information to be contained in the system,

provide for the inclusion of dispositional data, opportunity for review and expungement of outdated or inaccurate data and sanctions for the misuse of confidential information. Access to individually identifiable information should be strictly limited. States should, however, be permitted to exceed such minimum standards through their own legislation and to have such standards prevail over less restrictive federal or sister state standards.

In the case of automated data systems, States should be permitted to determine whether information should be stored in a shared or dedicated facility.

Any federal legislation pertaining to the privacy and security of criminal justice data should expressly provide for full participation by States in the development and promulgation of regulations and in the administration of the act.

THIS NATION HAS NO ECONOMIC POLICY

Mr. METZENBAUM. Mr. President, in a statement I made before the Senate Democratic Policy Committee on Tuesday, June 25, I pointed out that this Nation lacks Executive leadership on three urgent and related issues—the vast flow of capital to the oil-producing nations of the Middle East, the deepening crisis of the American economy, and the worldwide shortage of food.

I expressed my central concern in that statement in this way:

Most disturbing of all is the fact that we can no longer look to the White House for leadership in coping with matters of such magnitude. We are afflicted with a preoccupied President who is unable to offer the nation guidance on many urgent issues. This Administration has no meaningful program to deal with any one of the three problems I have mentioned.

An excellent example of the lack of Executive direction on economic matters appears before us today.

This morning the President sent me and 54 other Senators a copy of a letter addressed to our distinguished colleague from Oklahoma, Senator BARTLETT, in response to a letter we 55 Senators had addressed to him relative to balancing the Federal budget. Mr. Nixon's essential purpose in his reply is to lay blame on the Congress for the fact that the budget is out of balance.

Mr. Nixon then throws in a suggestion on taxes, as follows:

I would also take this occasion to strongly urge the Congress not to vote tax reductions. Such action would simply create an additional imbalance in the budget.

Now you would think since Mr. Nixon said it, that more or less commits the administration to a position of opposition to tax cuts.

But not necessarily. Today, the Washington Post carries this front-page headline: "U.S. Studying Tax Cuts for Business." The story beneath the headline begins with this paragraph:

Treasury Secretary William E. Simon said yesterday the Nixon administration is "taking a careful look at the idea" of tax cuts for business as a way of stimulating needed new investment and greater economic growth.

Mr. President, I happen to believe we need a tax cut in order to head off the threat of further economic decline later this year. I have introduced legislation which would give each taxpayer a choice of taking either the current personal exemption—$750—for Federal income tax purposes, or claiming a personal tax credit of $250. That is clearly not the kind of tax cut Mr. Simon is currently "taking a careful look at." But that is beside the point.

The point is this: On June 24, the President of the United States made a flat, unequivocal statement. He asked the Congress not to vote for any tax reductions whatever. Two days later, on June 26, the Secretary of the Treasury, who works for that same President, says that maybe a tax cut—for business—is something we ought to consider seriously.

Inconsistencies of this sort occur virtually every day in the statements of officials of this administration. What to do about taxes is at the very heart of what can be done to salvage the economy. Yet this administration seems so little concerned with a serious and coherent effort to define economic policy, that they permit two contradictory statements on basic tax policy to be issued virtually simultaneously.

I believe the Nation deserves better leadership on economic matters. I believe that leadership can and must come from the Congress.

THE NEED FOR SCIENTIFIC LEADERSHIP

Mr. McINTYRE. Mr. President, I have been concerned for some time about the actions taken by the administration to downgrade the role the scientists historically have played in helping to keep our country in the forefront of science and technology.

The President abolished his Science Advisory Committee about a year and a half ago and assigned the responsibility of science adviser to the Dr. Guy Stever who heads the National Science Foundation.

I was apprehensive about that action when it was taken, and my concern was rekindled this morning when I read an article by Thomas O'Toole printed on page A28 of the Washington Post titled "White House Panel Urged by Scientists." I ask unanimous consent that this article be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. McINTYRE. Mr. President, the danger that we may lose our leadership in world science and technology is real. This leadership is not only vital to our economic and social well-being but, perhaps more importantly, it is critical to our national security. And this message has been repeatedly and emphatically delivered during my years as chairman of the Armed Services Subcommittee on Research and Development.

I frankly do not understand why the President eliminated his science advisers, although the article speculates that it may have been because the White House resented the opposition of our scientists to the Vietnam war and to the supersonic transport or SST which was killed.

Whatever the reason, something must be done to reestablish the scientific function in the White House and to convince the President of its importance. But this alone would be nothing more than lipservice if he did not really use these advisers.

I have not yet seen the 73-page report of the blue-ribbon panel of scientists mentioned in the article. However, I intend to review it and recommend that my colleagues do the same.

To sum up, Mr. President, I hope that my colleagues in the Senate and the House, the various responsible committees of Congress, the various departments of the Government, industry, and the scientific community will join with me and make their voices heard in the White House. This is a serious matter which requires urgent attention.

EXHIBIT 1

WHITE HOUSE PANEL URGED BY SCIENTISTS

(By Thomas O'Toole)

A blue-ribbon panel of American scientists recommended yesterday that the White House create a staff of scientific advisers similar in size, scope and power to the Council of Economic Advisers.

More or less concluding that the demise of the White House Science Advisory Committee was an unwise move last year, the panel of 13 scientists urged President Nixon to consider a new White House role for American scientists. The panel came out strongly in support of a Council for Science and Technology made up of at least three full-time members.

"The panel has reached the conclusion that science and technology can fully serve the federal government only if adequate means are included within the staff structure of the Executive Office of the President to provide a source of scientific and technological analysis and judgment," its 73-page report said.

Pointing out that the United States faces the threat of worldwide drought and famine as well as an on-going energy crisis, the scientists concluded that a White House science council could provide the advice and early warnings necessary to deal with these problems.

"We'll be in the eye of a lot of hurricanes," said panel chairman James R. Killian, one-time science adviser to President Eisenhower and now Honorary Chairman of Massachusetts Institute of Technology. "It is important that the White House get the right kinds of advice for coping with those hurricanes."

Killian chaired a panel that included Nobel Prize winner Charles Townes, Polaroid president Edwin Land, Bell Telephone Laboratories chairman James Fisk and former IBM chief scientist Emanuel Piore. The panel was supported by the National Academy of Sciences, which sent its report to the White House and Congress.

The panel said it debated alternatives to the three-man White House council, but concluded none was as good. Panel members said they "viewed with admiration" the efforts of National Science Foundation Director Guy Stever to advise the President, but "concluded this arrangement is inherently unsatisfactory and insufficient."

The White House gave the assignment of science adviser to Stever when it abolished the Science Advisory Committee a year and a half ago. It is understood that Stever has had little access to the White House, and in fact has not seen the President in some months.

President Eisenhower created the Science Advisory Committee after the Soviet Union orbited the first satellite in 1957. It had served three Presidents listing as its major

achievements the killing of such bad weapons programs as the nuclear bomber and advocating the Apollo program to put men on the moon.

Just why President Nixon chose to do away with his science advisers remains something of a mystery, although it is understood there was strong White House resentment of many university advisers who were preaching so loudly against the Vietnam war. Also, the White House looked with strong disfavor on scientific opposition to the supersonic transport, which many White House aides believed helped to kill the SST project.

TAX CREDITS AND NATIONAL HEALTH INSURANCE

Mr. HANSEN. Mr. President, my good friend, Senator WILLIAM BROCK, has recently introduced a bill that carries a unique approach to the question of national health insurance. He proposes that a tax credit for health costs be made available to persons for payment of medical bills.

His idea appears to be a good one, and is a realistic and substantive approach to the problem of rising health costs.

As far as I can determine, a major reason for rising medical costs has been the prepaid insurance concept that is almost universal. A person with such an insurance policy sees no large out-of-pocket initial expenditures when he seeks health care. The doctor realizes this also; the psychological orientation to cost-consciousness is lessened and "all services necessary" are unquestionably ordered. The cost-plus retrospective reimbursement procedures embodied in many such plans and in medicare and medicaid have encouraged liberalized utilization and prescription of health services. This has caused a sharp increase in demand not fully compensated by a corresponding increase in supply. Costs have inevitably risen.

If the tax credit for health costs could be applied to medical expenses, on a retrospective, reimbursement basis, as well as to the purchase of insurance policies, this problem would be partially dealt with. Cost-consciousness would be encouraged if the actual payment of the bill remained in the patient's hands.

I ask unanimous consent that an article by Senator BROCK as printed in the National Review be printed in the RECORD.

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

[From the National Review]

A PROPOSAL—NATIONAL HEALTH INSURANCE MADE EASY

(By Senator WILLIAM E. BROCK)

During the next few years, there will be much debate over the appropriateness of having the Federal Government provide health insurance to all Americans. The debate will founder and sputter at times, grow heated and emotional at times, not over the central issue of whether this is properly a task of government, but over the confusing multiplicity of plans offered. At least six major plans are under serious consideration.

Let's put aside the very important question of whether government should be involved and discuss the essential preliminary question of the criteria for a sound governmental plan. Any health plan should have at least the following five characteristics:

1. It should be simple.
2. It should work for all the people, including those unable to compete in the labor market.
3. It should operate so as to minimize administrative and overhead costs.
4. It should be efficient, should get the most for the actuarial costs.
5. It should not add a gross burden to the taxpayer.

Of the major plans now being suggested, none meets more than three of the criteria. Here is the skeleton of my proposal and an examination of it with reference to each criterion. I leave the most difficult, but most important, part of the analysis to the last.

My plan would be administered through the Internal Revenue Service. In essence, four lines would be added to the annual personal income tax form:

A. Annual medical expense _____
B. 10 per cent of Adjusted Gross Income _____
C. If A exceeds B, subtract B from A _____
D. Take 90 per cent of C _____

The amount shown on line D would be refunded to the taxpayer. The net annual real cost to him would be line A minus line D.

HOW DOES IT STAND UP?

How does my plan stand up against the five criteria mentioned above?

1. That the plan is simple need not be discussed at any length. Just compare this with any of the alternatives. Obviously, the definition of what constitutes medical expenses is difficult, e.g., should dental or psychiatric care be included? But this would be equally true of any plan.

2. Two problems, arise in making the plan workable for those unable to participate in the labor market. First, they will not ordinarily file an income tax return. Second, heavy medical expenses arising in say, January would not be refunded for a year, and the medical facilities should not have to wait that long to get their money. These difficulties can be handled very easily

Everyone who has medical expenses would file a return. Since line B would equal zero for those who would not otherwise file, a simple 90 per cent refund would be made on all medical expenses. Second, if expenses were heavy early in the year, a quarterly report would be filed just as some people now file a quarterly report of estimated income.

It may seem that even 10 per cent of medical expenses could be a burden to a family below the poverty level. For example, a family with an income of $3,000 annually and medical expenses of $5,000 would still have to pay $770 out of pocket. We will return to this point.

3. That the plan would not be excessively expensive administratively is also clear. Paper work for physicians would decline from present levels. Most people would not be involved in any given year since health expenses rarely exceed 10 per cent of income. Consequently, the physicians would merely bill patients as usual. Among those who are involved, only a portion would have their expenses questioned; consequently, only for these would physicians have to make out any report.

The administrative work for individuals would also be minimal. They would collect their medical bills and submit copies with their tax returns. There would be no additional forms to prepare. The IRS would assume a new responsibility, but a relatively simple one. In addition to checking arithmetic they would contact those health facilities whose bills were questionable. No new administrative office need be established.

4. The fourth criterion is complex. We must explain precisely what constitutes efficiency in this case. What, in effect, does it mean to get the most for the actuarial cost? To understand this concept, I turn to the Nobel Prize winning economist Kenneth J. Arrow. Here is a simplified account of his analysis.

People desire insurance because they dislike gambling. We can put this in stark mathematical terms. Suppose an individual has the option of playing a game or not playing. If he does not play, he will receive $100. If he plays and wins he will receive $110. If he plays and loses he will receive $90. The odds on winning or losing are 50–50, which is to say, even.

People who don't like to gamble won't play. They are said to be risk averse. They prefer getting $100 for sure to the gamble of getting either $110 or $90. As the stakes increase, the dislike of the gamble increases for these risk averse people. They *greatly* prefer getting $100 to the game in which winning yields $200 and losing yields nothing.

Now let's get back to our health insurance plan and compare it to an actuarially identical plan which pays the insured on a different basis. (An actuarial cost equals the number of people covered by a plan multiplied by the average payment to each person.)

Suppose that the average medical expense is $200 for families whose annual income is $1,000. For our plan, Plan X, lines A, B, and C would look like this:

A. Annual medical expense	$200
B. 10 per cent of Adjusted Gross Income	100
C. Subtract B from A	100

If line D were 100 per cent the insured would receive a $100 refund. For the sake of exposition, we temporarily assume D to be 100 per cent.

Consider an alternative plan. Plan Y, which pays the insured 50 percent of all covered medical expense. (This may seem appealing at first since it begins to pay with the first dollar of medical expense.) Since the average expense is $200, half of that is $100. The average insured receives the same under both plans.

But ordinarily a family will have expenses greater or less than the average. Consider two possibilities, that expenses come to $220, and that they come to $180. In the first instance, under Plan X, the tax return would read:

A. Annual medical expense	$220
B. 10 percent of Adjusted Gross Income	100
C. Subtract B from A	120

The family gets $120 in refund. The final cost then is $100 (A minus C). Under the 50 percent plan (Plan Y), the family gets $110 in refund and the final cost is $110. Clearly, the family is better off under Plan X.

Of course the other possibility, that the expense is $180, has the opposite result. Plan X still yields a final cost after refunding of $100. But the 50 percent Plan Y yields $90 as the final cost.

By the very nature of the problem, a family does not know what the outcome will be. But under our plan, no matter what the expense, the final cost comes to $100. Under the alternative plan, the expense may be more or less. As we saw, those who are risk averse, who prefer insuring to gambling, must prefer our plan precisely because the risk or gamble is minimized. And this is the reason for insuring at all. We have the following necessary conclusion: Plan X is preferred to Plan Y for exactly the same reason that people prefer having insurance to not having insurance. If you prefer having insurance to not having insurance, you prefer our plan to any other.

5. The reader will notice that we have ignored line D of our original plan. That line calls for refunding only 90 per cent of the expenses of line C, not the 100 per cent we have just assumed in the example. In fact, if we were considering only the first four criteria for a health insurance plan, the 100 per

cent refund would be ideal. But we must consider the fifth criterion as well: we do not want a plan that will add a gross burden to the taxpayer.

With a 100 per cent refund, any family whose medical costs equaled or exceeded 10 per cent of its income would have no motive not to incur additional, unnecessary medical expenses ad infinitum. Health facilities are a scarce resource and profligate use of them will drive their costs upward. People in acute need of medical attention would find long lines of patients who have no real need barring their way.

Recognizing this, we must point out that those who provide the insurance, the taxpayers, are also risk averse. They cannot afford the risk of huge medical expenses eating up their taxes and their incomes. By imposing the 90 per cent limit on medical insurance, this risk is effectively neutralized. As an example, a family earning $20,000 annually that incurs a $10,000 annual medical expense will pay $2,000 (10 per cent of $20,000) plus $800 (10 per cent of the remaining $8,000), for a total cost of $2,800. Such a family would not lightly incur further costs unnecessarily given even a 10 per cent real burden. I.e., an additional $500 in medical expenses would cost the family $50 more.

The choice of 90 per cent rather than 95 per cent or 80 per cent is to a degree arbitrary. The figure must be low enough to prevent vast waste of medical resources. It would be totally self-defeating to have a plan which so clogged waiting lines in hospitals and physicians' offices that those critically in need of medical service were denied. It is for this reason that even the poor must be forced to pay for some small portion of their medical expenses. The only alternative would be effectively to destroy equity in the provision of a vital service.

Given the 90 per cent rule, the estimated cost to the taxpayer would be held to an additional 2 per cent of national income. That cost would be less were the 90 per cent reduced, but that would then operate so as to eliminate the basic advantage of the plan. Exactly how the 2 per cent would be raised remains an unresolved issue. The cost could be equally divided between employees and employers, or by any number of other devices. It is a secondary issue and could be managed in any number of ways. The important criteria again are simplicity, efficiency, and equity.

I have no high hopes that this analysis, as simple and as convincing as it seems to me, will end the debate. Political processes are not in all ways logical. But the burden of proof is now on those who offer complex and analytically muddled plans to rethink their case. Rethink, not emote.

Insuring against above-average medical expenses

Plan X: Deduct 10% of income

Plan Y: Deduct 50% of expenses

	X	Y
Above average:		
Annual medical expenses	$220	$220
Less deduction	100	110
Insurance pays	120	110
Average:		
Annual medical expenses	200	200
Less deduction	100	100
Insurance pays	100	100
Below average:		
Annual medical expenses	180	180
Less deduction	100	90
Insurance pays	80	90

REPRESSION OF SOVIET JEWS

Mr. TUNNEY. Mr. President, I am shocked and outraged by the widespread repressive measures which the Soviet officials have been taking against Soviet Jews to prepare their "welcome" for President Nixon. In the past few days, over 50 Soviet Jews who have been seeking permission to emigrate have been arrested. Others have been called up for military duty, in order to take them away to a "safe" place during the visit of the President. Many Jews have been forced into hiding to avoid being arrested or shipped off to the military.

Soviet authorities fear that the presence of these Jews in public might call attention in the West to the unsolved problem of Soviet emigration practices about which the U.S. Congress and the American people have voiced deep concern. The Soviet officials prefer to keep these Jews in prison or in the military reserves during the President's visit so as not to remind the world that Soviet citizens are not free to exercise the internationally recognized human right to emigrate.

Some of the Jews arrested are Moscow scientists who have been waiting for years for permission to emigrate and who have been dismissed from their jobs for applying to leave. They, together with prominent scientists from various other countries, have planned an international scientific seminar, July 1–5, in Moscow, in order to provide the long-out-of-work Moscow Jewish scientists the opportunity for professional exchange with their peers. Soviet officials are trying to prevent this seminar from being held by imprisoning the Moscow scientists who are organizing the seminar and by trying to force them to withdraw their plans for the meeting.

One of those Moscow scientists arrested is Aleksander Luntz, a mathematician, with whom I spoke directly by phone only a few months ago and with whose plight I have been deeply concerned. During my conversation with Dr. Luntz, he told me:

> I want to tell you that all of us are being held hostage here. . . . We will not cease our struggle for our basic human rights, and to emigrate to Israel.

Today, Dr. Luntz is no longer simply a hostage within the U.S.S.R., unable to obtain an exit visa; he is a prisoner of the KGB, to insure his silence and invisibility during President Nixon's visit, and to force a halt to the seminar plans.

A similar series of arrests and military call-ups of Soviet Jews occurred before the President's last Moscow summit meeting in May 1972. This time, the officials' "protective roundup" is even more widespread and blatant. Reportedly, agents searching recently for one Soviet Jew told the man's brother that they had an order to hold him for 15 days, which would cover President Nixon's visit of June 27–July 3.

But arrests and persecution of Jews trying to leave the U.S.S.R. are not reserved exclusively for summit meetings. They are on-going. More than 30 Jews are languishing in Soviet prison camps, sentenced to long prison terms, for their efforts to emigrate to Israel. Late reports indicate more than 30 arrests in recent days in Moscow, an additional 17 in Kishinev, and detentions reported in Leningrad, Odessa, and Kiev. And the trial preparations continue. Events unthinkable under a judicial system such as ours are commonplace, everyday occurrences in the lives of Soviet Jews. Yuri and Anna Berkovsky of Novosibirsk, for example, whose only "crime" is that of seeking to emigrate, were arrested, subjected to police investigations, and now finally served with false criminal charges. It is expected that the Berkovskys will be brought to trial shortly to serve as a warning to other Jews from their city who may be thinking of applying to emigrate.

Are these actions by the Soviet authorities measures to inspire the confidence of the U.S. Congress and the American people in "détente"? If suppression of the rights of individuals is a necessary component of the new relationship between the United States and the U.S.S.R., we need to stop and rethink what the United States is attaining by pursuing a "détente" with the Soviet Union.

I am all for improved relations and eased tensions between our two countries, but such improved relations must include not only increased trade and economic exchanges, but also a guaranteed basic respect for the internationally recognized human rights and individual liberties of those within our countries' borders. The Soviet press gave widespread coverage to the remark made by President Nixon at the Naval Academy graduation in Annapolis, that emigration was an internal Soviet affair. This stance has apparently encouraged the Soviet authorities to continue and even to enlarge upon their crackdown on those Jews who have indicated a desire to emigrate. Clearly, the U.S. Congress and the American people are outraged and appalled at the policies being pursued within the Soviet Union, and we would not wish to give the Soviet Government the impression that the free world condones this blatant denial of basic human rights.

I urge the President and the Secretary of State to protest these arrests and violations of the rights of Soviet Jews, and to impress upon the Soviet officials the widespread American concern that they correct their repressive emigration practices before seeking further economic concessions from the United States. Therefore, I have joined with a number of my colleagues in the Senate to send a telegram to President Nixon, before his departure, to reiterate the importance which we place on this issue.

Mr. President, I ask unanimous consent to have the text of the telegram printed in the RECORD.

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

[Telegram]

DEAR MR. PRESIDENT: We are greatly concerned at reports of a Soviet round-up of dissidents and Jewish activists in preparation for your visit. This is an appalling beginning for a visit that is aimed at improving U.S.-Soviet relations and easing tensions.

We strongly urge you protest this action to Soviet leaders and publicly reject these repressive tactics. The argument in your Annapolis speech that so-called domestic affairs are beyond the reach of détente could give the Soviets the false impression that they can persecute minorities and dissidents with no adverse impact on American opinion and on support for détente. This is an additional

reason to put this issue high on your agenda in your talks with General Secretary Brezhnev.

THE HIGH PRICE OF FUEL

Mr. BIDEN. Mr. President, the high price of fuel is obviously a matter of major concern to every American family. A recent exchange between our colleague, the Senator from South Dakota (Mr. ABOUREZK), and the Rapid City, S. Dak., Journal outlines the sharp differences of opinion which exist on this issue.

I ask unanimous consent that the Journal article and the remarks of Senator ABOUREZK be printed in the RECORD.

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

[From the Rapid City (S. Dak.) Journal, June 12, 1974]

ROLLBACK OF FUEL PRICES WOULD BE COUNTERPRODUCTIVE

A bill to roll back the prices of crude oil has been introduced by Sen. James Abourezk.

Abourezk says the legislation would substantially reduce the cost of gasoline to the consumer and curb the "unconscionable" profits of the major oil companies.

While the Abourezk proposal appeals to the inflation-conscious consumer, we think a price rollback would be counterproductive to the long-term goal of solving the energy problem.

There are two fundamental questions that must be asked about any energy-related proposal. First, will the proposal encourage conservation of energy? Second, will it help to increase domestic energy supplies?

We do not see the Abourezk proposal eliciting an affirmative answer to either of these questions.

In the first place, higher gasoline prices have been a factor in reduced consumption which has enabled the nation to move from a crisis situation to ever-decreasing spot shortages. Lowering the price will not encourage the conservation which must continue.

Lowering gasoline prices will do nothing to increase domestic energy supplies. For this nation to become independent of foreign sources will require determination, tremendous physical and scientific effort and unprecedented capital expenditures.

A study by the First National Bank of Chicago estimates petroleum expenditures in the United States must total some $250 billion by 1985. To finance such expenditures, petroleum companies must increase their net income by some 15 to 21 per cent per year.

We see the Abourezk proposal as contributing to the climate of suspicion and hostility which has surrounded the nation's energy problem. While the criticism is directed at the oil industry it doesn't take much imagination to see it extending to all industry which could mean the end of the free market system.

To reinforce his proposal for an oil price rollback, Abourezk is seeking Senate support to block the confirmation of John Sawhill as federal energy administrator.

Sawhill has received high marks for his ability to function as energy administrator. His confirmation isn't in doubt. For that reason, Abourezk's opposition can be described by an expression the senator himself recently used—"a fairly empty threat."

U.S. SENATE,
Washington, D.C., June 20, 1794.

To the Editor:

On Thursday, June 12 the Rapid City Journal ran a major editorial arguing that fuel prices should *not* be rolled back. On the same day the same paper ran a front page headline that said, "Tourism lagging" and explained the lag by saying people are concerned with high fuel prices. It is difficult to believe the Journal could fail to grasp the obvious connection between these two items. The simple, hard fact is that tourism is suffering badly, primarily because of the sky high oil prices which the Journal supports.

If the arguments used by the Journal to back its support for high prices made sense, perhaps we might be willing to swallow hard and accept a bad tourist season as our contribution to meeting the energy crisis. But the Journal's arguments do not make good economic sense. In fact, they are nothing but warmed over oil industry advertisements.

HIGHER PRICES—LESS PRODUCTION

Consider the Journal's argument that oil prices must be kept high in order to insure expanded production. What are the facts? Domestic oil production has fallen by 314,000 barrels per day over the past year at the very same time that crude oil prices have doubled for old oil and tripled for new oil. Higher prices have resulted in less, not more production.

It is a fact that the oil industry's own National Petroleum Council said in 1972 that oil production would be stimulated to the maximum extent possible if crude oil prices reached $3.70 in 1970 dollars ($4.50 in 1974 dollars.) Crude oil prices are now at an average of $5.25 for old oil and $10.50 for new oil or an overall average of over $7.00 for each barrel used. Since we could get maximum feasible production for about $4.50 per barrel, why are we paying over $7.00 per barrel? Certainly not to increase production.

COUNCIL SHOWS NO JUSTIFICATION FOR INCREASE

It is a fact that previously secret Cost of Living Council documents show there was no justification for the last major domestic crude oil price increase in December, 1973. This price increase could not possibly increase production because old wells were already pumping at their maximum capacity, and for new well drilling there was, and is, not enough tubular steel or other materials available to drill wells any faster than they are already being drilled. This is mostly due to major oil company hoarding of supplies needed by smaller independents. Thus, to increase production, what we ought to be doing is breaking the monopoly power of big oil instead of rewarding them with unjustified price increases.

FREE MARKET SHOULD APPLY TO OIL

The Rapid City Journal also reflects the oil industry argument that any criticism of their industry means that the critic wants to bring an end to the free market system. Nonsense. How can you destroy the free market system in an industry where there has been no true free market for years?—an industry where 93% of all domestic oil reserves are owned by only twenty major companies—an industry that the Federal Trade Commission said engages in "monopolistic" and "anti-competitive" practices.

You can't destroy something that doesn't exist. But what you can do is try to create free enterprise and a free market by breaking up the giant oil companies.

I share the Rapid City Journal's admiration for the free market system.

The Journal ought to advocate giving that system a try in the oil industry. If they did they might find there would be a lot more oil around at a much more reasonable price.

HIGH GAS PRICES HURT AVERAGE CITIZEN

The Journal might also do well to reconsider another argument they use to support high gas prices. They say high prices conserve fuel by forcing people not to buy it. Judging by the empty tourist establishments they are right.

But what the Journal fails to mention is that conservation achieved through 55 or 65-cent gas puts the whole burden on lower and average income families. While a U.S. Senator or a Rapid City Journal editor can travel all he likes on 55-cent gas, a Senator's secretary or a Journal printer is forced to stay home.

This is obviously unfair. It is also not a very effective way to save energy in the long run. Much more fair and more effective are conservation practices which permit everyone to save energy while going about their normal daily business. Cars built to obtain good mileage, industrial processes designed to save rather than waste energy, increased usage of mass transit, construction of homes and buildings made to save on heating, and the fastest possible movement toward use of solar, wind, and other inexhaustible energy sources are all steps that can help meet our energy crisis without imposing unequal and unfair burdens on those who do not happen to be wealthy.

ROLLBACK IS IN PUBLIC INTEREST

The Rapid City Journal is entitled to its belief that gas prices should stay high. That opinion is shared by the oil industry and it is an opinion that has powerful support from President Nixon, and from John Sawhill, Nixon's nominee for head of the Federal Energy Administration.

But, as South Dakota's Senator, I am also entitled to my opinion. I believe high oil prices are extremely damaging to South Dakota. I have opposed Mr. Sawhill because I believe his view, along with that of President Nixon and of the Rapid City Journal, is not in the public interest.

I think it would be interesting to hear from the public on this matter. I hope you will send any thoughts you may have both to me and to the Rapid City Journal.

Sincerely,

JAMES ABOUREZK,
U.S. Senate.

TESTIMONY ON SOLAR ENERGY RESEARCH ACT OF 1974

Mr. HUMPHREY. Mr. President, this morning I had the privilege of testifying before the Senate Interior Committee on my proposal for a much expanded program of solar energy research and development.

This legislation, S. 3234—the Solar Energy Research Act of 1974, would authorize a $600 million, 5-year program with a central organizational focus for all the Government's solar work in the Energy Research and Development Administration.

I am pleased to see the growing interest in the Interior Committee, in the Congress, and in the country as a whole, in launching a major solar energy research and development initiative.

In my testimony this morning I observed how impressive it would have been if President Nixon had been in a position to announce a major agreement to provide the Egyptians with solar energy technology rather than nuclear reactors.

Mr. President, I ask unanimous consent that my testimony this morning, be printed in the RECORD.

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

TESTIMONY OF SENATOR HUBERT H. HUMPHREY

Mr. Chairman, I am pleased to testify on S. 3234, the Solar Energy Research Act of 1974, which I authored. I am gratified that the Committee will devote a full day and hear a number of outstanding witnesses testify on

my proposals for an expanded program of solar energy research and development. I am particularly pleased to see that you will hear from a witness from Canada and one from Israel. I fully support the obvious need to closely cooperate with our foreign friends in all of our energy research and development. In the field of solar energy, where other nations have invested more time and effort than the United States, we must fully utilize their experience.

I have been joined in this proposal by twenty-four Senate colleagues, including yourself Mr. Chairman. These co-sponsors are: Senators Jackson, Fannin, Bible, Tower, Williams, Brock, Metcalf, Dole, Mondale, Cook, Nelson, Case, Church, Haskell, Johnston, McGovern, McGee, Packwood, Clark, Gravel, Pell, Montoya, Schweiker and Hatfield. I am particularly pleased to report such strong bi-partisan support for this proposal.

While many of us have recognized the potential of this cleanest and potentially most abundant of all sources of energy, and for years some of us have called for stepped-up efforts to tap it, the total Federal effort specifically directed toward solar energy research and deveolpment has been and remains inadequate. This is particularly true in view of the urgency of our Nation's energy crisis and the important researchable projects that are available for funding.

In addition to the need for carrying on a vigorous solar energy research and development program, we must also assure that the resources are available for the full utilization of the results of solar energy research by the ultimate users—the utilities, the housing contractors, the home owners, and private industry—at the earliest practical date. This is imperative, if we are to approach energy self-sufficiency within the next decade.

In reviewing funding requirements, I direct the Committee's attention to Section 4C of S. 3234. It requires the Energy Research and Development Administration, in conjunction with the Solar Energy Research Council, to return to the Congress for authorizations to proceed into the solar energy demonstration phase.

In view of the rapid progress in solar technology development in recent months, the Committee may wish to consider authorizing funding in fiscal year 1975 to allow the immediate start-up of not only a major demonstration program, but also of a program to support a full range of efforts to assist the "developers" and the potential "users" of solar energy. This would certainly help hasten the day when solar energy will make a substantial contribution to our nation's energy self-sufficiency. Beyond fiscal year 1975, funding for such activities could be authorized on an annual basis.

With respect to the $600 million funding authorization level which I have recommended for the next five years, I provided considerable technical support for this level in the addenda to my March 26, 1974 introductory statement in the Senate which appears in the Congressional Record of that date.

The technical materials include the "Overview" section of the Sub-Panel IX Report, which was prepared by the Solar Energy Technical Review Panel as a basic input to Dr. Dixy Lee Ray's report to the President—"The Nation's Energy Future."

Included in the Sub-Panel IX Report is a chart which lists the funding requirements for a "minimum viable" and an "accelerated orderly" solar energy research program. The funding level I have proposed is almost $200 million more than the Panel's "minimum" program but $450 million less than its "accelerated" program.

At about the same time, the Mitre Corporation prepared its voluminous solar energy research report. In its "Summary and Discussion of Alternatives" section, an addendum to my March 26 statement, a similar five-year funding requirement for solar energy research and development is recommended.

Yet, both of these studies were prepared before the "energy crisis" of this last winter brought home to all of us just how serious a long term energy problem America faces. The Committee should, I believe, give consideration to an even higher funding level and to new goals based on energy developments in the last several months, including the requirements of "Project Independence."

The Committee may wish to consider establishing a specific goal for solar research and development. Such a goal might be to make as many of the various forms of solar energy economically competitive at the earliest practical date. The appropriate funding level would then be determined by the Committee in light of that objective.

This bill provides the central focus needed to assure the realization of the full potential of solar energy—from the solar heating and cooling of buildings in the near term, to the mid-term solar production of electricity. It fits well into the overall Energy Research and Development Authorization passed by the Senate last Fall under the able leadership of Chairman Jackson.

The solar program would be located in the Federal Energy Research and Development Administration, (ERDA), or any other permanent energy research and development organization established by Congress. Should the Energy Research and Development Administration for any reason not be established at the time of passage of this bill, this program would be located, on an interim basis, within the Atomic Energy Commission.

As I emphasized in my testimony last month on this proposal before the Joint Committee on Atomic Energy, cooperation among the various federal agencies with solar research capabilities, as called for in my proposal, is central to the success of any federal solar research effort. With the great in-house talent at the AEC laboratories, keeping all solar work "in-house," when they become part of ERDA, will be a real temptation. However, industry talent and other "participating" agency talent must be fully used, to do otherwise would seriously waste our resources.

In particular, the National Science Foundation should be commended for its excellent work in solar energy. And I am proud to say that Minnesota companies and communities are fully involved in their programs. The NSF should maintain its capability in the areas of advanced energy research and technology including solar. Fundamental science in the area of solar energy can best be served if ERDA fully utilizes the experience and expertise of the National Science Foundation.

NASA, in performing its important mission in the area of aeronautical and space research and development, has developed an impressive expertise in many areas pertinent to solar. It too, must be drawn upon in our solar research efforts.

And, the AEC has begun to develop an impressive solar energy program, since instructed to do so by the Congress. Four present AEC, and future ERDA, laboratories have been identified, so far, as having capabilities and enthusiastic interest in solar energy—Berkeley, Livermore, Los Alamos, and Argonne.

Argonne is developing a novel solar thermal concentrator, Los Alamos is developing a low-cost manufacturing process for flat plate solar collectors. Berkeley is conducting research in such areas as: photovoltaics, photosynthesis; and solar radiation measurements.

Besides close cooperation with and utilization of other Federal agencies, ERDA should especially utilize the great talents and capabilities to be found in the private sector.

It was a government-industry team that got us to the moon; it will be an *industry*-government team (with the emphasis on industry) that will achieve energy self-sufficiency for America.

But America, in achieving the capability for energy self-sufficiency, as we ultimately will, must not then assume that it can turn its back on the world and adopt an isolationist policy. We are merely 6% of the world's people; 94% of the world is out there striving to achieve the standard of living we enjoy, with all the energy and materials consumption that such a standard implies. We must not be blind in our efforts at energy self-sufficiency to the aspirations of other nations, for their consequences are profound for our nation.

Today, many of the world's energy importing nations—many of our closest friends and most important allies—rely heavily on the Arabs for oil, with their demonstrated willingness to use energy resources for political purposes. Tomorrow, an additional major exporter of energy may well be the Soviet Union, whose vast resources of coal and oil in Siberia are just now beginning to be tapped in a major way.

During the recent embargo, the decision of the Netherlands to stand fast for an independent foreign policy cost them dearly. Also, Iceland—which provides a strategic base for the American military—became very concerned over the possible loss of its prime source of energy, the Soviet Union. Can we really be politically independent if our friends, allies, and sources of raw materials, are dependent?

Achieving the capability of energy self sufficiency for America is a must. However, in a world where we still depend on cooperation with others for our security, for our markets, and increasingly, for our raw materials, our definition of national energy self-sufficiency must be extended to include the ability to provide some assistance to our friends and allies who are particularly vulnerable to energy "blackmail."

Thus, every effort must be made to increase our ability to produce energy, particularly clean non-polluting energy, along with our ability to store and transport such energy.

Achieving energy self-sufficiency might wreak havoc on our environment and on our limited conventional fuel resources unless we turn to clean, inexhaustible sources of energy such as solar energy.

The technical evidence indicates that solar energy can begin making a contribution within a few years in the area of solar heating and cooling. And, if we choose to do so, it can begin to have an impact on the production of electricity by the early part of the next decade. The great potential of solar energy certainly warrants our full support. However, as I said before, adequate support for solar energy has here-to-fore been lacking.

Mr. Chairman, it is heartening to see the tremendous growth in understanding of and support for solar energy among the general public.

On June 17 and 18, for example, The Washington Star carried a two part article on solar energy. This article is very well done and it provides a rather complete summary of present solar energy activity in this country. However, I mention it today simply to demonstrate the genuine interest of the people in this country in solar energy.

It is very rare for new technological topics to receive front page attention in our major newspapers as these articles did. I believe this is indicative of the importance which the citizens of this country place on solar energy activities, and the need for increased Federal activity to insure its viability.

Another important indication of the vitality of the solar energy field, is the tremendous enthusiasm shown through participation at an ever increasing number of sig-

nificant solar energy expert meetings. Just this month, for example, June 17–19 the National Science Foundation sponsored a meeting here in Washington on solar heating and cooling, with over 400 experts in attendance. These people gathered to hear the results of recently sponsored NSF work in this area. A recent meeting in Denver received the same strong turn out and enthusiasm. These sessions have been receiving the growing attention of the scientific, engineering, and especially the industrial community.

No doubt, there are improvements that you will be able to make in this legislation, as a result of your intensive scrutiny. I do hope, however, that the Committee will soon report a bill that will authorize a major Federal program to develop the tremendous energy potential of the sun.

The need for an expanded solar energy research and development program is obvious and the time to act is at hand. We must harness the sun for mankind. I believe Congress can take this initiative now and demonstrate to the American people the kind of leadership in the energy field that they so justifiably demand of us.

Finally, Mr. Chairman, I thank you for your interest in solar energy, your co-sponsorship of this proposal, and this opportunity to testify on behalf of my proposal for a vigorous solar energy program.

GUS SONNENBERG RETIRES

Mr. GRIFFIN. Mr. President, another of our friends and associates in the Senate who will retire this week is Harry F. "Gus" Sonnenberg, keeper of the stationery. He is leaving after 35 years of service to the Senate.

Gus Sonnenberg first came to the Senate in 1936 as a page under the patronage of Senator Henry F. Ashurst, of Arizona. Subsequently, he operated the subway cars, ran an elevator, and worked in the service department.

After a short period of private employment, he came back to the Senate in 1948 to work in the stationery room. In 1960, he was promoted to the position of keeper of the stationery. Since then he has worked with diligence and unfailing courtesy in keeping our offices supplied with all our stationery needs.

With all my other colleagues, I wish Gus many happy retirement years with his family at his home in McLean, Va.

FREEDOM OF CONTRACT FOR ATHLETES

Mr. ERVIN. Mr. President, as the Senate knows, I have for some time been interested in securing for professional athletes their right to contract freely for their services, and thus free them from the yoke of the reserve system which binds them to one sports team for as long as it pleases the owner to retain their services. To this end, on December 4, 1973, I introduced S. 2768, a bill to guarantee professional athletes this contractual freedom enjoyed by every other service profession. I hope that this Congress will act to protect these athletes' constitutional rights.

Mr. President, a respected friend and great legislative leader, former Representative Emanuel Celler, recently brought to my attention a May 29, 1974, New York Times article by Red Smith concerning the contractual bondage of professional athletes. The article, entitled "You Cannot Pay Me Enough," is very illuminating and I commend it to each Senator's attention.

Mr. President, I ask unanimous consent that this article by Mr Smith be printed in the RECORD.

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

YOU CANNOT PAY ME ENOUGH

(By Red Smith)

"After 12 years in the major leagues I do not feel that I am a piece of property to be bought and sold irrespective of my wishes. I believe that any system that produces that result violates my basic rights as a citizen and is inconsistent with the laws of the United States and of the several states."

"Pete Rozelle and Ted Kheel will answer that athletes are 'well paid' to give up their freedom. . . . I am appalled that in the United States of America people can still make economic arguments to justify the taking away of a man's freedom and dignity. . . . You cannot pay me enough for me to allow you to sell me or trade me."

"The present system in football does not impose an absolute restraint on player transfers. . . . This system has worked reasonably well. The players' demand for 'no system' would constitute anarchy"

"Neither slavery nor involuntary servitude, except as a punishment for crime whereof the party shall have been duly convicted, shall exist within the United States, or any place subject to their jurisdiction."

The author of the first paragraph is Curt Flood, who was a baseball player when he wrote it in a letter addressed to the baseball commissioner on Dec. 24, 1969. The second paragraph is by John Mackey, the great end who was leader of the professional football players four years ago in their last scarifying exercise in collective bargaining with their employers. It was written to appear in last Sunday's New York Times alongside a statement from Theodore W. Kheel, the clubowners' labor counsel, which included the third paragraph above. Anybody unfamiliar with the source of the fourth paragraph will have to look it up for himself.

THE BIG BUST-OUT

For some years now, it has seemed probable that basketball would be the first professional team sport to discard the reserve system, which in effect gives the employer outright ownership of his employes. At least some men who own basketball teams are confident they could operate successfully hiring players the same way Macy's hires sales clerks, floorwalkers and department heads.

It is beginning to appear, however, that when the inevitable bust-out comes to pass, the membership of the National Football League Players Association may go over the wall ahead of their roundball brothers. There is good reason to believe that what the players call "freedom issues" will have to be resolved this summer before the first exhibition game can be played.

The owners will only cripple themselves if they shut their eyes to this situation. They can "hunker down and stonewall it," but their morning paper ought to show them the unwisdom of that course. The longer they temporize, the more pressure they will put on themselves to make 11th-hour concessions rather than sacrifice receipts from one exhibition.

In 1970 they tried intimidation. They talked of shutting down for a season, which would have meant defaulting on television contracts involving many millions. They threatened to staff their teams with rookies, as if their TV sponsors and cash customers would hold still for that. They warned the players that loss of one weekend of exhibitions would cost $1-million, and this would have to come out of player salaries. The players didn't scare, and at last Pete Rozelle had to call the disputants together and keep them together for 22 hours to get a contract.

NONNEGOTIABLE HANDCUFFS

Ted Kheel participated in those negotiations as a mediator, a role in which he has had wide fairness and impartiality. Now he is the owners' hired man and needs none of those qualities. This time around, his job is to defend the owners' position.

Accordingly, he has been parroting the owners' threadbare argument that the feudal system they have created is the only system under which their business can survive. As a reasonable man, he must know this is utter nonsense. As a fair man, he must recognize the truth of John Mackey's statement that "if freedom will destroy the N.F.L., then the N.F.L. should be destroyed."

Mr. Kheel is on firmer ground when he argues that the players' economic demands are unrealistic. One who shares this view is Ed Garvey, executive director of the union. To be sure, Garvey doesn't say so in so many words. Tell him he is demanding too much and he laughs. "I'd hate to have the players come around and tell me I asked for too little," he says.

He knows and Kheel knows that the financial issues can be negotiated. Kheel complains that the players refuse to negotiate the freedom issues. He says that if the players would propose changes in the system the owners would negotiate, but the players aren't interested in being a little bit free. He is right. A man wearing handcuffs doesn't want them loosened a little to ease the chafing. He wants them off.

DR. HORACE M. KALLEN

Mr. HUMPHREY. Mr. President, on February 16 of this year, America lost one of its most fertile minds.

On that day, at the age of 91, Dr. Horace M. Kallen passed away.

Dr. Kallen was an outstanding thinker, writer, and teacher. But more than this, Dr. Kallen was an unwaivering advocate of the rights of the individual. In his more than 30 books, Dr. Kallen was an intellectual "trail blazer" of the first order.

Long before consumerism became an issue in this Nation, this man of many talents published, in 1944, "Consumer Cooperation and the Freedom of Man." Likewise, he spoke and wrote about environmental problems and ecology before this issue emerged as a matter of great concern in America. As a founder of the New School for Social Research in New York, Dr. Kallen helped create that unique atmosphere in which free thought was encouraged and not condemned.

Dr. Kallen was a valued friend, an outstanding American, and a creative spirit. All of us who knew him will sorely miss him.

Mr. President, I ask unanimous consent that an article summarizing some of Dr. Kallen's achievements, which appeared in The Cooperator, be printed in the RECORD.

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

A TRIBUTE TO HORACE M. KALLEN, 1883–1974

(By Donald D. Martin)

Large numbers of institutions and organizations with diverse interests benefited from the wisdom and vision of Professor Horace M. Kallen. Not the least of these was the cooperative movement.

Dr. Kallen viewed consumers cooperation as the best means people have to attain a more satisfying way of life as consumers—be it in the consumption of bread, education, housing, literature, art, credit, leisure, whatever—for he viewed all aspects of life as a process of consumption. Man produces in order to consume, was his thesis on the primacy of the consumer.

Dr. Kallen was a perfectionist and a pragmatist. While viewing cooperation as the best means of obtaining goods and services for consumption, as a cooperator he could be critical of and annoyed with the shortcomings he observed in cooperatives. He would say that cooperators should not be content with getting second best goods or services in their cooperatives. After all, he would say they, the members should speak up to protest and correct what is not perfect in their own cooperatives.

He urged much greater emphasis on employee training, first, so employees would have greater job satisfaction and second, so there would be better service and satisfaction for the consumers. (It was probably for this reason he became a founder, trustee and teacher of Rochdale Institute in 1938.) He advocated greater participation by the membership on as broad a scale as possible in the affairs of cooperatives. He was concerned about too much power in the hands of too few people in all institutions, including cooperatives. More active participation, he said would provide more opportunities for members to become involved in decision making.

He was not as fearful of controversy as he was of apathy, believing it possible to achieve accommodation or union of divergent points of views to achieve common goals. He strongly cautioned against trying to achieve unity on all issues. Unity he said, is apt to be used to stifle dissent and individual liberty and freedom of thought. More than anything else, liberty and freedom in all endeavors was most precious to him.

His first book about cooperation and cooperatives, "The Decline and Rise of the Consumer," was published in 1936. Last fall Rochdale Institute and the New School for Social Research jointly published his "Consumerism, Cooperatism and the Idea of the Consumer." Dr. Kallen was one of the founders of the New School. He was on the original faculty and although he officially retired in 1969, he continued occasionally to teach. His last teaching appearance at "his" school was last fall when he conducted an eight weeks seminar on cooperation which was sponsored by Rochdale Institute and the New School.

In addition to his many other responsibilities and interests, in the past few years Dr. Kallen played an active role as a trustee of Rochdale Institute which was organized in 1971. The Institute awarded him its Distinguished Cooperative Educational Service Award last year. In previous years, the United Housing Foundation and the Cooperative League of the USA had honored him for his contributions to cooperation.

He was a renowned philosopher, advisor and counselor to statesmen, author of more than thirty books and hundreds of other works. He was a noted libertarian, Zionist, humanist and, probably the role he enjoyed most, distinguished educator. Yet, for all his eminence, those who were privileged to know him as a friend, loved him for his gentleness, kindness, humor and warmth, as well as for his keen intellect. He was a charming civilized human being.

His friendship will be missed by many. His ideals and ideas will continue infinitely.

WORLD INDEBTEDNESS TO FULBRIGHT

Mr. SYMINGTON. Mr. President, editorials expressing the general regret at the loss of a great U.S. Senator continue to come in from everywhere.

The void in the Senate his departure will leave becomes ever more clear to ever more people.

In this connection I ask unanimous consent that the following editorials be printed in the RECORD at this point:

"World Indebted to Fulbright," Montreal Gazette;

"Fulbright's Loss—and the Senate's," Chicago Sun-Times;

"Defeat of a Great Dissenter," the Christian Science Monitor;

"Senator Fulbright's Defeat Diminishes The Congress," Asheville Citizen-Times;

"The Nation Loses Fulbright," New Orleans, The States-Item;

"Salute to Senator Fulbright," the Capital Times, Madison, Wis.;

"Fulbright: Good-Bye and Thank You," The Bristol Press, Bristol, Conn.;

"Bumpers In; Fulbright Out," the Palm Beach Post;

"Fulbright's Legacy to the Senate," Los Angeles Times;

"Farewell to Fulbright," London Times; and

"Senator Fulbright 'Like a Rose in Desert of Politics,'" Arkansas Democrat.

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

WORLD INDEBTED TO FULBRIGHT

There is a touch of flawed nobility about J. William Fulbright's 30-year career in the Senate, half of it as chairman of the Senate Foreign Relations Committee. Defending the Arkansas electoral base in which he has now been defeated by a worthy opponent from a new political generation, Fulbright sided with the segregationists in the civil rights struggle of the 'fifties and early 'sixties. But in his chosen field of political action, international affairs, he was the luminous and courageous voice of what he once called "the usually sensible and humane American mind."

A thinker in politics, the former university president had a tenacity in the pursuit of great ideals, an intellectual grasp of the complexity of international affairs, a sense of decency and moderation in the formulation and execution of national policy, and a devotion to constitutional and democratic limits on the exercise of power that were the glory of his country in the era of its excesses.

When there was but one Senate vote against Senator Joseph McCarthy's devastating witch hunts, that vote was Fulbright's. When there was counsel to President Kennedy against the criminally reckless Bay of Pigs invasion project, it came from Fulbright. When the United States lurched into full scale war in Vietnam, Fulbright was the influential spokesman for dissent.

"The more I puzzle over the great wars of history, the more I am inclined to the view that the causes attributed to them—territory, markets, resources, the defence or perpetuation of great principles—were not the root causes at all but rather explanations or excuses for certain unfathomable drives of human nature," Fulbright once said.

"For lack of a clear and precise understanding of exactly what these motives are, I refer to them as the 'arrogance of power'—as a psychological need that nations seem to have in order to prove that they are bigger, better, or stronger than other nations."

Though he spoke most often for the minority of the day, Fulbright had immense influence in creating the majority of the next day. As Fulbright goes down to defeat, his ideas about the proper limits of U.S. power abroad, and executive power at home, go on to victory. Speaking for his own country, he spoke for others; speaking for his own times, he spoke for the future. He is one of the great Americans of his times.

FULBRIGHT'S LOSS—AND THE SENATE'S

The defeat of J. William Fulbright in Tuesday's Democratic senatorial primary election in Arkansas deprives the Senate of an intelligent, influential and far-sighted man. The Senate will be much the poorer for Fulbright's absence, but the nation can continue to benefit from his gifts if he is able to contribute effectively to the creation and conduct of U.S. foreign policy from a private forum. Fulbright's mature voice will be greatly needed if the momentous new problems facing the United States are to be realistically perceived and effectively dealt with.

During the 1950s, Fulbright was an early and sometimes solitary foe of the demagogic tactics of Sen. Joseph R. McCarthy. He assailed McCarthy's witch hunts at a time when doing so involved important political risks. As chairman of the Senate Foreign Relations Committee, Fulbright quickly and clearly understood that the United States was becoming dangerously obsessed with military solutions to political problems in Southeast Asia and elsewhere. Under Fulbright, the committee exerted an important influence in liberating the nation from this obsession. That force is likely to be weakened if the committee chairmanship passes to John J. Sparkman of Alabama, who has consistently gone along with the administration's military requests.

Fulbright's polished, almost patrician, style cost him votes, especially since his challenger, Gov. Dale Bumpers, is a folksy campaigner who enjoys shaking hands and exchanging stories at Arkansas catfish fries. But Bumpers recognized that the overriding issue was the effectiveness of the current congressional leadership in dealing with the problems of the people. Bumpers argued repeatedly that Congress had failed. He called for new leadership to cope with inflation ("the real issue") and Watergate ("the umbrella issue"). He was dramatically successful in this strategy in spite of the fact that Fulbright had never been identified with either Watergate or the economy.

If this intense and widespread voter anger had not yet been clear as a result of previous elections this year, it ought to be abundantly clear now. The Fulbright defeat clarified another fact: voters are angry not only at conservative Republicans associated with the Nixon incumbency but also at liberal Democrats who have been among the administration's sharpest critics. Unless the Congress shows greater aggressiveness and independence in cleansing the stain of the Watergate scandal and in restoring the buying power of the consumer's dollar, the electorate will unhesitatingly vote for candidates who can and will.

DEFEAT OF A GREAT DISSENTER

It is one of the ironies of American politics that a primary election in a small state can remove a national figure from public office. But this is what has happened in Arkansas, where Gov. Dale Bumpers, representing a new political generation, has overwhelmingly defeated J. William Fulbright for Democratic nomination to the Senate seat he has held for almost three decades.

Apart from the local popularity of Mr. Bumpers and the waning national impact of Senator Fulbright in recent years, there are several possible strands in the outcome.

The Fulbright campaign suggested seniority and eminence could do more for Arkansas.

Yet his concentration on Washington and matters at the top must have made him seem remote to Arkansas in comparison with their very visible Governor. The belated Fulbright campaign effort to get the black vote looked rather desperate in view of his poor record on civil-rights legislation.

At the same time Mr. Fulbright appeared to be a casualty of the loss of confidence in present national government caused by the scandals of the administration which—another irony—he so often opposed. Governor Bumpers campaigned on a need for new leaders to restore confidence in Washington.

Whatever the reasons, Mr. Fulbright acknowledged his defeat in the courtly manner which he has customarily maintained even when launching his sharpest dissents against national policy. Though this newspaper has often disagreed with him, it recognizes the value of articulate dissent in a democracy. The retirement of such an experienced and knowledgeable voice from Capitol Hill raises once more the question of whether the United States—not having a House of Lords—should provide some means to tap the opinions of its elder statesmen.

In Mr. Fulbright's case, he would speak from an unusual record of often lonely independent judgment—which sometimes seemed brashly unrealistic but sometimes now seems to have been merely premature. Almost 10 years ago he was advocating the opening to China which it took a conservative Republican to achieve. As chairman of the Senate Foreign Relations Committee he was the perennial skeptic on his country's assumption that it was wise enough to busy itself with the affairs of other nations. He questioned the Vietnam war before this became fashionable. He sought evenhandedness in the Middle East before American policy went officially in that way.

It is not yet clear who will replace Mr. Fulbright as chairman of the Foreign Relations Committee—Senators Sparkman, Church, and Mansfield have been mentioned—but the change cannot help being significant.

Along with positions that were characterized as a new isolationism, Mr. Fulbright sponsored the legislation that may have done more to reduce intellectual isolationism than any other single program since World War II—the Fulbright Act for international exchange fellowships.

Though Arkansans have at last opted for a change, they can take satisfaction in the thorny independent citizen they gave to the nation for so long.

Senator Fulbright's Defeat Diminishes the Congress

As is so often the case, Sen. J. William Fulbright's primary defeat in Arkansas on Tuesday was not without irony. At a time when Congress is grappling to reassert itself after decades of abdicating power to the executive, one of the few lawmakers who through the years has fought against an impotent legislative branch is turned out of office.

Fulbright is one of the last lawmakers in either chamber to question unrestrained presidential power in foreign relations. As chairman of the Senate Foreign Relations Committee, he has advocated a foreign policy based on reason and not reaction, fashioned by a cooperative response from both the President and Congress. Presidents and Secretaries of State have often rejected his advice, but they have seldom ignored it. His has been the voice of intelligence and restraint.

During his three decades in Washington, he has been a listener, too, a trait shared by too few of his colleagues; for if they were listeners, Congress would possibly not be held in such low regard now. Most Congressmen do not listen to questions based on what they, not the witnesses, think. But Fulbright does listen, then frames his questions on what was said. True to his scholarly background, he has practiced a national dialogue on scores of public issues.

While all eras must end, it is seldom that the finale comes at the hands of a victor as progressive and personable as Arkansas Gov. Dale Bumpers. It is too bad that they faced each other, but such are the fortunes of politics.

Before the election Walter Lippmann cautioned that Fulbright's defeat would be a "national calamity." That remains to be seen, but some changes are sure to be ahead.

The most immediate repercussion will be in Washington. Fulbright's loss may be seen as a warning to other incumbents that the winds of change are blowing across the country in the wake of Watergate.

And in the Senate, Sen. John J. Sparkman, D-Ala., at 74, will probably replace Fulbright as chairman of the foreign relations committee. Sparkman does not share Fulbright's views or insights on an active Congressional role in foreign policy. Sparkman's elevation, however, could place Sen. William Proxmire, the maverick Wisconsin Democrat, in charge of the Senate Banking Committee, a move that would benefit consumers over heady banking power.

Fulbright has enjoyed a distinguished career, one of the most unique in our history, which will, like Presidents, not ignore him. His voice will be missed. But at 69, Arkansas may have done him an oblique favor, for there has to be more in life than fighting Presidents and slothful Congresses.

The Nation Loses Fulbright

The defeat of Sen. J. William Fulbright in Arkansas' Democratic primary Tuesday removes from Congress a brave and independent statesman molded in the highest traditions of that legislative body.

As chairman of the Senate Foreign Relations Committee since 1959, Mr. Fulbright was an unbending believer in the Senate's constitutional responsibility to advise and consent to the conduct of foreign policy by the Executive Branch. His dedication to that belief often put him in open conflict with presidents of both parties.

His critics called him an isolationist. But Sen. Fulbright's pronouncements were tempered by a belief that it was not the responsibility of the United States to determine the political destinies of other nations.

He strongly opposed President Kennedy's decision to invade Cuba in 1961. Although he voted for the 1964 Gulf of Tonkin resolution expanding President Johnson's warmaking powers in Vietnam, he soon regretted the vote and emerged as Congress' leading critic of U.S. military involvement in Southeast Asia.

Sen. Fulbright's civil rights voting record followed the conservative mainstream back home, but his courage rarely flagged on other domestic issues.

He called for President Truman's resignation in 1946, after the Republicans won control of the House and Senate, arguing that this political bifurcation was a defeat in the governmental system.

He was among the first to condemn the methods used by the late Sen. Joseph McCarthy, who, he claimed, "did more harm to the United States . . . than he has ever done to the Communist conspiracy here and abroad."

Among the monuments of his 32-year career are the Fulbright Scholarships, the largest single international student exchange program in history.

In a political era oversupplied with doubletalk, evasion and demagoguery, the intelligence and adroitness of William Fulbright will be sorely missed.

Salute to Sen. Fulbright

The removal of Sen. J. William Fulbright from the Senate—and particularly from the key post of chairman of the Senate Foreign Relations Committee—is a loss whose tragic consequences this nation will be gauging for years to come.

Bill Fulbright has been one of the clearest voices for rationality in the political life of this nation. In the era of McCarthy madness he faced the hysteria in his own state with a show of courage that few other senators from the north, to say nothing of the south, could summon.

But it was in the dark hopelessness of the Vietnam insanity that he won the respect of his countrymen and men of good will around the world.

Now the people of his state, after 30 years of beneficence to the rest of us, have decided to replace him with a soap opera idol, a handsome, handshaking politician with little to commend him to serious-minded people anywhere.

It is difficult to conclude anything but that the people of Arkansas are still afflicted with the national sickness which has produced such political abortions as a landslide for Dick Nixon.

We have lost a voice desperately needed to find the paths to peace in the explosive Middle East. Fulbright had the courage to talk sense about the Middle East at a time when powerful forces within the Jewish community in this country wanted to hear only cheerleaders.

Writing from Little Rock before the election, Harry Kelly of the Chicago Tribune, reported on how bitter the Zionist campaign against Fulbright had become. Not a single dime was contributed to Fulbright's campaign, Kelly reported.

"But a Bumpers' lieutenant, whipping his grey Lincoln down Highway 40, confided to a reporter that he had many offers of donations from American Jews who would like to see the chairman of the Foreign Relations Committee unseated," Kelly wrote.

Have we in the Fulbright defeat another example of the tunnel vision of world Zionism—the narrow nationalism that permitted a politician of Nixon's shabby standards to capture the support of much of what was hitherto one of the most progressive-minded elements in our political life?

Fulbright is needed in the Senate to provide the balance needed in the Middle East—the balance that can be tipped if Nixon and Kissinger start playing the game of buying phony peace with the blood and treasure of American citizens as was done in Southeast Asia.

This country is headed for certain peril when it purges from public office the rational voices of such men as Bill Fulbright, Wayne Morse and Ernest Gruening, who sought to warn us against the insanity of Vietnam, and delivers to Richard Nixon a landslide vote for president.

Fulbright: Goodby and Thank You

While Eugene McCarthy in 1967 was certainly the first U.S. senator to publicly oppose the American presence in Vietnam, for him war protest was a campaign issue, no doubt sincere though nonetheless handy in its appeal to younger voters.

McCarthy was defeated in the '68 primaries, and for a brief time the issue of Vietnam morals was once again left to the generals. When the cries next were heard, this time not to be silenced, they derived from the voice of a man with nothing to gain through lonely protest and with only conscience as a possible motive.

William Fulbright deserves the bulk of credit for pioneering the effort that ultimately brought an end to the war in Vietnam. His solitary—and initially futile—

pursuit of antiwar legislation, the intensity of his anger over the Cambodian incursion, the volume of war-related information released through his office, his almost daily invective to the press—all of this went a long distance toward generating the level of public indignation that in the end proved decisive.

Moreover, as Chairman of the Senate Foreign Relations Committee, Fulbright's was among the most responsible voices that could have been raised against the war. And for a time—perhaps six months during 1968–69—it was the only one.

Politically, his stand was a major gamble. Had war opposition not gained the support that it did—largely as a result of his efforts—his tenure as senator would no doubt have ended sooner.

Sadly, it has ended now. It is difficult, from this vantage point, to assess the causes behind Fulbright's defeat in last Tuesday's Arkansas-primary. Perhaps the voters felt that he lacked the common touch—he is a wealthy man in an impoverished state—or, more likely, that his eternal emphasis on foreign affairs had come at the expense of attention to local matters.

Whatever the case, it is impossible to conceive that the issues underlying his defeat were not local ones. And it is unfortunate, in spite of any failings on the parochial level, that the voters of Arkansas did not see fit to reelect him solely on the strength of the honor he has reflected on his state during his 30 years of service in the senate.

Fulbright's solitary stand on Vietnam has not been the only example of his political courage or of his commitment to the moral conduct of foreign affairs. In 1962, he was one of only a handful of congressmen to oppose publicly the Bay of Pigs invasion; more recently, he has again been among the minority who have insisted that Israel compromise her demands to insure a Middle Eastern peace.

The Fulbright Scholarship exchange program was an early example of his dedication to the practices of enlightened internationalism. On another level, he has backed virtually every overture to detente the U.S. has broached toward Communist nations.

If he has neglected Arkansas, he has certainly served the world. Through his efforts to do so much, he has apparently sacrificed his right to do anything at all, even in Little Rock. It is a sad paradox.

Bumpers In; Fulbright Out

Maybe it was sheer rebellion against an entrenced incumbent. Maybe it was a need to seek change in an era of scandal. Maybe it was a dominance of state issues over national issues. Maybe it was the senator's age. Maybe it was just facination with a new and rising political star. Possibly all these things conspired against Sen. J. W. Fulbright in the Democratic primary in Arkansas.

In any event, Sen. Fulbright has been defeated by Dale Bumpers, a popular high-performance governor who has toppled more than one political giant on his road to Washington. Gov. Bumpers soon will become Sen. Bumpers because the winner of the Democratic primary is a virtual shoo-in at the fall election.

Whatever the gain for Arkansas in going for Gov. Bumpers, there is a corresponding loss for the nation. Sen. Fulbright, 69, has proven himself more statesman than politician. He has displayed great talent in international matters. He has been his own man for 30 years in the Senate. The nation has admired and benefitted from his special blend of Oxford scholarship and Ozark earthiness.

Sen. Fulbright, as chairman of the Senate Foreign Relations Committee, long ago sounded alarms that the nation unfortunately didn't head. He wanted Congress, especially the Senate, to take a more active role in foreign affairs. Had he successfully made his point, the country might have been spared the disaster of the Bay of Pigs invasion under President Kennedy and the long tragedy of an Asian war under both Presidents Johnson and Nixon.

Sen. Fulbright pleaded with President Kennedy to call off the suicidal Cuban invasion. Three years later, he fell victim to the Tonkin Gulf resolution that expanded the Vietnam war and served as the cornerstone of President Johnson's war policies. He came to regret his vote on this resolution, saying he was misled with false information, which was truly the case. He became an outspoken war critic when it took courage and he particularly attacked the Nixon Vietnamization plan. His strong anti-war stance merits significant credit for eventual congressional curbing of war funds and ending our direct involvement.

Sen. Fulbright displayed his visionary talents 10 years ago in a speech entitled "Foreign Policy: Old Myths and New Realities." He talked about thawing the cold war with Russia and dealing with her "as a normal state with normal and traditional interests." He exposed the folly of America dealing with "two Chinas" when he said only one existed—that being mainland China.

It was Sen. Fulbright's international viewpoints that led to his sponsorship of what are known today as the "Fulbright Scholarships," a successful international student exchange program. Too, he earns plus marks in the history books for his criticism of Sen. Joseph McCarthy who went on a wild, Commie witch-hunt in the early days of the Eisenhower administration. Regrettably, Sen. Fulbright's preoccupation with foreign matters brought him up short in some domestic areas, most conspicuously in the field of civil rights.

Overall, three decades of commendable Senate service now end for Sen. J. W. Fulbright. He bows out with earned respect and prestige. He gives way to an individual with high promise and ambition. There's reassuring democratic style in this changing of the political guard in Arkansas.

Fulbright's Legacy to the Senate

It's hard to think of the Senate without J. William Fulbright, the rumpled, scholarly man of contradictions and influence. He has been a good and useful member.

From his first term in Congress 30 years ago, when he sponsored legislation that created the imaginative and constructive scholars exchange program, he has had an impressive impact on the shaping of American foreign policy and in trying to assert a more coherent response from the Senate to its constitutional responsibility for advice and consent on foreign policy matters.

In a way, it's too bad that he didn't know when to quit. At 69, he has been pushed into retirement by his constituents. They have turned to Dale Bumpers, the 48-year-old governor of Arkansas, with every prospect of bringing a progressive vitality that the Senate surely can use. But the departure of Fulbright may not bring rejuvenation of the leadership of the Foreign Relations Committee; the chairmanship could pass to John Sparkman of Alabama, who will be 75 before the next session of Congress begins.

Fulbright will be remembered above all for his sometimes brilliant, sometimes stubborn action on foreign policy. He tangled with every President he served: He wanted Harry Truman to resign so that a Republican could be in the White House while Republicans led Congress; he tried unsuccessfully to dissuade John Kennedy from the Bay of Pigs invasion, and the nation could only wish that he had been more persuasive; he opposed Lyndon Johnson's invasion of the Dominican Republic and, after supporting the Gulf of Tonkin resolution, came to oppose—with increasing intensity—both President Johnson's and Richard Nixon's prolongation of the American war in Indochina.

His vision in foreign policy has not always been matched in domestic affairs. He was a drafter of the Southern Manifesto attacking the Supreme Court finding that school segregation is unconstitutional. At the same time, however, he was first in the Senate to oppose the dreadful abuses of Sen. Joseph McCarthy. His investigation of the Reconstruction Finance Corp. was a model of constructive legislative committee work, and led to a proposal for elevating ethics in government 20 years before Watergate.

Fulbright will leave to the Senate much on which to build as it fufills its role in helping Presidents guide the nation in the world community. He will also leave an example, useful to succeeding generations, of intelligence and courage.

Farewell to Fulbright

It has long been one of the anomalies of American politics that the distinguished liberal intellectual chairman of the Senate Foreign Relations Committee should represent the state of Arkansas. He will do so no more unless something very surprising happens. Defeated in the Democratic primary he now has almost no chance of remaining in the Senate beyond next January. His departure will be a loss to the Senate and to all who have valued his contribution to American foreign policy.

Senator William Fulbright neither formed nor changed policy, and his ideas were seldom adopted when he put them forward. To that extent he failed. But he did not see it as the role of his committee to make policy. He wanted it to check, monitor, question, and educate. His monuments will be, the Fulbright scholarships, the televised hearings on Vietnam, which were an unparalleled exercise in mass education, and a consistent record of probing, far-seeing comment on American foreign policy that has already earned his writings a permanent place in contemporary political literature.

He has not always been right but he has been right sooner and more often than most politicians. Many of his early heresies have now become the conventional wisdom of the age. He opposed President Kennedy's attempt to invade Cuba and held more balanced views than most on the Berlin crisis, when he urged the need to understand the Soviet Union's fear of Germany. He foresaw the recognition of East Germany and the American rapprochement with China. He opposed the Vietnam war although, to his later regret, he supported the Gulf of Tonkin resolution which enabled President Johnson to deepen the American commitment to the war.

His main concern has been the role of the United States in the world. He was among the first of the liberal internationalists to question the assumptions of American postwar policy, the extent of American commitments abroad, and the simple moral categories of the cold war. He pointed out that America had no moral obligation to export her way of life throughout the world and that it was not in her political interest to do so. He was an early advocate of the view that foreign policy can sometimes be served best by improving the quality of life at home, and he was much concerned about the impact of American power and good intentions on weaker and more fragile cultures.

It was, however, the corrupting influence of power on America itself that worried him most. In *The Arrogance of Power*, published in 1967, he wrote of the dangers of confusing power with virtue and said that "America is now at that historical point at which a great nation is in danger of losing its perspective on what exactly is within the realm of its power and what is beyond it. Other great nations, reaching this critical juncture, have aspired to too much and by over ex-

tension of effort have declined and then fallen."

These have been the lessons of the Vietnam war, and Senator Fulbright saw them sooner and more clearly than most. Dr. Kissinger has now absorbed them into the mainstream of American policy and is trying to define the new and more modest limits of American power and responsibility. Senator Fulbright can at least take comfort from this belated vindication, and even if he is no longer in the Senate next year he can be sure that when he speaks on foreign affairs people will still listen to him.

It is oddly appropriate that Senator Fulbright should be taking leave of the Senate at the same time as America is taking leave of the philosophy of total commitment and moral absolutism which he condemned, but there is an obvious danger that the pendulum could swing too far the other way and that the lessons of Vietnam could be wrongly applied in the future. Senator Fulbright is not an isolationist and his authority could be badly missed if isolationism begins to take hold. It would be a sad irony if, now that his message has got through, it should be misunderstood yet again.

SENATOR FULBRIGHT "LIKE A ROSE IN DESERT" OF POLITICS

(By Erwin McDonald)

The tragedy of the Fulbright-Bumpers race for the U.S. Senate was that one of the two noted Arkansans had to be eliminated. Now the sun has set and a star has risen. We have upcoming Senator Bumpers and outgoing Senator Fulbright.

This column will deal primarily with the setting sun, trusting there will be many opportunities in the future to write about the rising star.

Being your own man, in politics as in other areas of life, too often means taking care of yourself, looking after the interests of old No. 1. Consequently, there is a lot of opportunism along the way.

As the sordid unraveling of Watergate continues to reveal, the question so much of the time is not "What is right?" or "What is for the best interests of the country?" but "How will it play in Peoria?" and "How can we keep the cap on the bottle?"

J. William Fulbright will go down in history as one who was his own man in a much higher sense of the term. He was concerned, to be sure, with the wants and wishes as well as the needs of his constituency. But when it was necessary for him to reach a decision and take a stand, he dared to act according to what he felt was right regardless of the personal consequences. And for many of us, this qualified him for the rank of statesman as over against mere politician.

Character is so often conspicuously absent in high places that it is like a rose in the desert when it does appear. In Fulbright, Arkansas and the nation were blessed in having in Congress not only a man of sterling character but also one of rare talent, education, and ability.

One of the marks of Fulbright's true greatness has been his freedom from anything approaching-blind partisanism. When the chips have been down, he has been first an American and then a Democrat.

An illustration of this is his warm and outspoken support for Secretary of State Henry Kissinger, a man appointed by his arch political enemy, Republican President Nixon. In a national television interview early last Wednesday, the morning after his horrible night before, the sprightly Senator cited Kissinger as the greatest and best qualified of all the half dozen Secretaries of State with whom he has worked.

Historians and political scientists will have their appraisals of Fulbright and their assessments as to how he came down before the personable Governor Bumpers. But we average Arkansans must be indulged our own views of an event of so great an import for us.

It is ironic that the senator, one of the staunchest holdouts against what is widely referred to as "the mess in Washington," should have been associated in the minds of some voters as a part of the mess. But this is a part of the picture. In incidental contacts ahead of the election, I heard some saying, "I'm so disgusted that I'm going to vote against anyone up for reelection. I think we should turn all of them out and start over."

This, as some of the national commentators have suggested, will obviously serve as a bad omen for others seeking re-election. The national opinion polls that for a while were rating Congress lower than the President have not helped the over-all image of the incumbent.

Another factor in the political downfall of the senator is the hard-core opposition that has built up against him over his long tenure. It is inevitable that a public servant will have opposition, for he in effect must live in a glass house. And the more positive and outspoken the man, the surer he is to be opposed, on practical and philosophical grounds if for no other reason. Incidentally, Fulbright can take solace in the fact that in all his years of public service he has never been suspected by anyone of being crooked or unclean.

There's no way of knowing how many voters were in the automatic against-Fulbright camp. Some political observers have estimated up to 40 per cent of the vote this time would be in this category.

The senator's pedantic, school-teachery way of "correcting" his opponents may not have made him friends and influenced people to be for him in his uphill battle against Governor Bumpers. In politics, as in sports, it is generally conceded that "the best defense is a good offense."

Not the least of the accounting is Dale Bumpers' charismatic smile, sparkling shoeshine, Billy Graham preaching style, and his ability to keep aloof from such liabilities as debating the issues for three hours with Fulbright, one of the world's all-time great debaters.

David had his Goliath, but Bumpers has his Faubus, Rockefeller, and, now, his Fulbright. And now it appears that the senator was attacking not a meteor but a rising star.

But it is not all over yet for Senator Fulbright. He will be the junior senator from Arkansas for another seven months. And it may be that he will have the greatest opportunity for service to his state and nation in these last days that he has had at any other time in his long and distinguished tenure. For it is likely that the currently sitting Congress will have the responsibility for impeaching a President and setting our government back on the solid track laid down for it by the founding fathers. And after that, retirement!

THE ALEXANDER SOLZHENITSYN INTERVIEW

Mr. BUCKLEY. Mr. President, on Monday CBS–TV performed an enormously important public service in broadcasting a 1-hour interview of Alexander Solzhenitsyn. I ask unanimous consent that a transcript of the broadcast be printed in the RECORD so that Members of the Congress may have the benefit of the insight it provides on the Soviet system, as well as on the implications of "détente" as seen by a particularly sensitive observer.

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

INTERVIEW WITH ALEXANDER SOLZHENITSYN

CRONKITE This is Walter Cronkite reporting from Zurich, Switzerland . . . a city which has on more than one occasion provided sanctuary for the political exiles and refugees of the world. On June 17th, 1974—one week ago tonight—this reporter spoke with the latest and most celebrated of those political exiles—the Russian writer Alexander Solzhenitsyn. This is his first extended television interview since his forceable exile from the Soviet Union last February

SOLZHENITSYN. I've known Soviet life for the whole of my life. Today I haven't lost my Soviet point of view. This is the way it is. International detente does nothing to help the situation inside the Soviet Union. Tell me please, let's be realists, what kind of guarantees are there that the treaties will be fulfilled today or tomorrow? What kind of guarantees are there? And when your businessmen conclude treaties—an alliance with our leaders—and say that trade guarantees peace, that's obvious to a child it's not true. It doesn't guarantee anything. On the contrary, trade goes on so long as there is peace and when there isn't peace, there won't be any trade. Therefore, what guarantees could there be? From where you can get the warning voices? Only from our dissidents.

CRONKITE. We spoke for one hour and forty minutes with Solzhenitsyn. This hour is edited from that filmed conversation.

ANNOUNCER. This is a CBS News Special "Solzhenitsyn" with CBS News Correspondent Walter Cronkite.

CRONKITE. In February 1974, Alexander Solzhenitsyn, 56 years old, became the first Russian to be forcibly exiled from the Soviet Union since Leon Trotsky in 1929. He was flown to West Germany. In late March, his wife and family joined him in Zurich.

This is the Solzhenitsyn family in Zurich today. His second wife, Natalya Svetlova, is 34. His son, Yermolai, is 3. Ignat is 21 months. Stepan is 9 months. Also with him is his stepson Dimitri, 12. And his mother-in-law, Yekaterina Svetlova, 55. Solzhenitsyn is compared today with Russia's greatest writers—Tolstoy, Dostoevsky, Pushkin and Turgenev. A Nobel prize-winner in 1970, he has written six books that led to his expulsion—books of rage against the Soviet repression. "One Day in the Life of Ivan Denisovich"—1962; "The Cancer Ward"—1968; "The First Circle"—1968; "Stories and Prose Poems"—1971; "August–1914"—published in 1972; "The Gulag Archipelago—1918–1956"—published in the United States this month. The "archipelago" symbolizes the network of prison camps dotted like islands across the length and breadth of the Soviet Union. Solzhenitsyn's books are said to have earned him millions in royalties.

In Zurich today, Solzhenitsyn works on "March 1917", third volume of the trilogy with "August 1914" and "October 1916". For security reasons he and his family asked us not to show the residential street on which they live or the exterior of their modest house. In this hour, he talks about his writing, his ordeal in the Soviet Union, his views of the United States and of the world, and of his hopes for the future.

Mr. Solzhenitsyn, after four months in Western Europe, have you revised any of your opinions which were formed back in the Soviet Union about the Western World?

SOLZHENITSYN. You know, four months is, of course, a very short period, especially with my work so that my experience of the West is very small. No, my main views, as they were formed have remained as they were. I would even say that my views are not individual views. They correspond with those of many people living in the Soviet Union and in Eastern Europe.

CRONKITE. Your work in the Soviet Union must, of course, have been very difficult in many ways. Now, with the freedom to work,

is that likely to affect the attitude with which you work perhaps?

SOLZHENITSYN. You know, when I was working in the Soviet Union, the pressure on me from outside, that was pressure on my life, not on my work. I started seriously working in the camp from 1948. But there, every day, I had to think about what I had written. Where could I hide it? But then maybe somebody would come at night. But here I can write it, put it away and go to sleep peacefully.

CRONKITE. How difficult has it been for your family to adjust—your children and your wife,—to life outside of Russia?

SOLZHENITSYN. Of course it's been difficult. Of course for my family. Well, it's not easy for anybody to get used to it, especially when this happens so suddenly. But we aren't really inclined to accustom ourselves; we're busy with our work. I'm busy up to my eyes in work, and ahead is the prospect of returning to Russia. We're in contact with Russia every day. We feel close. So we have no intention of getting used to being in the West. We believe that we shall return to Russia.

CRONKITE. Any idea when?

SOLZHENITSYN. When? Unfortunately, people can never forecast when.

CRONKITE. Does that necessitate a change in the political system or just the political government of the moment?

SOLZHENITSYN. Yes, yes. The system must be changed. For me there's a very simple key. The system should change sufficiently to allow *The Gulag Archipelago* to be published freely and widely in Russia, not the kind of deceptive publications that we have. Those are the conditions in which I could be useful in Russia.

CRONKITE. In other words, the day that Alexander Solzhenitzyn's works go on free sale in the book stores of Russia, that's the day you'll be able to go home?

SOLZHENITSYN. Yes. At that time I could be useful. That would be the right moment.

CRONKITE. Do you have concern about your safety?

SOLZHENITSYN. No, you see, I was there until the very last day. I should never have left there of my own accord. Moreover, if I'd been concerned about my own safety, I wouldn't have dared to publish *Gulag* while I was still in the Soviet Union. I realized what it would mean for me to print *Gulag*.

It was either death or death through prison. There was nothing else for it. And that's the way it happened. They arrested me, they charged me with being a traitor, which involved the death penalty, a shooting, so on the very first evening of my arrest, they told me I would be shot. I was ready for it. There was no other way of getting out of the situation. I couldn't leave the country. I couldn't hold on to *Gulag* forever. It had to be printed. So I really put my life at risk. That's the way it was.

CRONKITE. I wondered what your opinion was of the western media since you've been out?

SOLZHENITSYN. I have to say that the western press helped me and Sakharov and all of us to hold out for years, and particularly helped in August and September of last year. It was then that, in alliance with the western press, we won an important battle. So, of course, I could only be grateful to the western press. But if we should speak objectively, if you want the views of an outsider, who sometimes can see things a bit better than the people who live on the spot, here are a few of my impressions. Now here I arrived with this little bit of bread from the Lefortovo Prison in Moscow, my last uneaten meal from Lefortovo. I arrived suddenly in western Europe. Only three hours before, I'd been threatened with execution.

Suddenly they tell me they're throwing me out and dumped me in Frankfurt Am Main. And practically from that minute, the western press begins to invade me. I could hardly understand exactly what happened. It was as though I'd come with ready statements to make, but the only statement that I could make was that I'd made and said enough there and now I'd be silent. But the press wouldn't leave me alone. They pursued me everywhere. They hung around my house, then around my lawyer's house. I wanted to go out at night to get a bit of fresh air at night on my back balcony. All of a sudden these two Kleig lights on me. People were taking photographs of me. I go with my friend for a walk. They stick a microphone up to me, listen to what I'm saying to my friend. And I bawled them out: "Look, you're worse than the secret police in Russia!" Then the press says my first statement in the West was to say that the western press is worse than the KGB. It was as though I was trying to praise the KGB. I had wanted to say to them, "Look. Understand me. I just can't—let me have a rest. Let me talk to my friends." No, they went on.

For a long time, when I came back from Norway, when my family arrived, tired, exhausted, they wanted us to pose for them. Well, we couldn't pose for them. Then they ruined everything, ruined the flowerbeds around our house, stamped on everything. And so, I said, "But gentlemen, why do you do this? I do ask you. I'm not going to talk now." So they asked me: "We can't leave you," they would say. "We are ordered to do it. If we don't do it, we shall be sacked." Well, you know, that's a very slippery and dangerous argument. If I don't carry it out, they're going to sack me. Any kind of policeman in the Soviet Union can say that. "If I don't do it, I'll be sacked." You see, every profession must put some restraints on itself. Every person must put some restraint on himself. Honestly, the western press is really not stopped by anything. Not the police, nobody can stop them, keep them off a person. Not the government, nothing seems to interfere with them. In that case, you simply have to restrain yourself. This is really a moral sin. You must drop it. Other people are trampling on flowerbeds; I won't. Other people pursue a man but I won't.

Every quality, every good quality, if they aren't restrained in some way, become vices. It would be possible to admire this determination to extract the truth without bothering about anybody else, ready to go into battle. I don't mind dying, so long as I get hold of the story. But what is strange is when this western press gets to Moscow or to eastern Europe, or even to China, for example. But this is a very extraordinary thing. There the western press changes completely. There are one or two remarkable exceptions. There are certain correspondents who aren't afraid. But they get sent out of the country. But the great majority of them, they suddenly, those very men, who here will stop at nothing, they become so modest and so cautious there and so very careful. Here there's nothing sacred for them. They go at presidents, military, ministries and so forth, but there, if some miserable Bulgarian policeman tells them not to photograph a church, they stop. Or the Red Guards, you know, the Red Guards in China. If they hang up some kind of leaflet and a correspondent comes up to read it and some wretched little Red Guard tells him not to read it, the correspondent turns and walks away. Why do they do that? Why such a difference?

CRONKITE. You criticize the behavior and the manners of the American press, particularly in your own case, but you're not suggesting that you dislike the system of the freedom of the press in the Western world?

SOLZHENITSYN. Not only do I not criticize the system of freedom of the press, on the contrary I consider it one of the great good things of the western way of life. I have only two criticisms to make. On the one hand, it's not only the press but every profession which must know how to make use of its freedom but to set some kind of a limit. So beyond this I'm stepping over the moral limit. Externally, the press must be absolutely free, as it is with you, but internally everyone must know where to draw the line. On the other hand I insist that if the press has such freedom in the West then it must carry the same kind of freedom when it gets into the East.

CRONKITE. But presumably this is the principal purpose in your writing Gulag and your other works is to try to begin to convey the truth of what has happened behind the Iron Curtain to what we call the West.

SOLZHENITSYN. I can't say that I wrote all these things in order to open the eyes of the West to Russia. I wrote them primarily for my own people in Russian because we just don't know our own history.

That's what's so frightful. Only the West knows our history, we don't. We have lost it, I told you. Recent events, before the Revolution, the materials being destroyed, witnesses have died, so I tried to restore the truth. I worked for many years. If it hadn't been for the miracle of *Ivan Denisovich* that Ivardousky managed to persuade Khrushchev to have it published, I saw my life, I would write to my very death, write everything and then I would die. But thanks to *Ivan Denisovich* I was able to have my things published in the West. If Khrushchev had known that was writing the history of the Revolution he would never have let *Ivan Denisovich* be printed. He did it because he was quarreling with China over Stalin. Neither I nor anybody else suspected what consequences it would have.

CRONKITE. If Khrushchev made a mistake in permitting the publication of Denisovich, has not perhaps Brezhnev perhaps made a mistake in exiling you and bringing all this added publicity to *Gulag?*

SOLZHENITSYN. You know by exiling me, he didn't add anything for me. Persecuting me in the Soviet Union was sufficient. He made certainly clear my position—yes. They committed a very big mistake in that when I wrote the letter to them I explained that they have false objectives. I tried to persuade them to realize they have a false objective which has forced them not only not to print *Gulag*, not only to exile me, but even to sentence me to death. But they so badly understood the situation that they were afraid to print the *Cancer Ward—Cancer Ward*, which is perfectly easy to publish. In very dramatic circumstances they recently offered to publish *Cancer Ward* in the Soviet Union.

CRONKITE. Well, how did *Gulag* ever get published while you were in the Soviet Union?

SOLZHENITSYN. When the *Gulag Archipelago*, when the very day when I knew that it had been seized by the Secret Police, I immediately gave instructions that it should be printed in the West. The *Archipelago* was supposed to be published while I was in the Soviet Union but according to my plans it was supposed to come out in the spring of 1975. You see I finished the *Archipelago Gulag* in 1968, but I decided that I would work for a few years and write some of the volumes of my history of the Revolution because these are two connected things. Without the Revolution there wouldn't have been the *Archipelago* and the *Archipelago* comes out of the Revolution. And since nobody knows the history of the Revolution in our country, I thought that I would do some work on that and the two things could be published together. That was the way. I intended to be in the Soviet Union when it was published in the spring of 1975, but unfortunately the *Archipelago* got into the hands of the police.

How did that happen? Well it happened through Vorayanska. She helped me to type the draft version of *Archipelago Gulag*. That

version she kept and took care of it and then when I had the final version I told her that she should destroy it. She lived in Leningrad. I lived in Moscow or near by. I said she had to destroy it but she refused, she gave various reasons, she said it was in the ground, she said it was winter. The second time I said, "No, you must destroy it. I can't be sure of preserving it." The second time she refused. The third time I told her to destroy it and she, literally, in 1972, she wrote me a letter in which she very dramatically, beautifully, described how she had burnt it page by page. I believed her. But she deceived me poor woman, because she thought that she would save the *Archipelago Gulag* even, even if I lost it, but she would have preserved it. Well, so the whole thing turned out for the worst. She was so devoted to it she was afraid that I might not preserve it, and it might be lost and so she preserved it. In this way, she fell under suspicion. How could the secret police get on to her trail? For a long time she had not worked with me. There had been no letters, no work for me. Who, who knew her? She was known by two or three folk, that's all, just two or three folk. She was known by my former wife, Reshetovskaya, but Reshetovskaya knew nothing recently about her. But the past events she knew quite well. Recently, the secret police had been close to my former wife. They'd been having talks with her, interrogating her, and they asked her about *Gulag*. I just didn't want to think that she would do it out of a spirit of vengeance. But she warned me, and she let it be known that she would take vengeance on me. I thought she wouldn't do it over my things but maybe out of carelessness she simply said something, showed photographs and in that way Vornyanskaya was arrested. But the fact was that the secret police had not heard about it earlier. When the secret police actually read it and the authorities read it their hands must have burnt. They must have trembled because they didn't expect anything of such force and so that's the reason I returned to *Cancer Ward*. Three weeks after I had given instructions for *Gulag* to be published my wife phoned me and wanted to meet me. That's my former wife. We met at the Ryazan Station. She spoke on behalf of the secret police that some important person wanted to speak to me. I refused, so then she said, all right, they propose what? This. If you make a statement, public statement that for twenty years you will not publish *Gulag Archipelago* then they will let you publish *Cancer Ward* immediately. It was only then when they had *Gulag* in their hands they realized what it was.

I had to deceive the secret police for another three months. I didn't know what they might do in the meantime. I said, all right then I won't print it for the time being as long as nothing happens to my twenty two hundred witnesses. She said the witnesses won't be affected but only those who helped you and the people who were close to me in former times who only she knew about. I follow very closely what happens to those people and what will happen to them in the Soviet Union now.

CRONKITE. With the vaunted power of the secret police, why wasn't it possible for them to go to your quarters and the quarters of your friends and seize the manuscript of *Gulag*?

SOLZHENITSYN. You see in 1965 they seized my archives. They couldn't take *Gulag* because as soon as they took my archives it wasn't with me. Within three hours *Gulag* was away from me, and then I traveled to a distant spot at a time when I got rid of my beard so as to travel without being recognized, and it was there, I finished *Archipelago* in another place.

Later, after my letter to the Writer's Congress, you know they simply didn't dare to come near me, to come for me. Right to the very end they didn't dare until they decided to exile me. They just didn't dare.

CRONKITE. I notice your handwriting is very small. You could probably get the whole *Gulag Archipelago* as printed in a very few pages.

SOLZHENITSYN. You know, this is an unfortunate experience. I had to write with such small writing. It not only had to do with *Gulag* but the whole of my works could be contained in a small box. The whole of my collected works could be carried by you without being noticed. I wrote from top to the bottom of the page and from one side to the other. Only like that could you do it.

CRONKITE. You speak of the importance of opinion in the West. Is it this Western opinion that is causing a greater wave of emigration now? For instance, the Panovs last week. Did they get out because of Western pressure?

SOLZHENITSYN. Western public opinion has tremendous, huge influence, I wrote last year from the Soviet Union. In an interview I said that the West doesn't really understand how great its influence is. When the combined voice of the whole continent, protests instead of two or three western intellectuals who say "I would protest but I don't believe in the strength of my protest," you get a combined strength. Sakharov and I could have been squashed without Western public opinion.

You raised the Panovs and so forth. I will tell you here there is a sort of distortion in the attention which the West gives to Soviet problems. This distortion comes because of the distorted picture in which the West doesn't properly understand the Soviet Union. The increase in emigration has been achieved thanks to Western public opinion. The case of Panov and others sort of unnoticed, all the best efforts of Western public opinion have tried to help people in the Soviet Union toward making emigration easier.

They've achieved that so it looks like the most important thing is to make emigration easier whereas in reality western public opinion could ease the situation of those who don't want to emigrate but those who, at the risk of their own life, want to improve the situation there in Russia. I, of course, as you understand, consider that every person wants to emigrate should be able to emigrate. Every obstacle to emigration is a barbarity in a civilized country. But, those people who emigrate are really fleeing from the country. There are a lot more brave people who stay in the country and try to improve the situation there.

Why don't they get attention from the West? One day in a psychiatric ward, in a prison camp is much worse than going day after day to the Exit Department to apply for a visa.

CRONKITE. Do you think it's unpatriotic for those who wish to flee the Soviet Union to save their lives?

SOLZHENITSYN. Look, look, I would put it this way. I would say—yes, if a man leaves the Soviet Union who feels that the country is alien to him, and it's not his real country, then it's a perfectly natural act of a free man. He wants to go and live in another country and I certainly don't you know, and really go to Israel, not those who pretend that they're going to Israel but really go somewhere else but those who say they really go to Israel, I respect them because they are choosing for themselves a very much more difficult life in Israel. It will be more dangerous and there will be more duties for them to fulfill.

They are moved by religious feelings and feelings of national renascence. I have great respect for them. This is a patriotic move. I cannot respect those people who say this: this is my country, this is my native land, the Soviet Union, but I don't like it here. I'm going to leave it, and I won't stay here. And from the West I'll explain to you what you ought to do and I'll tell you how to go on. And then if things improve, I'll come back. When things are bad at home and there's illness there, a misfortune, then you don't leave home. You can leave home when everything's all right there. That's the way I see it.

CRONKITE. Do you see Soviet repression as a threat to World peace?

SOLZHENITSYN. Yes, I consider that repression in the Soviet Union, by its very nature, is by no means an internal matter of the Soviet Union. I consider significance. That it's a danger for the whole world.

They talk so much now about detente, as if this detente was an improvement in the atmosphere everywhere. No. According to my very latest information, which I received in the last week, the situation in the Soviet Union is getting worse. Even in the very last week, they just really let out from there the last people who were getting in their way, so as to reduce the pressure. In the future it won't be so easy to get out of there. And then they will be persecuting people more. Of course, I feel this very badly insofar as it concerns people who are close to me. There is now a new concept in the Soviet Union: a friend of Solzhenitsyn is a criminal! It's as though it were an article of the criminal code. A friend of Solzhenitsyn is a criminal! A friend of mine, Academician Shafarevich, a mathematician, a winner of international prizes, who has just been elected to the American Academy, they don't dare to suppress him at the moment. And the Chukovskys also benefit from their distinguished father. But, for example, people very close to me—One man, Vadim Borisov, who is the godparent of my children and whose statements have been published in the West—he is now threatened on all sides. Why?

Because a friend of Solzhenitsyn means he's also an enemy of the people. You have to understand the situation. Nobody talks about bugging because everybody's bugged on all sides. The question of breaking into a doctor's office to find medical records—nobody would do it. There would be no need to break in. Any authority could simply tell the doctor he'd have to hand the records over. See, when I say everything's on a different scale. Different conditions. Barabonov, a fairly well-known man, he's now threatened with being called an idler or with arrest. And Alexander Gorlov, I wrote about him at one time. At the time when there was a raid on my country house. He was told to shut up, but he wouldn't. He's not a dissident, he's never made any public statements, but he's just not one of their people. He just wouldn't keep quiet, he told me. And for that reason, he's persecuted by the police. And now, after my departure, he's been threatened. This is the situation in which my friends find themselves. In Russia, in the Soviet Union, the family of political prisoners are also persecuted so that if somebody sits in prison and I know, I've been in prison, I know that my family will be hungry and without clothes. This is a very special totalitarian way of repression. But there is a certain Alexander Ginzburg. He's very well known. In his day, he published a white book on the case of Sinyavsky. Golansov, his friend, died in the camp, but Ginzburg came out. He's free but he's very sick. He's just a very remarkable man. He is now a sort of encyclopedia and knows who has to be helped. So we have organized here in the West a Russian social fund. All the royalties from *Gulaz Archipelago* will go into that fund, and also royalties from other of my works. Maybe perhaps other people will make contributions. And so, with this money, we shall try to help the families of the political prisoners in the Soviet Union. We're not taking a single illegal step. All strictly according to Soviet law. Nevertheless, as soon as it became known that it was being done through Ginzburg, they started to persecute him.

CRONKITE. Even although it's legal under the law, what makes you believe that the Soviet authorities will for one minute let

anybody distribute that fund in the Soviet Union?

SOLZHENITSYN. Of course, they will persecute those who receive the money, but in spite of the fact that Ginzburg is being persecuted, he carries on with the work. And even if they maltreat him, destroy him, others will do the work instead. This work, of course, involves very great risks.

CRONKITE. You said that you did not think the detente helped the situation at all. I gather then you're not very enthusiastic then about President Nixon's visit to the Soviet Union?

SOLZHENITSYN. This is the way it is. You know, Nixon recently said something like this. He said that it was a long time since there was a situation which was so close to lasting peace as today. He said something like that. I must say that this kind of optimism is completely incomprehensible to me. What is deceptive here, where you can make a mistake, is it seems as though the two conflicts which threaten the world have died down—the one in Vietnam and the one in the Middle East. Well, the one in the Middle East seems to have died down really well, thank God for that. As for Vietnam, that conflict has not ceased; it's just an illusion. If in the course of the armistice, more Vietnamese died than Americans in the whole war, what kind of a peace can that be? It's temporarily stopped and it will start again one day. So these two points of conflict have stopped, but they don't decide the future. The future is going to be decided by the general situation and the general situation is—now, just before Nixon's visit—never before has the superiority of the Soviet Union and the Warsaw Pact over the countries of NATO been so great as it is at the moment. If previously, the superiority was in ground forces, in tanks, it is now, according to the latest estimates of your experts, the superiority is in nuclear weapons and missiles. Never before—this is a second factor—has the Soviet Union and Eastern Europe received such a mass of high-class technical equipment as before. We never got enough of this proper technical equipment. Third thing, never before has the President of the United States been in such a weak position as he is at the moment. He is now so weak that he does not have the strength to dictate to the Soviet Union. In any case, the old treaties are still not being carried out. The general agreement about Western Berlin is being violated. The treaty on arms—on nuclear arms restrictions—is also being violated. Your President does not have the sufficient strength to demand proper control of these treaties. This is the case.

CRONKITE. In your letter to the Soviet leaders, you favored an authoritarian system for the Soviet Union and this brought considerable criticism from some fellow dissidents, and I think some disappointment perhaps on the part of liberals in the West. Can you straighten out your views on that?

SOLZHENITSYN. Yes. You see my letter to the leaders of the Soviet Union was really very incorrectly understood in the West, partly because in America and England it was published without the foreward.

There were always different systems, and in my letter to the Leaders, I dealt exclusively and only with Russian subjects. What is necessary, what can we do in Russia, and secondly, what can be done in present conditions and definitely without revolution. I tried to seek a way by which we in Russia now could find a way of softening the totalitarian system, but at least leave it, but at least soften it. But now, for Russia today, another revolution would be worse that 1917. The number of people who would die and the productive forces that would be destroyed. There's no other way for us in Russia. But that doesn't mean that I in general think that there should be a totalitarian system and that it's better than a democratic system. Yes, I've even criticized the * * * elsewhere, I commented as I saw it from the Soviet Union.

CRONKITE. Is it possible that having been behind the Curtain in the Soviet Union that you don't fully understand the American democracy either? For instance, you said, I think in your letter, I believe, in that criticism of the democratic system of which you spoke, you said that election every four years is an attempt at gratifying the masses, and in the Ellsberg acquittal, you referred to the judge pandering to the passions of society. Well now, that's really from the American view what democracy is all about—is gratifying the masses and pandering to society.

SOLZHENITSYN. You know, it's not right to say that I haven't noticed the good sides of American democracy. I've noticed a lot of good sides to American democracy, but when we're talking together, publicly, so I think we just can't go on endlessly praising each other and paying each other compliments. Normally one criticizes. But in general terms, it seems to me that now the governments of the major democracies are in a great danger. Democracy itself is in great danger. The governments are really so unstable that two or three votes seem to decide the whole course of policy. It seems questions are being decided in this way.

CRONKITE. Well, how do you see America's role in the world today?

SOLZHENITSYN. The United States won the World Wars and decided the outcomes of the wars. The United States twice raised Europe from the ruins. The United States throughout the world helped in all cases of famine, flood, epidemics. The United States defended peace against Stalin on many occasions, the case of Western Berlin, the Berlin blockade, in Korea and in the Far East in general.

That's what the United States did. But what was the attitude of the world at large to that? The Americans had never begged for their loans to be repaid, never made political conditions. They showed great generosity. What happened then to America? The cultural centers in America were being threatened and burnt. When America lost her vote in the United Nations, people of the Third World simply cheered. The most fashionable thing for politicians in the Third World to do and even in Europe was to attack America.

What is written about you in the Soviet press? You don't have to pay any attention at all. There was a time when they gave instructions to the Soviet press to attack America as imperialists, then they gave orders to talk about détente. There are American leaders arriving in Moscow, another command is given. How many flags should be put out, how many people should be on the street, who should stand where? So just don't pay any attention to that sort of thing. That is done on the orders of the government. But believe me I want to tell you that there exist quite independently of this government policy a strong, steady sympathy on the part of the Russian people to the American people. In spite of all the newspaper lies, in spite of all that, there is an internal sympathy on the part of the Russian people for the Americans. Although people are very ungrateful to America there is paradoxically the fact that your activity is very highly esteemed in Russia. But this doesn't necessarily give us any great hopes for the future because we are not masters of our own fate for the time being. And in general and in your country and in our country, the future is not going to be an easy one. Great countries don't have easy futures, easy fates. Both with you and with us, there's a very difficult future ahead, very serious dangers ahead, mainly internal dangers. I don't fear an international conflict, a nuclear conflict. But I believe that internally there are very great dangers ahead.

CRONKITE. Can we look forward at all to the possibility of an early visit of Mr. Solzhenitsyn to the United States?

SOLZHENITSYN. You know, I would very gladly go there, but now after this convulsion I've had to live through, this break in my life, I now have to recreate my thing of first importance to me which is my work as a writer. I cannot break it off. I have to be convinced that my work is going on without halt. When I find it possible that my work wouldn't suffer from such a trip, and I must arrange it so that it wouldn't suffer, then I would go with very great pleasure.

CRONKITE. We shall look forward to that, and thank you for this interview.

WORLD FOOD SHORTAGE

Mr. HUMPHREY. Mr. President, earlier this month a great American, Orville Freeman, addressed the annual convention of the Fertilizer Institute. His remarks were reported in the Journal of Commerce on June 12.

He highlighted the fact that we now face the prospect of scarcity in world food supplies. The inputs to increase production, such as water, energy, and fertilizer, are also in short supply. Former Secretary Freeman called for the establishment of policies and institutions, on national and international levels, to manage scarcity. He particularly supported the idea of food reserves.

He said:

The matter is too important to be left entirely in the hands of the private trade. These are matters of international concern and should be a part of national policies and actions.

Mr. President, it is refreshing to hear such forward-looking comments. 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:

FARMLAND WILL HAVE TO YIELD MORE

WHITE SULPHUR SPRINGS, W. VA.—Former Agriculture Secretary, Orville L. Freeman, yesterday warned that by 1976, 80 per cent of the world's annual increase in food production will have to come from raising the yield of existing farmlands.

"We're getting to the end of our rope—the availability of arable land is nearing its limit," he said.

Mr. Freeman spoke at the annual convention of the Fertilizer Institute. He is president of Business International, a global research organization that counsels more than 600 multinational corporations and governments.

FOOD DEMAND CLIMBING

"World demand for food is climbing for two reasons: in the less developed countries, because of growing populations. In the industrial countries, because of rising affluence. We can no longer count on the traditional approach to the production of more food, expanding the land under cultivation. The fact is that in many parts of the world, including areas that are most hard-pressed for food, there is actually less agricultural land available every year because of erosion, industrial development, residential and transportation requirements and other factors," he said.

The problem is that the other basic physical resources for food production—fresh water, energy, and fertilizer—are also in critically short supply, and the world is facing serious difficulties in trying to expand these resources. "It is a challenge of staggering proportions," Mr. Freeman told the assembled manufacturers of agricultural fertilizer.

GOING OUT OF STYLE

"The institutions for managing abundance are well developed," Mr. Freeman said, "but they're going out of style. In a world that's moved almost overnight from abundance to a shortage of essential raw materials, we've got to learn how to manage scarcity.

"The crisis is not just one of rising prices—as important as that problem has become. It's a question of availability at any price, and for the hungry people of this world, the outlook is bleak."

Mr. Freeman said that the past year has seen a rise in malnutrition among the world's poorest billion. "It appears certain," he said, "that reduced fertilizer supplies during the next year will cause a sharp drop in food production in several key developing countries even if weather conditions are good. The unfortunate result will be a demand for increased food imports at a time when global reserves are already at dangerously low levels and food prices are at historic highs."

HUMAN RESPONSIBILITY

He called for the creation of policies and institutions, on both national and international levels, to manage scarcity. Foremost among the new policies needed is a modern approach to food reserves. Price volatility must be controlled, he urged, and fortunate nations must accept the "human responsibility" of responding to crop failures and famine in poor countries. He expressed his support for legislation by Sens. Humphrey, Aiken, Young and McGee to establish a national food reserve policy, and also urged more clearly defined land-use policies to protect agricultural land.

"The matter is too important to be left entirely in the hands of the private trade," he said. "These are matters of international concern and should be a part of national policies and actions."

Mr. Freeman predicted that in the near future nitrogen production facilities will be built "where the cheapest sources of natural gas are located—in the oil exporting nations." In a unified global economy, it is necessary to manufacture goods where they can be produced most efficiently, he said.

WATERGATE AND TEAPOT DOME

Mr. ERVIN. Mr. President, J. Leonard Bates, a member of the history department at the University of Illinois, Urbana-Champaign, Ill., wrote an excellent article entitled "Watergate and Teapot Dome," which appeared in volume 73, No. 2, of the South Atlantic Quarterly, a publication of the Duke University Press. In my judgment, this is an exceedingly timely article which merits wide dissemination. For that reason, I ask unanimous consent that it be printed in the body of the RECORD.

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

WATERGATE AND TEAPOT DOME

(By J. Leonard Bates)

A Washington correspondent for the *St. Louis Post-Dispatch* wrote in 1924: "Teapot Dome is an alluring and provocative name. It has a mysterious sound and comes trippingly from the tongue." Today "Watergate" comes no less trippingly from the tongue and has provided innumerable opportunities for imagery. Starting with the names by which we know them, these famed scandals of the twentieth century are strikingly similar in many respects. Each, for example, is the name of a particular scandal that also has become, for many, a label to cover the misdeeds of an era. Thus a great hotel in Washington, D.C. can be linked somewhat imaginatively with an oil field, or "dome," in the dry and rocky land of central Wyoming—each in its time a symbol of wealth and intrigue, of activities inimical to the highest ideals of this Republic.

The Watergate scandal has now outdistanced all others in American history, and, if the television commentators may be believed, there is really no comparison. Certainly the issue of "tapes" did not exist in the 1920's, the President was not under fire and threat of impeachment, and there was neither a Spiro Agnew nor a palace guard numbering in the hundreds. In broad outline, however, and in many details, the situations are similar. Much that happened in the summer and fall of 1973 was like a replay of events in 1923–24. In 1973 as in 1923, the Republican party was in trouble, with top leaders under fire, and the complications keep increasing. The Executive branch attempts to withhold evidence, while the Congress tries to get it out. One sensation crowds upon another. Black headlines tell of notable figures who have violated a public trust. The exposures appear without end, and no one can remember all the names. How the public reacts is enormously important, for this will determine the fate of individuals and perhaps of great political parties.

One difference between the two periods is extremely important from the standpoint of political repercussions. The major revelations in the 1920's occurred after Warren G. Harding had died and Calvin Coolidge took his place. No one could really accuse Coolidge of direct implication in the scandals. The political situation was "profoundly" affected, as one observer remarked. Another observer, a Republican, attended the funeral services for Harding in August 1923 and then reported to Senator William E. Borah on all the political talk—that is, among the Republicans assembled in Washington. Much of this talk was extremely hard-boiled, even before Harding was laid in the ground. One Republican senator said out loud what many were thinking: Harding had done more for the Republican Party in the last week (by dying) than he did in the entire period of his presidency! Politics is just as hard-boiled in the 1970's, and many Republicans have joined in the clamor for Nixon to resign.

If one could take the Democrats' word for it in 1924, the Harding-Coolidge administration was shot through with scandal. In the language of Cordell Hull, Tennessee congressman and chairman of the Democratic National Committee: "This administration came in under the shadow of the Newberry scandal and the Daugherty scandal. Others followed in quick succession, including the bureau of engraving scandal, the Goldstein scandal, the ship subsidy and ship sales scandal, the veterans' bureau scandal, the sugar profiteering scandal, the naval oil reserve scandal (including Teapot Dome), the reclamation service scandal, the income tax bureau scandal, the packers and stockyards scandal, the Tolbert scandal, the Slemp scandal and a long list of others less known, with one now brewing in the tariff commission. . . . There is scarcely a department of the government under this administration that is not discredited by its record, and many bureaus not already scandalized are under suspicion." Without any question, the Harding administration was gaining ill-fame rapidly, about the time Harding died, and the situation got worse instead of better. Several scandals were particularly damning.

Most outrageous of all was the corruption in the Veterans Bureau. Harding had chosen a personal friend and one of his poker companions to head this agency, Charles R. Forbes, a charming man of dubious past. Almost immediately, stories began to circulate that Forbes was arranging kickbacks from his contractors and was swindling the veterans in every way he could think of. Meanwhile, hospitals and medical supplies were badly needed in those years just after World War I. According to one story, Harding indignantly forced Forbes to resign. It remained for the Senate, however, to investigate the matter and show the moral squalor in which Forbes and some of his confederates operated. One of his co-workers, the chief counsel of the bureau, killed himself. Forbes himself finally went to jail for a short term.

Meanwhile, Harry Daugherty, the Attorney General, was getting into trouble. As early as May 1922 the *New York Tribune*, a staunchly Republican paper, called for him to resign. An intimate of Harding and Daugherty was Jess Smith, another member of the "Ohio gang." He lived for a time with Daugherty and shared a bank account with him. He also had a desk in the Department of Justice, for his personal use, without being employed there. Smith became a cheap fixer for bootleggers, income tax evaders, and the like. When rumors of his activities reached Harding, the President tried to send him back to Ohio. In May 1923 Smith killed himself.

One scandal revealed to the public in 1924 involved Jess Smith, his friend Daugherty, and the alien property custodian, Thomas W. Miller. In essence, Miller, the head of this office, was paid at least $50,000 to turn over control of a metal company, worth millions, to men who fraudulently claimed it. Jess Smith got his cut, as did a prominent Republican named John T. King. Had Attorney General Daugherty shared in the loot? It seemed that he had, but to get the evidence was not easy. Miller was convicted, however, and went to prison for his part in the affair.[1]

Most sensational of all was the Teapot Dome scandal. In late 1923 the Public Lands Committee of the Senate began laboriously accumulating evidence concerning the recent leases of two naval oil reserves located in Wyoming and California. The circumstances were peculiar. Their disposal seemed contrary to a long-established bipartisan policy of conserving this oil for the Navy. Inspired chiefly, by Harry Slattery, a shrewd and dedicated conservationist, and Robert M. La Follette, a progressive senator from Wisconsin, the Senate investigation was brought to a spectacular climax by Senator Thomas J. Walsh of Montana, a Democrat. It was discovered that the Teapot Dome in Wyoming and Elk Hills reserve in California had been leased through a colossal fraud in which Albert B. Fall, Secretary of the Interior, illegally assumed control of these tracts and secretly granted them to two powerful oil men. The latter, in gratitude, paid large sums to Secretary Fall.

A few leaders were determined to "get the rascals out" and restore faith in the American system of responsible leadership and justice under law. Senator Walsh emerged as an authentic hero of the affair. He had served in the Senate with distinction since 1913 but had seldom made headlines in the major newspapers until his revelations as the Teapot Dome investigator. In a comparable way Senator Samuel J. Ervin, Jr., emerged from the ranks in 1973. Incidentally, one of those who had an influence in the choice of Sam Ervin for his present role is Mike Mansfield of Montana—a long-time admirer of Senator Walsh. One may be sure that Mansfield has thought of the similarity (and the irony, perhaps) of these events, with the West and South supplying eminent lawyers for a high national purpose.

[1] A good general account of the Harding scandals, drawn largely from congressional hearings, is M. R. Werner, *Privileged Characters* (New York, 1935). Robert K. Murray, *The Harding Era: Warren G. Harding and His Administration* (Minneapolis, 1969), is based on the Harding Papers primarily and has an interpretation partial to the White House. No one can ignore it for the Harding policies generally.

The 1920's produced a number of congressional investigators and two special prosecutors, but had no counterpart to Judge John Sirica and the role he plays.

What caused the Harding scandals and the scandals of the Nixon Administration? Are they similar in the major causative influences? They probably are, although some television commentators have made a sharp distinction. The scandals occurred in the earlier period, so we are told, because Secretary Fall and others were ready to take payoffs, and they did so; while the men around Richard Nixon fifty years later were hard-nosed conservatives, concerned about "security," interested in power, in matters of ideology, and particularly in Nixon's reelection, rather than personal profit. Yet personal profit became involved in Watergate too. It is obvious, for example, that many in the Nixon administration have an intimate working relationship with large corporations or special interests. Some have profited already through these connections, while others (it seems clear) expect to do so ultimately, through employment or consulting work.

The scandals go back, respectively, to the election of 1920 and to Nixon's first term, leading into the election of 1972. In each instance the campaign resulted in a landslide. In each the Republicans could assume a "popular mandate." The American people were voting *for* a Republican ticket and they were voting *against* a Democratic Party and a party leadership that had been widely discredited. Woodrow Wilson was not running for the presidency in 1920 (James M. Cox was), but many were voting under an anti-Wilson influence. To cast a ballot for Harding, Coolidge, and the Republicans was to vote against the recent past and some of its liberal ideas and apparent failures.

An opportunity existed, in the new atmosphere, for militant reactionaries to take decisive action. This, essentially, is what Albert B. Fall proceeded to do as the new Secretary of the Interior. Fall, a veteran of ideological battles over public land policy, had maintained for years that the federal government had no right to supervise or control the development of timber land, mineral lands, grazing lands, water power, and other public resources in the western states. The West ought to be developed, as the East had been, free from bureaucratic interference. As soon as possible, in fact, the Department of the Interior ought to be abolished. Fall was reacting strongly against the federal conservation programs that had developed under Theodore Roosevelt, Taft, and Wilson. Conservatives of a later time rejected most strongly the programs for social welfare, but the tendencies toward free enterprise and private profits were quite similar in the two eras.

Early in 1921 Albert B. Fall sat firmly in his saddle as the new head of the Department of the Interior. He proceeded to grant favors as lavishly as he was able to do. He did not receive payoffs, apparently, with the important exception of the arrangements in Wyoming and California that became his undoing. Fall's biographer, David Stratton, has argued that the Secretary did not have to be paid, that he believed fervently in the policy he was following. However, he also got into financial straits and accepted cash and gifts, totaling over $400,000, from the two oil men to whom he gave special leases of naval petroleum reserves. Harry Sinclair got the Teapot Dome in Wyoming, while E. L. Doheny took possession of Elk Hills in the San Joaquin Valley of California.

To discuss all the details of Fall's leases and his "usurpations," as Senator Walsh called them, would require a volume or two. A brusque and forceful man, Fall had first persuaded the Secretary of the Navy that the Department of the Interior ought to administer the naval petroleum reserves. These reserves should never have been created anyway, many believed. They were unnecessary because the American petroleum companies would produce the supplies that were needed. The Navy could have its fuel oil without any taint of government operation or socialism. By his arguments and force of personality, Fall succeeded in getting these reserves transferred, by means of an executive order, from the Navy Department to the Interior. Then, secretly, Fall granted the leases to Sinclair and Doheny. But some other oil men had their own claims to Teapot Dome and asserted them strongly. Fall and Sinclair had to engage in a cover-up operation. They had to buy off Sinclair's competitors in Teapot Dome, mostly to keep them quiet. Before the sordid business was over, Sinclair had paid out more than a million dollars, including a quarter of a million to the *Denver Post*. This paper had discovered the scandal in 1922 and published stories attacking those apparently responsible. Then it dropped the whole affair after its owners were handsomely paid.

When one company persisted in occupying a part of the Teapot Dome, where they meant to drill, Fall resorted to a display of force. The time-honored method of bringing such operations to a halt, if they were illegal, was to appeal to the courts. Fall, instead, called upon Theodore Roosevelt, Jr., who was in the Navy Department, for a detachment of five marines. The marines were ordered to Teapot Dome where they displayed their weapons and had no difficulty in stopping the drilling operations. In the saga of the United States Marine Corps, this was not an heroic moment. The methods by which Fall exploited both the Navy Department and the marines are reminiscent of the alleged manipulation fifty years later of the Federal Bureau of Investigation, the Central Intelligence Agency, the Internal Revenue Service, and other agencies.[2]

Secretary Fall, like John Mitchell in the Nixon administration, left the cabinet long before his actions were explored. Fall was evasive and untruthful, and the facts finally had to be forced out through governmental inquiry. (If anything is clear from Teapot Dome and Watergate, it is that lying is not unusual among high-placed officials. This may be true of Presidents as well as others, especially when under fire and fighting for their reputations.) Secretary Fall had to serve a short prison term for his mistakes, and an embarrassing number of Nixon aides suffered the same fate.

Attorney General Daughtery continued in the cabinet in 1923–24, after Harding's death. Daughtery resembled Fall in having ideas that were militantly conservative. He was closely associated with business interests, asserting frequently his antilabor views, and he blamed the talk about scandals mostly on communists, congressional radicals, and others. He wrote in a conspiratorial vein to President Coolidge that he should not be afraid of the scavengers in Congress; he (Daugherty) would give him the necessary protection. A sensible man, Coolidge was not impressed. Daugherty also used his control of the Department of Justice to launch an investigation of the investigators. Not only did agents of the Bureau of Investigation and others in the Department fail to give aid in the inquiries of 1923–24; they actually opposed for a time those in the Senate trying to get at the truth. Senator Burton K. Wheeler, a critic of Daugherty and the Department of Justice, was accused and later brought to trial on flimsy evidence that he had been involved in an illegal petroleum lease. He managed, however, to escape conviction. This episode may bring to mind the Nixon aides and their clumsy attempt to destroy Daniel Ellsberg.

Harry Daugherty was investigated for his own activities and was indicted; but he refused to testify, pleading a fear of self-incrimination. When the jury failed to agree, Daugherty escaped a prison sentence. Thus, narrowly, the Harding administration avoided having a second member of its cabinet go to jail.[3]

Further to consider causative influences, there can be no doubt that many in the Harding-Coolidge administration were overconfident and even arrogant in their exercise of power. Both Harding and Collidge wanted less government in business and more business in government. They succeeded in that respect. Many in the Executive branch were indignant about "government by investigation," that is, by the Congress; many were contemptuous of Congress and those who allegedly spoke for "the people." Liberal movements, labor unions, and academic theorists were in bad repute. Muckraking had almost disappeared, partly because magazines were known to lose advertising if they dared to run articles critical of the "system." It was a situation that invited scandal.

Unlike their counterparts in the early 1970's, however, the conservatives of 1920 did not have a determined leader of strong convictions. They had Warren G. Harding. Although Robert K. Murray has sought to revise earlier interpretations, Alice Roosevelt Longworth could write in 1933 that "Harding was not a bad man, he was just a slob." Essentially he was a reactionary, but he also liked people, and he liked to go out among them and "bloviate," as he called it. Formerly a newspaper man, Harding got along splendidly with gentlemen of the press. In these and other respects he did not have the personality or the will to give direction to and dominate a conservative movement as Richard Nixon has done. Even assuming that an ideological clique had centered in the White House, it would have been a small one, since the personal staff consisted of a secretary, a physician, and a speech writer or two. This number may be compared with some five hundred in the White House and Executive offices under Nixon.

What is to be said about campaign contributions? Certainly they had not assumed the importance in 1920 that they have in 1972–73. Nor did the Republicans establish anything resembling a separate committee to elect the President. Yet Will Hays, the Republican campaign manager in 1920 and the early twenties, was a major figure and a controversial one. Like scores of other prominent leaders, he was pulled into the Senate investigations, and the revelations about his financial operations were not exactly savory. The important question in both eras was whether contributors to the party victory were expecting to receive their reward in jobs, contracts, leases, tax relief, a friendly word to people with influence, and similar favors.

Harry Sinclair, for example, contributed $75,000 to the Republican campaign in 1920. Then, later, to make up a deficit that existed, he added another $160,000; and he also "lent" the Republicans $185,000 in Liberty Bonds which were supposed to be returned after the party raised additional sums elsewhere. The source of Sinclair's bonds is a story in itself; for he and other petroleum executives had formed a dummy corporation in 1921, the Continental Oil Company Limited, through which they bought millions of barrels of oil at a low price. They then sold these supplies to their respective companies

[2] For the episode involving the marines, see U.S., Congress, Senate, *Leases upon Naval Oil Reserves*, 3 vols. (Washington, 1924), pp. 1054–60 and passim; and Werner, *Privileged Characters*, pp. 92–96.

[3] Burl Noggle, *Teapot Dome: Oil and Politics in the 1920's* (Baton Rouge, 1962), pp. 124–29 and passim. This is an excellent account of the scandal and its ramifications.

at a much higher price, thus defrauding their own stockholders. With the illicit profits, Sinclair bought Liberty Bonds, and he used the bonds, first, to bribe Secretary Fall and, second, to help bail out the Republican Party. One could suspect, naturally, that Sinclair had ulterior motives in virtually everything he did.

E. L. Doheny, lessee of the California naval reserve, was a Democrat who admitted that he gave $75,000 to the Democratic party in 1920 and then also contributed $25,000 to the Republicans—a contribution which he said was intended to help the Republican Party refute the base charge that Warren G. Harding had Negro blood.

In a political and constitutional sense, the oil-leasing scandal was a dramatic affair. The Senate clashed with the Executive branch over procedure to be followed, and the senators fought among themselves. The formal investigation was launched with a Senate resolution of April 21, 1922, introduced by Senator La Follette, calling upon the Secretary of the Interior to supply the Senate with all documents concerning the leases of the naval reserves, and, furthermore, authorizing the Senate to "investigate this entire subject of leases upon naval oil reserves, with particular reference to the protection of the rights and equities of the Government of the United States and the preservation of its natural resources."

The investigation did not actually begin until the fall of 1923, by which time Coolidge had become President. Senator Thomas J. Walsh was the man who functioned as the prosecutor, or investigator, not because he came forward to take the job, but because he was persuaded that someone had to take hold of the thing and prevent it from becoming a whitewash. The problem was that the Republicans then controlled both Congress and the Presidency. They had no desire to uncover more dirt concerning the policies under Harding or those still continuing. The Public Lands Committee, charged with the duty of conducting the oil probe, had a conservative Republican as the chairman, Reed Smoot of Utah, and no help could be hoped for from him. Senator La Follette, therefore, and others urged Walsh to take charge. (La Follette himself was not on the committee.) The Montanan was known as an able lawyer, an exceedingly energetic man, already serving on more committees than anyone in the Senate; he was a bear for work. No less important, he had the respect of his colleagues, much as Senator Ervin does today. As a Democrat, he would try hard, it was assumed, to uncover scandals in a Republican administration; but at the same time he would be fair.

Walsh was a leader of high ideals who had hoped, as a youth, that he might become a statesman on the Roman model. In the Senate he developed a personal code concerning such questions as the use of his name or picture, his association with lobbyists, and the correct procedure to follow in the conduct of political campaigns. He believed in the absolute necessity of judges and other public officials behaving in such a manner that the people could have confidence in them, for without that confidence popular government must fail. (Perhaps Judge John Sirica comes to mind.) Walsh adhered to a standard of strict personal morality, as suggested by this statement: "You can give your children no heritage quite equal to an unblemished name."

To a surprising extent, Walsh did the research for and ran the Teapot Dome inquiry himself. He had one law clerk, a student, and only sporadic assistance from Senators George Norris of Nebraska, John Kendrick of Wyoming, A. A. Jones of New Mexico, and others on the Public Lands Committee. The Teapot Dome inquiry was a small operation indeed compared with the Watergate investigation of the 1970's. In the first phase of the hearings, held in a small room in the Senate Office Building, Walsh probed into technical aspects of the questionable leases that Secretary Fall made. Unlike the Ervin committee fifty years later, this Senate committee of 1924 had no special counsel sitting at the table. Walsh was his own lawyer as Navy men, petroleum experts, and others, including cabinet members and former cabinet members, came before the Public Lands Committee to give testimony. The result, at first, was an inability to prove fraud or to uncover anything really sensational, although the evidence showed that Fall had taken the law into his own hands and behaved in an unusual way.

One obstacle, in this early phase, was the lack of interest shown by most of the newspapers and the outright hostility of some. The *Washington Post*, whose reporters did so much to expose the Watergate mess, was on the wrong side in 1924. Edward McLean, publisher of the *Post*, was a playboy friend of Albert Fall who tried to help the Secretary in the cover-up. The *New York Times* also gave no help to the prosecutor. Even the *New York World*, normally a tower of strength for the Democrats, paid so little attention to the investigation that Senator Walsh felt compelled to protest. Worst of all were the newspapers caught in the blackmailing operations. The *Denver Post* was not the only paper that Harry Sinclair paid in an effort to buy silence.

Yet the press had its heroes too. Aid that was perhaps indispensable came from W. B. Colver, editor of the *Washington Daily News*. Colver had a friend in Colorado, the editor of the *Denver Express*. After some investigation they learned, and informed Senator Walsh, that D. F. Stackelbeck, a reporter on the *Denver Post*, had made an *investigation* of Fall's activities and discovered one of the worst scandals in history. The tip was essentially true. Stackelbeck, whose superiors on the *Denver Post* had first used the stories on Fall and then silenced the reporter, came to Washington and suggested the line of questioning that was to destroy the Secretary and put this story on the front pages for years to come. Another newsman whose service was outstanding was Paul Y. Anderson of the *St. Louis Post-Dispatch*. Indeed, Anderson won a Pulitzer Prize for his work, like two reporters from the *Washington Post* in 1973.

In the Walsh investigation, a stream of witnesses testified that Fall had become a wealthy man between 1920 and 1921. Soon he was caught in a lie concerning the source of this new-found wealth. Paul Anderson described the changes that now occurred: "Four-column headlines leaped to the first page of the haughty New York Times. . . . At once the inquiry was transferred from the cozy committee room to a spacious caucus hall [the same as in 1973], and the air became redolent of costly perfumes. Larger press tables were hastily dragged in, and Senators, after introducing themselves to the chairman as members of the committee, took their seats at the table for the first time, wearing an air of stern resolve. Senator Smoot left off scoffing, and Senator [Irving] Lenroot went into action with a ferocity which made Senator Walsh's tactics seem mild by comparison." Anderson paid tribute to Walsh, "a hard-boiled lawyer from the Montana copper country, who, in the face of killing apathy and less passive hindrances . . . [had] made one of the most brilliant, resourceful and persistent fights ever carried out against the private plundering of the public wealth."

In the meantime the politics of Teapot Dome was becoming increasingly important. The relevations came just at a time when each party was looking toward its political conventions, to be held in June and July 1924. Calvin Coolidge was trying to get a firm control over the Republican Party so that he would receive the nomination without a fight. The leading contender among the Democrats was William G. McAdoo, son-in-law of President Wilson and highly regarded as a powerful figure in his own right. He had been Secretary of the Treasury under Wilson and head of the Railroad Administration during World War I.

The situation politically in 1924, to be sure, was quite different from that in 1974. Coolidge was shy, frugal, pinch-faced, seemingly as clean as the winds of his rural New England. It would be difficult at best for the Democrats to tag this man as "corrupt." When he handled himself with political finesse and also perched on the upswing of the business cycle, it became impossible.

Coolidge's policy, however, evolved under considerable pressure. At first he showed hostility toward the investigation. Like Chief Justice Taft and many other Republicans, he even suspected a Demoocratic plot to discredit his administration. Recognizing, finally, that a scandal actually existed, and having decided to run for another term in the White House, he saw the wisdom of action. Meanwhile he had his own men—in the Public Lands Committee, for example—sniping at Senator Walsh; and one extremely partisan Republican, a senator from Missouri, made personal attacks that were wholly unjustified. Coolidge consulted with his Republican advisers and set out to nullify any advantage that the Democrats might have gained. The Senate had raised the question of special, independent prosecutors, since the Department of Justice under Harry Daugherty could not be trusted. Anticipating this demand, Coolidge proceeded to appoint his own prosecutors, though the first two were not confirmed. The final choices were quite adequate but hardly the best available. One was Atlee Pomerene, a former Democratic senator from Ohio, and the other was Owen Roberts, a Philadelphia lawyer and Republican who went on later to become a justice of the Supreme Court. Coolidge also accepted the resignation of Edwin Denby, Secretary of the Navy, and he forced Daugherty out of the cabinet. In the view of Senator Walsh, the President had failed, notably by leaving many subordinates in office who had contributed to the scandals. Generally speaking, however, Coolidge's administration was moving to clean up the mess by the summer of 1924. The "Harding gang" was no longer in power. Enough had been done to withstand any sweeping attacks on the Republican Party. Coolidge went on without difficulty to receive the coveted presidential nomination.

Meanwhile, the Democrats' trouble was just beginning. E. L. Doheny, the Democrat who had leased Elk Hills, succeeded in his testimony before the committee in smearing a number of men who had been prominent in the Wilson administration, including William G. McAdoo. The latter, for example, had not been directly implicated in any way in the question of naval petroleum reserves. But he had served as Doheny's lawyer and had received large retainers. That was enough to injure him badly, although he continued to campaign for the presidential nomination. What had been a Republican scandal now assumed the complexion of a two-party affair. As one newspaper put it, "The Senate investigation has become a 'gusher' and both Republicans and Democrats, in varying degrees no doubt, will carry the smell of petroleum, both crude and refined." In other words, the Democrats had lost their issue. They fought among themselves, a not uncommon occurrence, and lost any chance they had of winning the November election.

* * * * *

This writer once developed a theory that it is virtually impossible for a national political party to "throw the rascals out," or to take over the presidency on the basis of a cor-

ruption issue. Almost inevitably in a period of national scandal both parties are affected, and the outs cannot fashion a winning issue. Watergate, however, seems to have been, uniquely, a one-party scandal. It has been so damaging to the Republicans, and the President himself has been so deeply implicated, that the Democrats ought to win handily in 1974 and again in 1976. Yet the path is strewn with perils for the usual politician of both parties. Obviously much that has happened under Nixon is a culmination of tendencies that existed before. The Democrats share in the problems of Watergate and may yet muff their opportunity. Certainly they do not have an acknowledged leader, while a Republican "Mr. Clean" still has time to emerge and to be the savior of his party, much as Coolidge was in 1924 and Herbert Hoover in 1928.

Always there has been a tendency to think that scandals do not really have much importance. Yet Teapot Dome did have its importance. There is little doubt, for example, that two influences above all others contributed to the declining reputation of the GOP from the late twenties to 1941. One was the Great Depression. The other was the Harding scandals. Gradually, through the medium of articles, books, and word of mouth, the Harding scandals came to be looked upon as sordid and a national disgrace. The investigations had not long been under way before Republicans and Democrats alike were conceding that Watergate was a disgrace. Whatever may happen at the polls, the Republican Party will suffer in history because of Richard Nixon's poor judgment, the Committee for the Re-election of the President, the Plumbers, and all the rest. Obviously, too, a lessening of presidential authority, already apparent, will be followed by legislative attempts to meet the crisis of Watergate. The effects of this affair may be truly momentous.

The human element cannot be forgotten—the victims and the casualties of one sort or another, and those, as well, who rise to fame. One suicide has occurred already, and the toll of Teapot Dome (two) may be equaled or surpassed. There are those other victims, not of personal mistake, but of family connection. Wives, children, grandchildren, and friends will live with the memory; and some will be embittered. A Watergate or Teapot Dome is reminiscent of a civil war or mountain feud. The bloodletting will likely continue for some time.

From the standpoint of national policy, not much sentiment is allowed. Judge Sirica has not been tolerant of those at the bar, and Senator Sam Ervin sees issues involved that go far beyond the penalty that may be meted out to a few men. Senator Walsh argued, almost fiercely, that those who have failed in their duty as high public officials must be made an example to the Republic. Something like that happened in the 1920's, and it is happening again.[4]

[4] This article originated as a public lecture at the University of Illinois in May 1973, much revised to keep up with the unfolding events of Watergate. Considerable portions of the account have been adapted from earlier writings of the author—a dissertation on Senator Thomas J. Walsh of Montana (University of North Carolina, 1952) and the following publications: "The Teapot Dome Scandal and the Election of 1924," *American Historical Review*, 60 (Jan. 1955), 303–22, and *The Origins of Teapot Dome: Progressives, Parties, and Petroleum, 1909–1921* (Urbana, 1963). Barry Wood, a graduate student at the University, has read the manuscript and offered suggestions based on his own research, for which I am grateful.

FULBRIGHT: HE LEAVES A LARGE GAP

Mr. SYMINGTON. Mr. President, I ask unanimous consent that an article, "Fulbright: He Leaves a Large Gap," by James McCartney of the Knight Newspapers, be printed in the RECORD.

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

[From the Miami Herald, June 2, 1974]

FULBRIGHT: HE LEAVES A LARGE GAP—HE BROKE RAYBURN'S RULE, BUT HIS IMPACT WAS GREAT

(By James McCartney)

WASHINGTON.—It was the late Sam Rayburn, legendary speaker of the House, who laid down the fundamental rule, the way of life, of Congress, a rule he often passed along to newcomers.

"To get along, go along."

J. William Fulbright, whose 30-year career as a senator was brought to a resounding close Tuesday by defeat in a Democratic primary in Arkansas, never played by that rule.

He has rarely gone along with anybody.

He has been that rarest of congressional animals: A maverick.

And even more astonishingly for Congress, he was a maverick who rose to one of the most prestigious jobs that Congress has to offer, the chairmanship of the Senate Foreign Relations Committee.

But his influence on American policy was incalculable and cannot be measured by conventional yardsticks. Fulbright has been anything but a conventional senator.

How do you measure the influence of a philosopher in what is essentially a tough, hard-knocks political environment?

What Fulbright has done is to demonstrate that there is a role for a maverick in the highly charged political environment of Washington.

And without him there will be an enormous gap at the thinking level of foreign affairs, a level often by-passed by administrations tacticians and politicians.

Questions will not be asked. Issues will not be raised.

As one high level administration official puts it: "You always had a Fulbright to give the other point of view. He made a tremendous contribution because he could not be ignored.

"He did not hesitate to keep insisting, even when nobody seemed to be listening, and time has borne him out, over and over again."

Examples are legion. At his very first press conference after becoming chairman of the Foreign Relations Committee in 1959, Fulbright dropped a whole series of suggestions:

The U.S. should seek to negotiate with the Soviet Union, should stop saying "no" automatically to all Russian offers to talk about ending the Cold War.

Red China eventually should be recognized.

New talks should be opened to try to settle the future of Vietnam.

The possibility of a mutual withdrawal of troops from Central Europe should be explored.

Every one of those suggestions appeared "radical" to many at the time.

It was 10 years before a President, in this case Nixon, announced a policy of "negotiation not confrontation" with the Soviets.

It was 12 before a new opening was made toward Red China.

Negotiations are under way today in an attempt to reduce the numbers of troops in Central Europe.

And sadly, no talks were started to settle the fate of Vietnam, and a national tragedy was the result.

But Fulbright has been far more than a simple nit-picker. He did not accept the fundamental premises upon which American foreign policy, as espoused by both Republicans and Democrats, was based.

He did not buy the "Cold War," and the idea that everything the Russians did was wrong, and everything the U.S. did was right.

He believed that the U.S. had developed an "empire" around the world, supported by what he called "a powerful military-industrial-labor-university complex oriented to the conduct of war and cold war."

He did not believe that the U.S. should be thought of as a "power"—a very common term in both parties. What was important, he said, was not whether a country was "powerful," but what kind of lives it provided for its people.

He did not support the nation's many wars and military interventions. He was opposed to the intervention in Lebanon by President Eisenhower; the Bay of Pigs, by President Kennedy; the intervention in the Dominican Republic by President Johnson.

All, he said, "could and should have been avoided with comparative ease."

He thought that President Kennedy's much-touted Cuban missile crisis was a fraud, and also could easily have been avoided.

While the nation's military budget continued to go up, Fulbright delivered a series of speeches on the Senate floor entitled "The Selling of the Pentagon" to try to demonstrate that taxpayers' money was being used to sell a militaristic society to the public.

The speeches caused hardly a ripple at the time, but touched off a national sensation when a television network (CBS) used them as a basis for an hour-long show.

Fulbright defied conventional techniques for running a congressional committee. Unlike many of his colleagues who rose to eminent position, he did not seek to become a dictator over his committee, imposing his will on other members.

He thought of his committee as a vehicle for education. A committee hearing was often a kind of seminar on some vital foreign policy question.

When questions began to arise in his own mind in early 1966 about the wisdom of the Vietnam War, his approach was typical. He called hearings to let those who had questions about the war air their opinions—generals, scholars, some former top State Department officials.

"He made opposition to the war intellectually respectable," says one former official.

A top Senate staff member gives him even more credit: "He turned this country around."

Sen. Stuart Symington (D., Mo.) has said that he "learned about foreign policy at Fulbright's knee."

Sen. Frank Church (D., Idaho) said: "He brought the Foreign Relations Committee back to life and he tried his best to achieve a renaissance in the Senate itself." He credited Fulbright with leaving "a historic mark that will be remembered long after his time."

Fulbright was talking about many of the issues that have been drawn to national attention by the Watergate scandals long before anyone ever heard about Watergate.

He has rallied against what he considered the overblown powers of the President. A chapter in a book he wrote in 1972 was entitled "The Imperial Presidency."

Fulbright summed up his own ideas about foreign affairs for the U.S. in the closing words of that book, "The Crippled Giant."

"The price of empire is America's soul," he wrote, "and that price is too high."

TURKISH OPIUM: WHAT ARE THE FACTS?

Mr. BUCKLEY. Mr. President, as you know, the Turkish Government has indicated that it may once again allow opium poppies to be grown commercially by Turkish farmers, a practice abolished in 1972. It is by now notorious that a great deal of the opium that was legitimately grown in Turkey found its way to the illegitimate heroin market as raw material for the production of that dread substance. In 1972, the U.S. Government pledged $35 million to assist Turkey in phasing out the production of opium and it was all but universally acknowledged that the cessation of opium production in Turkey contributed immensely to a lessening of the drug problem here in our country and throughout the world.

But, as I said, the Turkish Government now states that for economic reasons, it may once more be necessary to allow the poppies to be grown commercially.

I recently received a copy of a letter that had been sent by Myles Ambrose, former head of the Justice Department's Office of Drug Abuse Law Enforcement, to the Washington Post. In that letter, Mr. Ambrose stated in part:

There were no real economic or social hardships caused by ending poppy cultivation, and Turkey would do well to keep this primitive crop in its past and concentrate on developing its splendid agricultural resources to help supply the world with food crops, particularly grain which is badly needed.

While we are inclined to accept the good intentions of the Turkish Government in its promise to adopt a fool-proof system of control, should it re-establish opium production, we must be guided by past experience where the most conservative observers estimate that at least half of the opium produced in Turkey entered the illicit traffic.

Mr. President, I ask unanimous consent that Myles Ambrose's letter be printed in the RECORD:

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

SPEAR AND HILL,
Washington, D.C., May 6, 1974.

THE EDITOR,
The Washington Post,
Washington, D.C.

DEAR SIR: *The Washington Post* published a letter on April 28 from Mr. Zeyyat Goren, Press Counselor of the Embassy of Turkey, relative to the article by Jack Anderson in the *Post* of April 14 entitled "Lifting the Turkish Opium Ban." Mr. Goren states that the "ban on poppy cultivation was a unilateral decision. There has been no official agreement signed between Turkey and the United States." It is true that the decision of the Government of Turkey to ban the cultivation of the opium poppy was a unilateral decision. However, this decision was based on Article 22 of the United Nations Single Convention on Narcotic Drugs of 1961 which states:

"Special Provision Applicable to Cultivation: Whenever the prevailing conditions in the country or a territory of a Party render the prohibition of the cultivation of the opium poppy, the coca bush or the cannabis plant the most suitable measure, in its opinion, for protecting the public health and welfare and preventing the diversion of drugs into the illicit traffic, the Party concerned shall prohibit cultivation."

When the Government of Turkey decided to end the cultivation of poppy after the 1972 harvest, the United States Government pledged $35 million to assist Turkey in phasing out opium production. Twenty million dollars of this fund has been allocated to programs and projects which could produce new sources of income for the poppy farmer. Fifteen million dollars was to be spread over three to four years to help replace losses in foreign exchange that would have been earned by Turkey through legal opium sales.

The Government of Turkey on its own paid subsidies in 1972 and 1973 to farmers who ended opium production the previous year. It is my understanding that these payments amounted to the equivalent in Turkish currency of about $5 million and were successful in easing the transition of farmers to other crops. The subsidy phase of the Turkish program to terminate opium production has ended. Of the $35 million pledged by the United States, $10 million has already been provided as foreign exchange replacement and $10 million for development programs to raise the level of agriculture and economic development in the former poppy growing regions. Of the remaining $15 million pledged by the United States, $10 million is allotted for development programs and $5 million for foreign exchange relief.

The United States has long sought to convince the Turkish Government to outlaw opium production. It was not until 1971, however, that President Nixon succeeded in this effort. The ban was a sovereign act taken by the Government of Turkey in the obvious belief that, under Article 22 of the Single Convention, it had an obligation to take that step. The United States Government in pledging $35 million to assist Turkey implement the ban, obviously considered the Turkish action permanent and not something that would be rescinded after only one or two years, even before the funds provided to facilitate the ending of opium production were fully utilized.

Mr. Goren states that, "None of the producing countries, other than Turkey, has so far imposed a total ban on poppy cultivation." Under the Single Convention on Narcotic Drugs of 1961, a total of ten countries can be considered eligible to produce opium for export. However, four of these countries (Afghanistan, Burma, North Vietnam and Pakistan) for various reasons have not developed the extensive administrative systems necessary to become exporters under the Single Convention and in practice never became licit exporters. Afghanistan has in addition, many years ago, imposed a total ban on poppy cultivation but has been unable to eliminate illicit cultivation.

The advances of agricultural development in Yugoslavia and Bulgaria made poppy cultivation for opium no longer worthwhile. Yugoslavia has ended opium production entirely, and Bulgaria produces less than one ton annually for its own requirements. The USSR and Iran have produced opium for their own needs and not for export. There are no reports of any leakage to the illicit traffic in the USSR or Iran affecting other countries. India and Turkey have in effect been the only countries in recent years producing large quantities of opium for export. The fact is that, while no country has reported being adversely affected by opium leakage to the illicit traffic in India, several countries in Western Europe, the United States, Canada, Mexico and South America have long been seriously affected by heroin produced from morphine base originating in Turkey where it was in turn illicitly manufactured from opium diverted from licensed opium production on a large scale prior to their humane decision of 1971. No matter how you look at it, Turkish opium was the major source for American heroin.

In his address to the Third Special Session of the United Nations Commission on Narcotic Drugs at Geneva in February 1974, Sir Harry Greenfield, Chairman of the International Narcotic Control Board, in touching upon opium production controls, said, "Now with the termination of poppy cultivation in Turkey at the end of 1972, the risk (of diversion) has been substantially reduced. From the standpoint of control, this is a major gain. In India, which is now the sole remaining authorized producer of opium for export, the administrative controls have long conformed to an exemplary standard of efficiency, and such seepages as may still persist seem to be absorbed by the surviving internal demand for indulgent consumption, leaving virtually no surplus to flow into international illicit channels."

Mr. Goren states that the Turkish opium ban "has created a deficit of 200 tons for the world pharmaceutical industry. Resulting shortage of opium is now being covered by increased production in other parts of the world."

During 1973, a drought in India did result in an opium crop shortfall of about 200 tons. On this point, the International Narcotic Control Board in its report for 1973, issued on February 25, 1974, stated that, "It appears that whereas the 1973 production schedules will not in itself suffice to meet demand, the 1974 schedule might be expected to lead to a possible equilibrium." On this point, at the recent Third Special Session of the United Nations Narcotic Commission, Sir Harry Greenfield cautioned against any hasty decisions by governments to begin or to re-establish any opium production to fill the 1973 shortfall which could well be ended by the 1974 crop in India. (Incidentally, statements which have recently appeared in *The New York Times* that the United States is presently considering growing opium on a controlled basis are inaccurate. A staff study was made some months ago of the feasibility of such a plan, but it was rejected.)

While Mr. Goren states the ban in Turkey has been responsible for the 200 ton shortfall in 1973, it should be noted that during the last five years of opium production, Turkey only managed to purchase an average 106 tons annually from farmers. The demand for illicit supplies in Turkey at greatly increased prices has traditionally prevented the government from obtaining sufficient quantities from farmers to make an adequate and dependable annual contribution to legal world requirements. This failure has been the reason for an increase in Indian opium production and has caused countries to produce 30 per cent of the world opiate requirements through the industrial poppy straw process.

Mr. Goren states that since the ban was enforced, crop substitution and development programs introduced in the former poppy growing areas have not been able to alleviate the economic and social hardships imposed by the ban on "poor poppy growers." The farmer in Turkey who grew poppy was a general farmer, growing wheat, barley, other grains, sugar beet, vegetables and seed oil crops. Poppy was an extra cash crop which, because of its high risk of failure due to weather conditions, no farmer ever grew exclusively. The average grower earned from $10 to $60 annually on his poppy crop in an economic environment where he earned from $700 to $1,000 total income annually. The cultivation of opium poppy was one-tenth of one percent of the overall agricultural production of the regions in which it was grown.

Opium poppy and its products amounted to three-fourths of one percent of Turkey's total exports. Annually, Turkey cultivates about 12 million hectares (30 million acres). Yet, at the height of production, only 112,000 acres of poppy were cultivated; and in 1972,

the last year of production, only 18,000 acres of poppy were cultivated by farmers, amounting to only one percent of Turkey's population.

Because poppy was such a soil-depleting crop, farmers always rotated it with wheat, barley, other grains and melon. The transition to substitute crops was, therefore, quite easy and normal, and most of the substitutes earn as much for the grower as poppy, provided he did not sell to the illicit market. If the grower depends upon sales to the illicit market, there is no crop that can compete with the poppy. Many farmers have indicated that they were glad to have ended poppy production, that the crop was no longer worthwhile in point of the choice land, hand labor, fertilizer and water resources it required. Those who complain the most and advocate a return to production may well have supplied the huge illicit traffic.

There were no real economic or social hardhardships caused by ending poppy cultivation, and Turkey would do well to keep this primitive crop in its past and concentrate on developing its splendid agricultural resources to help supply the world with food crops, particularly grain which is badly needed.

While we are inclined to accept the good intentions of the Turkish Government in its promise to adopt a fool-proof system of control, should it re-establish opium production, we must be guided by past experience where the most conservative observers estimate that at least half of the opium produced in Turkey entered the illicit traffic. The conditions responsible for this situation have not changed. To a great extent, they are beyond Turkish control and involve narcotic traffickers in the United States, Western Europe, as well as those in Turkey. There are numerous unscrupulous individuals who, through their interaction, have been in the past and would be again responsible for penetrating the Turkish system of opium control and diverting vast quantities to the illicit traffic for heroin manufacture to again infect Western Europe and North America.

It is simply impossible to control the production of opium by 40,000 to 70,000 farmers on half-acre plots in Turkey. This production is simply too vulnerable to criminal elements in Turkey and abroad, and there is no system that can prevent substantial diversion. The cost of attempting to develop and implement such a system would be economically prohibitive.

While Turkey may have a sovereign right to re-establish opium production, if it wishes, it also has a solemn responsibility to consider whether in the interest of humanity it does not have an obligation to maintain the ban which has had such a remarkable effect in reducing the traffic in heroin and addiction in Western Europe and North America. Our efforts of the past five years have had significant results which impartial commentators have noted. We cannot return to the jungle conditions of the 1960's. Turkey's return to opium production in my judgment would be disastrous.

Sincerely,

MYLES J. AMBROSE.

RETIREMENT OF ADMIRAL MOORER

Mr. STENNIS. Mr. President, on June 30, 1974, Adm. Thomas H. Moorer, Chairman of the Joint Chiefs of Staff, will retire after 41 years of distinguished service in the U.S. Navy. He deserves the thanks and the praise of the Senate and the entire Nation.

Admiral Moorer's active career covered distinguished combat service in the South Pacific in World War II as a pilot and commander; later he served as an operations carrier officer, and subsequently as commander of the 7th Fleet. He has held numerous high level staff assignments, all culminating in his appointment as Chief of Naval Operations in 1967 in which he served two terms. As we all know, he served two terms as Chairman of the Joint Chiefs of Staff.

These many assignments equipped Admiral Moorer well for later meeting the severe tests of character and leadership required for duty as Chairman of the Joint Chiefs of Staff, which is the highest military office in the Nation. Admiral Moorer, in a most difficult period, ably met the demands of this office. Whenever I personally wanted an objective assessment of a military situation, I always called him, and knew I could rely on the information and judgment he extended to me. I called him many times when making hard decisions involving military questions.

I would observe that Admiral Moorer was one of those named with the so-called military spying matter. This entire matter has been the subject of a most exhaustive committee investigation. I can state without reservation that Admiral Moorer did nothing improper in connection with this entire episode. He testified fully and explained the situation completely as he knew it. Secretary Kissinger also expressed his confidence in Admiral Moorer. As far as the committee is concerned, there is no shadow of blame or impropriety with respect to Admiral Moorer on this entire subject.

I wish him well as he steps down after a brilliant naval career.

SMALL BUSINESS IN THE 1970'S

Mr. CLARK. Mr. President, not long ago Congress led the country in celebrating National Small Business Week. Judging by the various public comments on that occasion, it is safe to say that there is a consensus that it is almost impossible to exaggerate the importance of small businessmen today.

The Senate Select Committee on Small Business noted a few years ago that the number of full-time commercial small business firms is about 5¼ million, or 95 percent of all businesses. There is one small business for every 25 people in the United States. Small firms account for almost 40 percent of the gross national product and provide jobs for 35 million Americans. They are indispensable to "big" business as outlets, agents, and suppliers.

The importance of small businesses is magnified in Iowa, a State with one of the highest percentages of small businessmen in the country. Earlier this year I had the privilege of hosting a conference for small businessmen in Iowa. A wide range of problems were discussed, followed by specific suggestions for solving them. In light of the intense interest in the status of the small businessmen over the past several weeks, I would like to take a moment to share some of the issues discussed at the conference and review the congressional response to them.

INTRODUCTION

The conference began with opening remarks from the panel which consisted of Jay Sears, the Iowa Small Business Administration district director; Carl Warren and Jim Kemper from the Small Business Administration regional office in Kansas City; and Ed Merson of the Senate Small Business Committee. Jay Sears devoted his remarks to an informative explanation of the role of the district office of the SBA—its capabilities, its services, and its shortcomings—in its continuing effort to provide expertise and management assistance to the small business community in Iowa. He was followed by Carl Warren, the regional assistant and an expert in government procurement. While Iowa has the most small businessmen in the district, he said, it is last in the district in actually securing government contracts. He discussed the five basic government procurement programs—prime contracts, subcontracts, certificate of competency, business development, and procurement source—and concluded that there were significant opportunities for small business in government procurement and the regional office was committed to seeing that Iowa got a share of that opportunity.

Jim Kemper, the energy and material shortage coordinator for the regional office, then outlined the problem of material shortages and what the SBA is doing to respond to them. He indicated that the most serious problems of shortages are found in fertilizer, sheet steel, and alcohol, and the ramifications of these shortages is best evidenced by the fact that the Government has processed 25,000 separate shortage problems in manufacturing alone. In response, the SBA has attempted to assist the small businessman by providing data and required forms—for fuel allocation for example—as well as establishing national set-aside programs of surplus materials—aluminum, zinc, copper—for small businessmen.

Finally, Ed Merson supplied a summary of the activities of the Senate Select Committee—where it has been, what it is doing this year, where it is going.

The opening remarks were followed by an informal discussion by all the conference participants. Its purpose was to solicit the opinions of the businessmen who came to the conference on the problems facing Iowa small businessmen—indeed, to compile a "shopping list" of those problems in an effort to isolate the most troublesome ones, and then concentrate on solutions to them. The discussion covered a wide area, but it seemed to focus on the general areas of Government procurement, material shortages and the energy crisis, discrimination in supplies by large conglomerates against smaller firms, OSHA, and the paperwork burden.

GOVERNMENT PROCUREMENT

It is clear that Iowa does not get its share of Government contracts, and an effort was made to determine the reason for that. Numerous examples were cited of the inability of small businessmen to locate procurement opportunities so they could further compete. It was suggested that businessmen could improve this situation by taking advantage of several publications listing such information. These publications include

Small Business Administration prints of "Selling to the U.S. Government" and the "U.S. Government Purchasing and Sales Directory," as well as the "Commerce Business Daily." Government—Federal, State, and municipal—could do its part by taking steps to improve coordination among themselves in working to assist small businessmen. Finally, another solution suggested was to install Government procurement experts in the SBA rather than simply in the agency purchasing the material; SBA personnel would be more responsive to small businesses than, for example, the Defense Department.

Following the conference, the Government Procurement Subcommittee held an exhaustive day of hearings on several procurement problems on May 21. On the basis of his contributions at the conference, Ted Johnson of J-TEC Associates in Cedar Rapids, was invited to testify before the committee in Washington. As a result of his testimony and the rest of the hearing record, the subcommittee chairman, Mr. HATHAWAY, has introduced a bill to provide emergency relief for small businesses in connection with fixed price Government contracts.

MATERIAL SHORTAGES AND THE ENERGY CRISIS

One of the primary reasons for holding the small business conference in Des Moines was to investigate the reports of the devastating impact of the energy crisis and the material shortages on Iowa's small businessmen. The participants of the conference made it very clear that this was perhaps their most important concern. They documented countless cases of attempts to obtain badly needed supplies which only ended in frustration. Shortages of petrochemicals and metal, especially steel, were particularly severe. The price of petrochemicals, for example, had risen from 62 cents in August 1973, to $1.23 at the time of the conference in mid-March. In addition to the shortage of metal materials, metal processors were handicapped by the genuine plant capacity shortage in the United States.

On April 29, the Comptroller General filed a report with Congress on the problem of commodity shortages. The study noted that serious shortage problems exist in many diverse areas of the economy—including meat, lumber, plywood, zinc, soybeans, edible oils, scrap metal, cattle hides, cotton, wheat, corn, steel, wool, chemicals, fertilizer, and aluminum. A recent survey compiled by the National Small Business Association also underlined what Iowa's small businessmen emphasized: that these shortages are so adversely affecting small businessmen that nearly 80 percent of the respondents to the survey cited the material shortages as their No. 1 problem.

The conference participants were not without recommendations. For example, one immediate suggestion to alleviate the petrochemical shortage was to allocate it on a priority basis. Just recently, of course, the Senate passed an amendment to accomplish just this goal. Another suggestion proposed legislation to provide loans to small businesses adversely affected by the energy crisis. Senator CRANSTON's Small Business Subcommittee has just completed hearings on such a bill which I am cosponsoring, and the full Senate is expected to act on the legislation shortly.

But the general theme that emerged from the conference was that Government is simply often not aware of what is going on. We need a better inventory of shortages. The public needs to know all the facts regarding exports. We need to ascertain the impact of legislation like OSHA and environmental legislation or policies such as the wage and price controls to make sure we do not unknowingly encourage shortages. In short, we need more information on a wide range of issues—in Government and business—if we are going to make decisions more intelligently and rationally.

That is why I supported the excellent proposal by Senator MANSFIELD to establish a Temporary National Commission on Supplies and Shortages with the authority to compile such information. Many Iowa small businessmen also thought congressional hearings would be the best forum for gathering such information and determining the causes and possible solutions for this problem. I am now working with the staff of the Small Business Committee and plan to hold hearings to make sure that the interests of small businessmen are considered in the report of the Temporary National Commission.

CORPORATE GIANTISM

It also became quite clear during the course of the conference that where supplies do exist, their distribution practices exacerbate the problem of shortages for small businesses. The large companies which distribute the supplies often discriminate against the smaller firms in favor of the larger corporations, because that is where the greater volume of their business lies. So material shorages, which adversely affect everyone are having a magnified effect on some members of the economic community simply because they are not loud enough to demand their share of the supplies that are available.

Mr. President, this Nation has long distrusted concentrations of power. We have always sought to disperse both economic and political power, and today we should continue to encourage the widest possible distribution of economic resources.

Incentives should be developed to keep the resources in the hands of those who will use it most effectively—in other words, the small businessman, and not the giant corporations and conglomerates.

One way is to reexamine the antitrust laws. We need to determine whether they are adequately enforced, whether they successfully perform the job they are designed to accomplish; promoting competition, rather than allowing monopolies, conglomerates, or corporate giants to stifle it. Should these laws be strengthened to protect the smaller companies who bear the brunt of discriminatory distribution of supplies? Should the laws be strengthened to bring the growing conglomerate within their scope?

This Congress already has adopted the first significant antitrust reforms in two decades, but these efforts focused upon the procedural aspects of the Government's handling of these controversial cases, especially in the area of public disclosure of consent decree settlements. Closer attention should be paid to the substantive provisions of the law which address the delicate relationship between large and small businesses, rather than just those between large businesses and the Government. Even in an economy without material and other shortages, it is vitally important to protect small businessmen from the giant corporations and conglomerates who often become too big for their own good and for the good of the country.

PAPERWORK

In the past several years, the Government Regulation Subcommittee of the Senate Select Committee on Small Business has conducted a series of extensive hearings on the growing problems of paperwork and bureaucratic redtape. As these hearings have progressed, I have become increasingly concerned with the demands the Federal Government makes for an endless variety of data, statistics, administrative reports, and other information—and the impact those demands have on the small businessman of this country.

The testimony before the subcommittee indicated that this Federal paperwork is a factor in the collapse of many small businesses today. It has been estimated that many small businesses must spend at least 100 hours a year—the equivalent of almost 1 day a month—to satisfy the paper appetite of the Federal Government.

The participants of the conference agreed with the testimony. They reported that the paperwork burden has tripled in the past couple of years. Particular emphasis was placed on the constant changes in the forms, without adequate accompanying interpretations. It often appears that the information reported is itself never read or questioned; filling in the empty spaces is apparently sufficient to get the Government off the small businessman's back. But if they do not take the time to fill them out, the Government comes after them. As one participant said:

Put gibberish down and they'll forget you.

They suggested a variety of reforms, ranging from more uniformity—perhaps even included in statutory guidelines similar to the Uniform Commercial Code—to a preference for cycle billing on either a quarterly or annual basis.

Most small businessmen recognize that the Government has certain legitimate information needs, but certainly not to the degree now imposed upon the citizens of this country. The current demand of paperwork serves only to contribute to our most recent environmental crisis: Federal form pollution.

As a result of these developments, I have cosponsored legislation to help alleviate this problem. The first bill is S. 200 which would require the affirmative disclosure in committee reports of paperwork requirements contained in any legislation reported to Congress. This information is currently unavailable and has led to many difficulties.

The second measure is S. 1812 which

would transfer the authority for the administration of the Federal Reports Act of 1942 from the Director of the Office of Management and Budget to the General Accounting Office. This would correct the failure of the 1942 act to recognize the needs of small business. It would also allow the Congress to oversee the problems of reporting and paperwork more effectively.

A third bill, S. 2445, would combine the reporting of wages by employers for income tax withholding with old-age, survivors, and disability insurance. It would severely reduce the paper burden imposed by Internal Revenue Service form 941, which costs the Nation's small businessmen some $235 million annually.

I hope the Senate will move quickly to adopt this and other legislation to solve this serious problem.

OSHA

Compliance with the Occupational Safety and Health Act is another problem often discussed by small businessmen and emphasized at the conference. Some felt that businesses needed more time to adjust to the requirements of the law, and urged that it be phased in over a longer period of time. Other people said that some of the regulations were simply unrealistic in light of the existing technology, and suggested that these regulations be eased. Still others faulted the law for failing to distinguish between the capabilities of various businesses. For example, some felt that different requirements should be imposed on new businesses than those required of established firms; some believed that some smaller sized businesses ought to be exempted altogether; while still others emphasized the necessity of different regulations within industries—depending on the size and specialty of different firms.

But by far the most frequent point was the feeling that OSHA has been misused to penalize employers rather than protect the safety of employees. The OSHA enforcement policy combines the functions of prosecutor, judge, and jury in the same entity: The OSHA inspector. Most small businessmen do not have the time to read the voluminous regulations—which are 17 feet tall when stacked upon each other—nor do they have the resources to pay lawyers to find out for them. The small businessman cannot even ask the Department of Labor for help; if an inspector visits a worksite and sees a violation, he is required to issue the appropriate citations and penalties. As a result, many small businessmen can be penalized for violations they did not even know existed.

For this reason, I introduced legislation earlier this year to assure companies of more fairness. The bill would authorize onsite consultations for those businessmen who want to know if they are complying with the law without risking citation for a violation. The program would be under the direction of the Small Business Administration.

Even without this legislation, I believe the SBA has the authority to do this job now. Section 8(b) of the Small Business Act provides that the Administrator is authorized to provide technical and management assistance to small business firms. Specifically, this section authorizes the Small Business Administration to provide advising and counseling services to small businesses on accident control. The chairman of the Senate Small Business Subcommittee, Mr. CRANSTON, and I discussed this issue on the Senate floor recently, and he asked the SBA to survey the need to provide such a service. If there is a great demand for this assistance, we are prepared to request additional appropriations for the SBA to enable them to provide this service. Such an approach would more closely conform to the purpose of the OSHA law—guaranteeing safe and healthy work establishments rather than punishing employers.

SUMMARY

The small businessman today is faced with 20th century conglomerate competition on the one hand, and increasing and unnecessary obstacles created by the Government on the other. Unfair competitive practices from monopolistic corporations to bureaucratic redtape pose an increasing threat to the very survival of the small business community. If we are to insure the health and stability of the economy—and indeed, retain the vital spirit of individualism which has sponsored the growth of our Nation—we must be more responsive to the needs of our Nation's small businessmen.

One of the Iowa small businessmen stood up at the conference and demanded:

Why can't the government be aware of what's going on?

The small business conference was a small step toward finding out what is going on. We now know many of the most serious problems. We now have the benefit of suggestions from many small businessmen themselves about the best solutions. We have acted on many of the issues on this agenda already, but much, much more remains to be done. I sincerely hope that we will be able to continue this work and meet these challenges head-on.

THE NEED TO CUT U.S. TROOPS IN ASIA

Mr. CRANSTON. Mr. President, today's New York Times carries an excellent article by Joseph Lelyveld on the U.S. military presence in Asia.

The article points out that whereas the U.S. military presence in Asia is as massive as ever, the rationalizations surrounding it have changed. Instead of portraying U.S. troops as a shield against Communist aggression in Asia, diplomats fall back on abstract formulas about "stability" and "national interest"—formulas which are singularly unconvincing.

The article also presents some revealing information about the employment consequences of the U.S. presence. Our naval base at Subic Bay in the Philippines, for example, provides a workload of 1.2 million man-days a year. In central Luzon, 7 out of 10 Filipinos are said to be dependent to some degree on income generated by Clark Air Force Base. Cheap wages are obviously an attraction; in Guam and Japan, workers are paid four and five times as much as they are in the Philippines.

Moveover, while the U.S. economy is sagging, the towns surrounding these bases are booming. An article accompanying the Lelyveld piece reports that souvenir shops outside Subic Bay sell T-shirts stamped "Tonkin Gulf Yacht Club" and "Participant Vietnam War Games 1972–77." With the fleet spending $30 million a year in the Subic Bay area, there is no fear of a recession.

Mr. President, I urge my colleagues to read these articles and to think over their lessons. I ask unanimous consent that both articles be printed in the RECORD.

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

U.S. MILITARY PRESENCE IS IN ASIA AS OF OLD BUT JUSTIFICATION FOR IT IS ALL NEW

(By Joseph Lelyveld)

SUBIC BAY, THE PHILIPPINES.—In foreign ministries and embassies around Southeast Asia, the prospect of a military disengagement by the United States is still discussed as a major imponderable. But here at the naval base that is generally held to be the single most valuable American installation in the region, they talk of doubling the size of a large floating drydock so it can accommodate aircraft carriers.

Anything short of lifting a carrier out of the water is already within the competence of the repair shops of the Pacific Fleet's major support base, which handle 110 ships a month—a workload said to amount to 1.2 million man-days a year.

That is three times the workload in 1964, on the eve of the major commitment of American combat forces to Vietnam, which is one sign among many that what remains of the American military presence and capability in Southeast Asia after the withdrawal of 540,000 troops from Vietnam is anything but residual.

Although the Navy has been in the Philippines since Admiral Dewey sailed into Manila Bay in 1898, it was really with Vietnam, Navy men, say proudly, that Subic came into its own. It is a base that has everything a fleet could want: the repair shops: an air station that sees 11,000 takeoffs and landings a month; its own mountains reserved for ship-to-shore gunnery practice; enough beaches so that some can be set aside for the Marines to practice Bataan-style amphibious landings 30 years after the real thing.

IT'S SOMETHING ELSE

"It's something else," an American official said of the base. And yet it is only one facet of the many-sided American military presence in the Philippines—which is of course, only one facet of the continuing American military presence in Asia.

The justifications of that presence have become more tactful in the new era of balance-of-power diplomacy that has its origins in the confrontation between the Soviet Union and China.

Now, instead of talking about the American presence as a shield against an undifferentiated Communist threat to Asia, diplomats such as the one offered recently to the House Foreign Affairs Committee: that it reduces "the likelihood of aggressive and destabilizing actions by unfriendly powers, from within the region and without."

The "unfriendly powers"—sometimes referred to as "those who might risk new hostilities"—are rarely named; when they are the names have a familiar ring. Secretary of Defense James R. Schlesinger noted in his annual report to Congress in March that China had medium-range bombers that could "threaten our forces and allies in Asia." And Robert S. Ingersoll, an assistant Secretary of State, warned a Senate Foreign Relations

subcommittee of "a strong Soviet desire to play a greater role in the region."

In a period of supposed détente, such arguments are not meant to sound as scary as they once did. Their purpose is to shore up a basic strategic assumption that has lasted for a generation: that American security requires a strong presence in Asia as part of global deployment of nonnuclear forces.

A SURVIVING PRESUMPTION

The Philippines offers the clearest evidence that this assumption has survived the trauma of the Vietnam war, the scaling down of American commitments symbolized by the Nixon doctrine and the start of cordial contacts with Peking.

The American presence in South Korea can be immediately connected to the 20-year-old standoff on the cease-fire line. The presence in Thailand is presumed to be contingent on the Indochina war. The presence in Taiwan—which is marginally larger two years after President Nixon's trip to China than it was a decade ago—is contingent on the unpredictable course of relations between Peking and Washington.

The American presence here in the Philippines, it seems safe to say, is contingent only on the American will to remain. If empirical evidence has any weight, that will is as strong as ever.

It takes statistics to show that a "presence" is something more than a strategic concept. Start at the naval supply depot here, where three million barrels of fuel oil are landed every month. From there a 43-mile pipeline leads to the 200-square-mile Clark Air Base in central Luzon, the Air Force's largest base on foreign soil and the second largest in the world (only Vandenberg Air Force Base in California is bigger).

The 13th Air Force, which has its headquarters at Clark, has 650 aircraft of 28 types in Thailand, Taiwan and the Philippines; a 29th type is the Strategic Air Command's B–52's, stationed in Thailand and on Guam. There are 2,400 aircraft engines in reserve and a munitions supply sufficient "to meet all contingencies."

At Subic, the naval magazine, a vast warren that occupies an area of 18 square miles, contains 95,000 tons of munitions. Back in 1964, 15,000 tons were deemed ample.

The American force level in the Philippines, 16,000, is a shade higher than it was 10 years ago. As units are withdrawn from Thailand, officials say, it is likely to increase.

Filipino nationalists, who periodically used to demand the removal of the bases, have been effectively silenced since President Ferdinand E. Marcos imposed martial law in September, 1972. There have been occasional examples of American legislators asking how necessary the bases are, but none have called for withdrawal.

As a result the United States and the Philippines have been quietly renegotiating the agreement on the bases in an atmosphere that is freer of controversy than any previous discussion on the subject. As it stands, American forces can continue to use what military planners like to call their pied-a-terre in the Philippines on a rent-free basis until 1991.

Protecting the status quo is the prime negotiating aim of the United States. It was also the prime consideration behind the calm, uncensorious American reaction to the imposition of martial law—far overshadowing as an interest, American officials say, the more than $1-billion in American investment in the Philippines.

ENORMOUSLY CONVENIENT

"The bases are a fundamental national interest," a diplomat said. "They are enormously convenient."

The difference between "convenient" and "necessary" in this context is hard to pinpoint, but it is often asserted that the difference between convenience and doing without would be measured in billions of dollars as long as the United States wanted to maintain a strategic posture in Southeast Asia.

"You've got to have your support come from somewhere," said Rear Adm. Doniphan B. Shelton, commander at Subic. "You get a lot for your money out here."

Part of the saving is in not having to keep extra ships at sea to supply the fleet. Part is in labor costs in the repair shops, where wages range from 45 to 70 cents an hour. Repairs done this year, the Navy estimates, will cost $32 million; in shipyards in the United States they would cost about $220-million more.

On Guam, a United States territory 1,300 miles to the east, a minimum-wage law forces the Navy to pay five times as much for shipyard work as it does here. In Japan it pays about four times as much.

If the United States has financial inducements as well as strategic reasons for maintaining the bases, that is even more obviously the case for its hosts. After the Manila Government, the United States Defense Department is the largest employer in the Philippines. In central Luzon, it is said, 7 of 10 Filipinos are dependent to some degree on income generated by Clark.

The 40 square miles of Subic Bay are under the exclusive control of the United States Navy, which is notified "as a courtesy" by Philippine naval vessels when they sail into the harbor.

If Vietnam has made any difference at all in the American posture here, it is in the way American officers treat issues of internal security.

The United States conducts joint training exercises with the Philippine armed forces and supplies them with $19-million a year in aid. But American officials are painfully concerned to rebut suggestions that this is done to uphold the martial law or support the Government's counter insurgency efforts against Moslem separatists.

Admiral Shelton, who confers regularly with Filipino commanders, insisted that he was not authorized to discuss these matters.

The new American diplomatic style is simply to say that military assistance is offered to preserve American interests—in this case the bases. American diplomats speak of pragmatic trade-offs and leave it to the recipients of the aid to rationalize the consequences for their countries.

Vietnam may have left an aversion to long-range commitments, but in the aftermath of the war the United States has still been able to undertake a new and important military relationship. In the last two years, after a hiatus of more than a decade, it has quietly resumed military aid to Indonesia.

No treaties were signed and no proclamations issued, but the United States went ahead and armed two mobile brigades to serve, as the House Appropriations Committee was told last year, "as a valuable deterrent to any significant dissident challenge in that far-flung archipelago."

ECONOMIC INTEREST STRESSED

Significantly, when the program was challenged, it won approval after being defended in terms of American economic interests. Representative Otto E. Passman, the Louisiana Democrat who is chairman of the committee, reacted skeptically at first, recalling Indonesia's former dependence on the Soviet Union for arms. But after obtaining a special briefing on the country's natural wealth, he withdrew his objections, telling the committee: "they just discovered an island that is almost sinking with nickel. It is the largest nickel deposit that the world has ever known. Another island is almost solid copper."

For the relatively modest cost of $20-million in grant aid, the United States has been able to assure itself a position as Indonesia's main military supplier. This year about 200 of the 1,000 Asian military officers being trained in the United States will be Indonesians. Seventy American military men are stationed in Indonesia—as inconspicuously as possible because that is the way both Governments must have it.

The major test of American intentions in southeast Asia will be Thailand, where a reduction in force—from 35,000 to 27,000 by the end of this year—is in progress. Theoretically the force will continue to be "drawn down" when the threat of war fades from Indochina, but even in theory there is no American commitment to reduce it to zero eventually.

RE-ENTRY RIGHTS DISCUSSED

"Some Thai generals see a relation between the size of our forces here and the size of our military assistance program," a high United States Army officer in Bangkok said. "I don't think that's necessarily so. We are going to have residual interests here for many years to come. There will be ample reasons for a quid pro quo with the Thais."

For instance, even if the Air Force decided to use Clark as its forward base in Southeast Asia, it would still be eager to retain landing rights in Thailand. "Without Thailand there is no place between the Philippines and Iran where we can land a military plane," an official noted.

In fact the Air Force is talking not only about landing rights but "re-entry rights" to the seven bases the United States has built in Thailand in the last 10 years. Nominally they belong to the Royal Thai Air Force, but it is apparent that the Thais have neither the need nor the means to maintain them all in a state of readiness.

Gen. John C. Meyer, head of the Strategic Air Command, has been quoted as saying it would take only 72 hours to return the B–52's now stationed at U Tapao if it was finally decided to withdraw them all.

The most sensitive and possibly the most important "residual interest" the United States would seek to retain in Thailand is one that is almost never mentioned—a key electronic intelligence station in the northeast at a place called Ramasun, about five miles south of a major air base at Udon Thani.

There are 1,500 United States Army men stationed at Ramasun, which is formally known as the Seventh Radio Research Field Station. That name does not appear on any signpost; in fact, except for warnings in Thai and English that the base is patrolled by dangerous dogs, there are no signs.

ELECTRONIC RESEARCH

The most prominent feature, as seen from the highway, is a screen of wires, rods and high antennas laid out in a huge circle around a windowless concrete building. At a glance it might be mistaken for scaffolding for a baseball stadium under construction.

Though American officials in Bangkok wave away questions about Ramasun's function—"no one here is authorized to speak about it," one said—a four-sentence statement made available by a military spokesman says that Ramasun is involved in "electronic research projects" and "communications research and development," and that it "provides rapid radio relay and service communications for defense of the United States and the free world."

The very delicacy with which the base is discussed, when it is discussed at all, helps to define its role. At the least Ramasun is able to monitor low-frequency radio transmissions in North Vietnam and China that cannot be picked up by more remote listening stations or satellites.

"It's the human factor," a knowledgeable American explained. "Trained people who know how to turn the dials can still make a big difference, especially when they're that close."

No written agreement assures the American tenancy at Ramasun or any of the air

bases. "We paid for what we got," an American official said, referring to the $640-million in military aid, all in grants, that Thailand has received in 10 years.

This assistance has been justified to Congress as support to the Thais to enable them to resist Communist insurgency in the impoverished and neglected northeast. If the insurgency did not exist, it might have been necessary to invent it to explain the aid, but the Thai Communist party obligingly decided to take up arms in 1965, just as the United States was settling into the bases.

EFFORT HAD LITTLE IMPACT

The ensuing counterinsurgency effort, it is now acknowledged, added little luster to the American reputation for expertise. The United States trained the army and police and initiated pilot development projects, psychological warfare and grassroots mobilization, social scientists descended on the area to study and quantify the tiny insurgency and the village society in which it was establishing itself.

The program seemed to make little difference. The insurgents grew at a steady if unspectacular rate of 10 to 20 per cent a year, and now, it is estimated, there are 7,000. Lumping together the military and economic assistance that has ostensibly been earmarked for their extirpation, it can be calculated that the United States has spent about $90,000 on each.

The flaw in the program, American officials now say, was that the Thai armed forces had little appetite for grappling with the insurgents at the village level. Instead, it is said, they have usually been content to contain them in remote areas.

The situation continues to deteriorate slowly, but the United States has decided to scale down its involvement. For the first time in 13 years there are no American Special Forces units in Thailand; the last Green Beret left in March. By the end of the year the last United States officer serving as an adviser to the Thai Army at the regimental level will also have departed.

Five years ago the United States Embassy in Bangkok had more than 30 officials with the insurgency as a full-time preoccupation; now the number is said to be three.

Through American officials, as they do in the Philippines, now tend to explain military assistance to the Thais as a form of payment for the bases, Congress has been cutting military grants at every opportunity, and those to Thailand are clearly on the decline.

To make up for the cuts the Thais have been offered credits for military sales but have yet to accept any. "The general plea is that it's happening too fast and too soon," an American officer said.

The same plea is heard in South Korea, which still receives 80 per cent of its military assistance from the United States in the form of outright grants. Indeed, there is only one former recipient in Asia that the United States has been able to coax into thinking of itself as a customer, and that is Taiwan.

Though military grants to Taiwan stopped last year, there is no suggestion that the Military Assistance Advisory Group there might have outlived its usefulness. On the contrary, said Maj. Gen. John E. Barnes Jr., who was interviewed shortly before he completed his tour as its commander, it still has the job of promoting sales of American weapons.

Last year, almost as if President Nixon had never ventured to Peking, the United States authorized a "co-production contract" worth more than $200-million between the Chinese Nationalists and Northrup Aviation for the construction of F–5E "international freedom fighters" on the island. "They're selling like hot cakes," General Barnes noted.

"We encourage U.S. industry coming in here and telling these people what they have to sell," he said. "There will be a need for a MAAG here as long as we want them to have U.S. equipment." In the general's mind, that plainly meant indefinitely. He did not forsee an American disengagement—not from Taiwan, and certainly not from Asia.

"We're going to continue to march," he said.

A THRIVING CITY NEXT DOOR

SUBIC BAY, THE PHILIPPINES.—Most of the residents of Olongapo, a city of about 100,000 adjacent to the vast United States Navy base here, depend on it for their livelihoods.

Olongapo, whose shanties are visible through the fence around the base, is probably the Navy's favorite liberty port in Asia.

On average 9,000 sailors pass through the base's main gate every night in the year; often it is as many as 14,000. Once they cross the bridge over the fetid canal that separates base from town, they stand at the edge of a neon jungle with more than 300 bars, staffed by more than 2,000 registered, medically examined "hostesses."

At the Mardi Gras, D'Honey Sisters are singing with D'Imagination Band. At the Grand Ol' Oprey, Filipino singers furnish country music with a Tennessee accent. A bar called Cloud Nine flies the black liberation flag; a black man posted at the door gives the clenched-fist salute.

Souvenir shops sell T-shirts with such legends as "Tonkin Gulf Yacht Club" and "Participant Vietnam War games 1972–1977."

Sailors returning to the base at night are greeted by screams from girls standing in boats under the bridge and calling for their leftover pesos. If the girls fail to catch the change, there are youths ready to dive into the scummy water to retrieve it.

Plans to fill in the canal may doom that particular industry, but with the fleet spending $30-million a year, Olongapo does not fear a recession.

CONSUMER ACTIVIST LISTS CPA BILL WEAKNESSES

Mr. ALLEN. Mr. President, it has taken a while, but we finally have a candid appraisal of some of the major weaknesses in the current CPA bill by a consumer activist and supporter of S. 707.

We are indebted to the distinguished senior Senator from Minnesota for bringing these views to light.

I wish to comment upon these views now, rather than during the upcoming debate on S. 707, because they burst the key bubbles of myth which might otherwise have been launched during our consideration of S. 707 on this floor.

The views are those of John F. Banzaf, professor of law and legal activism at the George Washington University National Law Center and a noted and effective consumer activist himself.

They are found in the June 24 RECORD at page 20738–9 in a letter to Senator MONDALE, and they concern an amendment to S. 707 which was introduced by the distinguished Senator that day. The amendment would provide Federal assistance, via the CPA, to consumer organizations who wish to intervene or participate in Federal agency and court proceedings.

Professor Banzaf says that Senator MONDALE's proposal is a "necessary addition to the bill, and goes a long way toward remedying what many have suggested are weaknesses in the bill."

While the amendment of the senior Senator from Minnesota may go a long way in making this bill workable, in the opinion of some, it alone would not, in my opinion, go far enough to make the bill acceptable to many others, as I shall indicate a little later on in my remarks.

However, this amendment, and Professor Banzaf's comments, do show us that there are other alternatives to a CPA in protecting consumers—alternatives which should be considered before we take the traditional approach of throwing another Federal agency at one of our problems.

Had we had Professor Banzaf's views before support for this bill became entrenched, the entire thrust of this legislation might have been changed. I wonder if at this point, however, there are many people with open minds on this subject.

Professor Banzaf makes four points of the current bill's weaknesses, and offers to back them up with "concrete examples." It is refreshing to find someone talking about this bill from the point of view of actual knowledge and experience.

WHO REPRESENTS CONSUMERS BEFORE THE CPA?

In speaking of the CPA, Professor Banzaf asks:

What guarantee is there that such an agency will be different from all others and will continue to effectively represent this point of view as the years go by? Indeed, is it not possible that 10 years from now Congress will be asked to set up still another agency to represent the consumer or public interest point of view before the Consumer Protection Agency, to insure that it, in turn, represents this viewpoint before its federal regulatory agencies?

This highlights the central fallacy of S. 707. As the minority views on this bill point out—

The genesis of this CPA bill is dissatisfaction over Federal agencies which have not done as their supporters thought they would. And, if the potential supporters of the CPA accept this theory and believe in the scientific method, then we must assume that the CPA will not act as they think it will.

In short, this bill is a monument to our being unable to learn from experience.

IS THE CPA DIFFERENT?

But, proponents will say, this CPA is to be different, it will not have any direct regulatory power, only regulatory power by proxy—the power to get other agencies to use their regulatory power. Therefore, they assume, the CPA will be insulated from outside pressure.

Professor Banzaf confronts that argument directly—

With all due respect, I think that argument is erroneous. To whatever extent the Consumer Protection Agency is effective in influencing proceedings at other agencies related to strong vested interest, these interest will, in turn, seek to neutralize the effectiveness of the Consumer Protection Agency, presumably by using the same techniques which have proven so effective at other government agencies.

From a business representative's viewpoint, what could possibly be the difference between a Federal Trade Commission which directly regulates his company in the name of consumers and a CPA which regulates his company through the FTC in the name of consumers? They will both be staffed by fallible human beings.

IS THE CONSUMER MONOLITHIC?

Professor Banzaf, as do many, apparently equates the public interest with the interest of consumers, and he points out—

The extreme difficulty, even impossibility, of determining what "the Public Interest" is in any given situation.

With respect to the CPA specifically, the consumer activist points out that—

No matter how the proposed Consumer Protection Agency would determine which positions it wishes to espouse, these postions may not acurately or completely reflect the consumer interest it seeks to protect. No one entity, whether private or governmental, can always be sure that the view it is advocating on behalf of consumers is the most appropriate one.

As the minority views on S. 707 ask,

What is the consumer interest in an automobile? Cost, safety, availability, power, appearance, fuel consumption, speedy, impact on the environment, size, comfort? In point of fact, it is all of these. . . . To advocate for safety (for example, mandatory seat belts) can mean to advocate against cost and convenience, two other valid consumer interests.

Similarly, Professor Banzaf points out—

It is very difficult for an individual attorney or organization to forcefully advocate two or more different approaches to the same problem. Thus, it is more likely to choose one which it believes to be the most appropriate and to advocate that to the exclusion of all others.

CAN THE CPA PERFORM UP TO EXPECTATIONS?

Finally, Professor Banzaf points out why the CPA could not possibly do what its proponents wish it to do—

Consumers have a very wide spectrum of interests, many falling in areas of great legal and technical complexity. Were the Consumer Protection Agency forced to develop sufficient expertise in each of these many areas so as to present and espouse the consumer interest, it could do so only with an inordinant expenditure of time and resources. Moreover, as the individual responsible for a given area—e.g., food product labeling—educated himself on these issues, it is not unreasonable to suppose that he would leave the agency, creating a lack of continuity and the need to reeducate a new staff member. To put the same thought in different words, it is impossible for an agency the size of the Consumer Protection Agency to develop a continuing expertise in the many areas of direct interest and impact on consumers.

Mr. President, just let me now address two of the reasons why I feel that Senator MONDALE's amendment, itself, would not accomplish what is intended.

I shall treat these very briefly because they are discussed more fully in the minority veiws on this bill—which are entirely consistent with Professor Banzaf's concerns, and which I urge all my colleagues to read in conjunction with Professor Banzaf's comments.

First, Senator MONDALE's amendment would not grant private consumer activists the extraordinary and unprecedented advocacy powers to be granted to the CPA. Therefore, the CPA will clearly be more powerful than the pivate activists who are intended to provide a productive counterbalance. In fact, the CPA could intimidate these groups with its vast powers.

Second, under S. 707, it is to be the CPA, itself, which determines by law what is "the interest of consumers" in any particular proceeding—and this determination is not to be reviewable in court or elsewhere by anyone, including a private consumer advocate with a differing viewpoint.

Mr. President, for ease of review, I now ask unanimous consent to print the letter from Professor Banzaf to Senator MONDALE, which appeared in the June 24 issue of the RECORD, in this RECORD.

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

THE NATIONAL LAW CENTER,
June 5, 1974.

HON. WALTER F. MONDALE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MONDALE: I am very happy to accept your kind invitation to comment on your proposed amendment to the Consumer Protection Agency Bill [S. 707], which would authorize the reimbursement of public interest organizations for their expenses in participating in certain agency proceedings. I believe that your amendment is a very worthwhile and necessary addition to the bill, and goes a long way towards remedying what many have suggested are weaknesses in the bill.

In the first place, there has been some doubt whether the creation of still another governmental entity is the most effective way to insure that the consumer or public interest point of view will be represented before major federal regulatory agencies. When each of the agencies was created, it was initially assumed that both the staff and the commissioners of the agency would be vigorous in expressing and protecting the public interest. Sadly, experience has shown that this is generally not true, and that after a reasonably short period most agencies seem to lose their initial drive, and the public interest point of view is heard less and less. As I understand it, one of the major purposes of the proposed Consumer Protection Agency would be to serve the function originally delegated to the staffs of the respective agencies of representing the consumer or public interest point of view. Yet what guarantee is there that such an agency will be different from all others and will continue to effectively represent this point of view as the years go by? Indeed, is it not possible that 10 years from now Congress will be asked to set up still another agency to represent the consumer or public interest point of view before the Consumer Protection Agency, to insure that it, in turn, represents this viewpoint before its federal regulatory agencies?

The provision for reimbursement as provided in your amendment would be a most effective means of dealing with this problem. Many of the public interest organizations which presumably could be reimbursed under your amendment have demonstrated a continuing interest and ability to speak strongly for various consumer points of view. Indeed, many of them depend for their continued survival on the effectiveness of their representation, since without it they will be unable to raise funds from those they seek to represent. In addition, the constant interaction between such vigorous outside organizations and the staff of the Consumer Protection Agency would tend to keep the latter vigorous in their representation of consumer interests, both by setting an example, and by constant encouragement and serving in a watch dog capacity.

It has been suggested by some supporters of the original bill that the Consumer Protection Agency would be effective in its advocacy of consumer interests where the staffs of the individual agencies have failed, because with no power of its own the C.P.A. would not be the recipient of industry and lobbyist pressure which have done so much to cripple the major regulatory agencies. With all due respect, I think that argument is erroneous. To whatever extent the Consumer Protection Agency is effective in influencing proceedings at other agencies related to strong vested interests, these interests will, in turn, seek to neutralize the effectiveness of the Consumer Protection Agency, presumably by using the same techniques which have proven so effective at other government agencies. There therefore remains a very strong and pressing need for non-governmental organizations to represent the consumer and public interest point of view before major federal regulatory agencies.

A second reason why I believe your amendment is both worthwhile and necessary is because of the extreme difficulty, even impossibility, of determining what "The Public Interest" is in any given situation. Indeed, it is probably presumptious for any individual private organization or government agency to presume to represent "The Public Interest" in any given proceeding, since it is the function of most regulatory proceedings to determine how public interest can best be served with regard to a particular factual and/or legal situation. No matter how the proposed Consumer Protection Agency would determine which positions it wishes to espouse, these positions may not accurately or completely reflect the consumer interest it seeks to protect. No one entity, whether private or governmental, can always be sure that the view it is advocating on behalf of consumers is the most appropriate one. It can be said with some assurance, however, that by permitting a multiplicity of voices on any given issue the Government will greatly increase the chances that one among those positions is the most correct. Your amendment would permit private organizations whose views on a given issue may differ from that of the Consumer Protection Agency to nevertheless have them heard by the regulatory agency. Thus, the general public interest will be served by permitting the decisionmaker to be exposed to a wide variety of different views and suggestions and to adopt from among them, on the basis of his own expertise, that best calculated to serve the public interest.

Thirdly, even assuming that the Consumer Protection Agency in a given situation fortuitously represents the interest of consumers, there may, nevertheless, be different proposals to achieve generally agreed upon ends. It is very difficult for an individual attorney or organization to forcefully advocate two or more different approaches to the same problem. Thus, it is more likely to choose one which it believes to be the most appropriate, and to advocate that to the exclusion of all others. On the other hand, the regulatory agency, having a wider perspective, might choose to adopt an alternative solution to the same problem, if only it were presented to it by a forcefull advocate sharing the concerns of the Consumer Protection Agency, but not its ideas with regard to specific remedies. Your amendment, again, would permit different organizations sharing the same general viewpoint and orientation to submit to the regulators alternative proposals for dealing with the same problem. Such an approach can only make the regulatory system fairer and more effective, which is, after all, the goal of the Consumer Protection Agency Bill.

Finally, I believe your amendment would lead to far more effective and efficient representation before regulatory agencies. Consumers have a very wide spectrum of interests, many falling in areas of great legal and technical complexity. Were the Consumer Protection Agency forced to develop sufficient expertise in each of these many

areas so as to present and espouse the consumer interest, it would do so only with an inordinent expenditure of time and resources. Moreover, as the individual responsible for a given area—e.g., food product labeling—educated himself on these issues, it is not unreasonable to suppose that he would leave the agency, creating a lack of continuity and the need to re-educate a new staff member. To put the same thought in different words, it is impossible for an agency the size of the Consumer Protection Agency to develop a continuing expertise in the many areas of direct interest and impact on consumers. On the other hand, there are a large number of organizations which have developed considerable experience and expertise in many of these areas. Your amendment would permit the Government to avail itself of this expertise directly, without the need in each case for a Consumer Protection Agency staff member to become educated in what may be a highly complex area.

For all of the reasons stated above, I very strongly support your proposed amendment, and hope that your colleagues will agree to accept it. Space has prohibited me from amplifying on many of the ideas expressed above, or in providing concrete examples. I would be very happy to provide to you or to an appropriate committee concrete examples of each of the ideas discussed above, as well as to answer any questions you or members of your staff may have. I again thank you for providing me with this opportunity to comment.

Yours truly,

JOHN F. BANZHAF,
Professor of Law and Legal Activism.

SENATOR RANDOLPH RECEIVES STATE VFW'S HIGHEST AWARD FOR LONG AND DISTINGUISHED SERVICE TO VETERANS

Mr. CRANSTON. Mr. President, on Saturday, June 22, the members of the West Virginia Department Veterans of Foreign Wars and Ladies Auxiliary paid tribute to one of the Mountain State's leading citizens, Senator JENNINGS RANDOLPH. During the 53d annual State convention at Weirton, W. Va., my esteemed colleague on the Senate Committee on Veterans' Affairs was presented the department's highest honor—the Silver Medal—for his long service on behalf of this Nation's veterans.

In 1969 the senior Senator from West Virginia received the national VFW's highest award—the Gold Medal—at a similar ceremony at Weirton. It was presented by the then national commander, Richard Homan of Sugar Grove, W. Va.

In accepting the Silver Medal, Senator RANDOLPH recounted the recent achievements of the Senate Committee on Veterans' Affairs in producing legislation of benefit to this Nation's 27 million veterans and survivors. It has been my pleasure and privilege, as a member of the committee, to have worked closely with Senator RANDOLPH to develop this legislation. Our endeavors together began when Senator RANDOLPH and I served on the Veterans' Affairs Subcommittee of the Labor and Public Welfare Committee. Both of us had the privilege of chairing that subcommittee.

Senator RANDOLPH told the assembled Veterans of Foreign Wars:

I pledge to you that our Committee on Veterans' Affairs will insist that the new Administrator (of the Veterans' Administration) possess the highest qualities of leadership, understanding and administrative ability.

I heartily concur in that pledge.

Mr. President, I ask unanimous consent that Senator RANDOLPH's address before more than 500 persons of the West Virginia Department of the Veterans of Foreign Wars and Ladies Auxiliary annual convention be printed in the RECORD, together with excerpts from the program of the State commander's grand banquet and an article reporting the event by the Weirton Daily Times.

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

REMARKS BY SENATOR JENNINGS RANDOLPH

This is truly an historic day.

Thirty years ago—on June 22, 1944—President Franklin Roosevelt signed into law the original G.I. Bill of Rights. As a member of the House of Representatives, I was privileged to have actively supported that legislation. I recall FDR's profound statement on the G.I. Bill of Rigths. He said: "We have taught our youth how to wage war; we must also teach them to have useful and happy lives in freedom and justice and decency."

The G.I. Bill of Rights for World War II veterans was the most significant and far-reaching education and training legislation in our Nation's history. Many millions of veterans benefited from the original bill, and millions more have taken advantage of subsequent legislation designed to help Korean and Vietnam era veterans readjust to civilian life.

Almost exactly three decades later—on June 18—the Senate unanimously approved a new comprehensive GI bill produced by our Committee on Veterans' Affairs. I am hopeful of speedy action in the House to move this important legislation, which will open the doors of education to thousands more Vietnam era veterans.

Thirty years ago, President Roosevelt recognized that the tides of war had shifted—the Normandy invasion was moving eastward—and that millions of veterans would soon return to civilian life to make a new start.

He described the goals of the GI Bill thusly:

"Vocational and educational opportunities for veterans should be at the widest range . . . lack of money should not prevent any veteran of this war from equipping himself for useful employment for which his aptitudes and willingness quality him. The money invested in this in this training and schooling program will reap rich dividends in the higher productivity, more intelligent leadership and greater happiness."

How splendidly the program succeeded. American taxpayers invested $14.5 billion in what was perhaps the most important social experiment in the history of American education. Their investment has paid off handsomely. It is estimated that, as a direct result of the increased education and training our World War II veterans received, at least $3 and perhaps as much as $6 in additional taxes has been returned to the U.S. treasury for each dollar spent.

Although we are mindful of budgetary realities, the Veteran Affairs' Committee on which I serve is committed to providing adequate educational opportunities to our newest generation of veterans. At a minimum, there is a strong belief that the educational opportunities available to Vietnam-era veterans should be no less than those available to veterans who served in the Second World War.

You may recall that every eligible World War II veteran in college received a subsistance allowance of $75 a month, plus up to $500 a school year for tuition, books and fees. At that time, the $500 covered tuition and fees for practically every public and private college in the United States. Today the single veteran-student receives a flat $220 a month to cover living costs, tuition, books and fees. With the national average college tuition, plus room and board, exceeding $1,200 a year, the payment of $1,989 for a nine-month school term effectively excludes the young veteran from all but the lowest-cost public schools and community colleges today.

Under the legislation passed by the Senate on Thursday—formally known as the Vietnam Era veterans' Readjustment Assistance act of 1974—veterans would get an 18 percent increase in benefits. A single veteran would get $260 a month. A married veteran would get $309 a month. Also, veterans could get as much as $720 a year to help defray tuition costs, with the first $100 to be paid by the veteran. Other provisions extend the enrollment benefits from the present 36 months to 45 months, and allow the veteran 10 years in which to use his benefits, compared to the present eight years.

The House of Representatives has passed its own bill which would increase rates by 13 percent and also extend the time limitation to 10 years. With the support of the Veterans of Foreign Wars and other organizations, I am confident we can reconcile the differences.

The new GI Bill is not solely for education and training. I am gratified that Chairman Hartke added a measure which I introduced on April 18 of last year which extends reemployment rights to veterans who were employed by State and local governments prior to entering the military service. Those who held jobs with the Federal Government or private industry already are assured that their job rights are protected.

This, unfortunately, is not the case with those veterans who previously held jobs as schoolteachers, policemen, and other State, county or city employment.

Some State and local jurisdictions have demonstrated an unwillingness to rehire the returning veteran. Or, if they do, they seem unwilling to grant them seniority and other benefits which would have accrued to them had they not honorably served their country in the military.

This legislation leaves no doubt in the minds of State and local government employers that Congress feels all veterans should receive equitable treatment in the matter of reemployment rights.

I am cognizant of the fact that many of you here today are not planning to enter college, are not looking for that old job you held before military service, and chances are it would take you days to find that "ruptured duck" you so proudly wore on your lapel many years ago.

Another measure just signed into law that is of real interest to you is the Veterans Disability Compensation and Survivor Benefits Act of 1974. It was my privilege to cosponsor and actively work for this measure.

This legislation includes:

(1) a cost-of-living increase in the rates of disability compensation for service-connected disabled veterans ranging from 15 to 18 percent;

(2) a 15 percent cost-of-living increase in the rates of additional compensation for dependents for veterans whose disability is rated 50 percent or more;

(3) a 17 percent cost-of-living increase in the rates payable for dependency and indemnity compensation for widows and children, and for additional allowances for those in receipt of DIC and death compensation in need of aid and attendance;

(4) the equalization of the rates of death compensation to the survivors of veterans of peacetime and wartime service where

death occurred prior to January 1, 1957, thereby eliminating the distinction between the two periods of service.

It is not my intention to try to cover all bases on veterans legislation in the 93d Congress, but I would like to report to you on several significant actions successfully completed by our Committee on Veterans' Affairs.

Before doing this, it is appropriate to comment on the make-up of our Committee. The Chairman is Senator Vance Hartke of Indiana and the Ranking Minority Member is Senator Clifford P. Hansen of Wyoming. The others who serve are:

Senator Herman E. Talmadge, Georgia, Ranking Majority Member; Harold E. Hughes, Iowa; Alan Cranston, California; Strom Thurmond, South Carolina; Robert T. Stafford, Vermont; James A. McClure, Idaho; and your Senator.

You may be assured that our Committee works diligently for the veterans of this country. There is no partisanship in our ranks—bringing needed services and programs to benefit veterans, their dependents, and survivors in a fair and equitable manner guides our deliberations. It is this characteristic that has resulted in the enactment of substantial and progressive measures.

During the First Session, there were 65 separate bills and joint resolutions referred to the Committee. Many of these were combined into more comprehensive legislation which was enacted into law. I was an original cosponsor of each one of these bills. Of major importance to more than 2.3 million veterans and their widows is the liberalization of disability and death pensions for veterans and survivors. It provides a cost of living increase of not less than 10 percent in non-service-connected pension rates. Comparable increases were enacted later for service-connected disabilities of veterans receiving compensation benefits.

The Veterans Health Care Expansion Act of 1973 provides improved and expanded medical and nursing home care to veterans. It also provides hospital and medical care to certain dependents and survivors of veterans.

During the First Session of the 93d Congress, two measures dealing with the economic and energy crises were considered and enacted into law. One deals with soaring interest rates and authorizes the Administrator of Veterans Affairs to set such maximum interest rates as he determines on loans guaranteed by the Veterans Administration. The other authorizes the Administrator to continue GI Bill benefits to enrolled veterans during periods when educational institutions are temporarily closed because of energy shortages and inability to operate.

The National Cemetery Act of 1973 establishes a new National Cemetery System within the Veterans Administration. Responsibility for administration of national cemeteries, with certain exceptions such as Arlington National Cemetery, is transferred from the Department of the Army to the VA. The law also authorizes a plot allowance of $150, in addition to the present allowance of $250 for burial and funeral expenses, payable in cases where the veteran is not buried in a national or other Federal cemetery.

Finally, an issue of intense interest to all veterans, their families, and survivors is the future of the Veterans Administration. You are aware of the turmoil, personnel and administrative problems which have confronted the Veterans Administration at the national level. To resolve this situation which has had an adverse impact on services and benefits to veterans will require strong leadership.

I pledge to you that our Committee on Veterans' Affairs will insist that the new Administrator possess the highest qualities of leadership, understanding, and administrative ability. Further, we shall insist on assurances from the White House that the head of the VA will be free to run the agency without improper interference, pressure, and influence from the Office of Management and Budget. We must have such commitments because, if left to their own designs, the officials of the OMB will continue to chip away at needed veterans' programs and benefits.

It is anticipated that the nomination of the new Administrator will be submitted to the Senate and our Committee in the very near future.

Much has been accomplished. Yet our mission is far from completed. Ahead lie such emotional issues as amnesty and a full accounting of our Missing In Action in the Far East. One of our most important tasks in the days ahead is to assure that the Veterans Administration is returned to the high state of excellence which has been its hallmark for so many years.

When this convention is finished, it will be the challenge of you and your comrades to join again with us in assuring that America does not forget the men and women who answered the call, who have served in troubled times to keep America the bastion of democracy in the Free World.

I ask each of you to renew your efforts, to accept the challenges ahead, and to work through the security of strength and with God's help, to keep peace at home and throughout the world.

FIFTY-THIRD ANNUAL CONVENTION, VFW AND LADIES AUXILIARY, DEPARTMENT OF WEST VIRGINIA

(State Commanders Grand Banquet, Saturday, June 22, 1974, 7:00 p.m., Millsop Community Center, Weirton, W. Va.)

PROGRAM

Invocation: Ralph McElfresh, State Chaplain.

National Anthem: Mrs. Russell Loar, Guest Soloist.

Toastmaster: David J. Lowery, Past State Commander.

Introductions of Guests—Head Table: Toastmaster, David J. Lowery.

Presentation of Awards to Senator Randolph: Earle E. Muse, State Comamnder.

Formal introduction of the Honorable Jennings Randolph, U.S. Senator-W. Va., by Cooper T. Holt, executive director, Washington Office V.F.W.

Remarks: Toastmaster.

Presentation of Awards: Earle E. Muse, State Commander.

Benediction: Janice Adkins, State Chaplain, Ladies Auxillary V.F.W.

Commanders Ball: Post Home—10:00 p.m.

Music by: The Fantastics Ltd., "Music Out of This World."

STATE OFFICERS 1973–1974

Commander: Earle E. Muse.
Sr. Vice Commander: Raymond Honaker.
Jr. Vice Commander: John Payne.
Quartermaster-Adjutant: Ralph Stump.
Judge Advocate: Sam Angotti.
Chaplain: Ralph McElfresh.
Surgeon: John Berger.
Chief of Staff: John Bennett.
Inspector: Blaine Godwin.

STATE OFFICERS—LADIES AUXILIARY

President: Grace Kominos.
Sr. Vice President: Ann Kundrat.
Jr. Vice President: Margaret Cooper.
Secretary-Treasurer: Marjorie Sidebottom.
Chaplain: Janice Adkins.
Guard: Dorothy Wagoner.
Chief of Staff: Helen Honaker.
Commander Post 2716: William Drennan.
President of Auxiliary 2716: Betty Risher.
General Chairman: David J. Lowery.
Co-Chairman: Ethel Gregson.

[From the Weirton (W. Va.) Daily Times, June 24, 1974]

SENATOR RANDOLPH RECEIVES STATE'S TOP VFW AWARD

The largest-attended banquet in the 53-year history of the West Virginia Department of the Veterans of Foreign Wars was marked Saturday by presentation of the department's highest award to Sen. Jennings Randoph and Sunday by the election of Raymond Honaker of Huntington to the state commandership.

The convention, which drew more than 500 veterans from all 55 counties, was a tribute to State Commander Earl E. Muse of Princeton, who set an alltime membership record of 26,658, and to David J. Lowery of Weirton, former state commander, who served as general convention chairman.

The VFW elected:

Raymond H. Honaker of Huntington, commander; John F. Payne of Clendening, senior vice commander; Blaine Godwin of Elkins, junior vice commander; Ralph Stump of Charleston, quartermaster-adjutant to his 19th year; Ralph McElfresh of New Manchester, chaplain to his 18th year; Sam Angotti of Morgantown, judge advocate, to his 20th year, and John Berger of Moundsville, post surgeon.

Mr. Honaker was installed by his twin brother, Ralph, who had served as state commander in 1965.

The Women's Auxiliary elected a Weirton woman, Mrs. Peter S. Kundrat, state chairman. The organization reported a record turnout under the convention chairmanship of Mrs. Robert Gregson of Weirton.

Sen. Randolph, who served 12 years in the House of Representatives and is in his 17th year in the Senate, was introduced at Saturday's banquet by Cooper T. Holt, executive director of the VFW office in Washington.

SILVER MEDAL AWARDED

Mr. Muse presented the state VFW's highest award, the Silver Medal, to Sen. Randolph, pointing out that in 1969 the senator had received the national VFW's highest award—the Gold Medal—in Weirton from then National Commander Richard Homan of Sugar Grove, W. Va. Mr. Homan attended Saturday's banquet and Sunday's election meeting.

Mr. Muse noted that "Sen. Randolph is a great leader in the national capital. We of the veterans organizations, particularly the VFW, are greatly interested in him because as a member of the Senate Veterans' Affairs Committee he has helped make decisions that have affected the lives of hundreds of thousands of veterans.

Sen. Randolph recalled that it was 30 years ago to the date that President Roosevelt signed into law the original GI Bill of Rights which the senator then, as a member of the House, supported.

NEW GI BILL

"Almost exactly 30 years later, on June 18, last Thursday," he said "the Senate unanimously approved a new comprehensive GI Bill produced by our Veterans Affairs Committee. I am hopeful of speedy action in the House to move this important legislation, which will open the doors of education to thousands more Vietnam era veteran."

Sen. Randolph also discussed the recent passage of the Veterans Disability Compensation and Survivors Benefit Act of which he was a cosponsor.

CHANGE IN VA

"An issue of intense interest to all veterans," he said, "is the future of the Veterans Administration. You are aware of the turmoil, personnel and administrative problems which have confronted the VA at the national level. To resolve this situation which has had an adverse impact on services and

benefits to veterans will require strong leadership.

"I pledge to you that our Committee on Veterans Affairs will insist that the new administrator possess the highest qualities of leadership, understanding and administrative ability.

NO INTERFERENCE

"Further, we shall insist on assurances from the White House that the head of the VA will be free to run the agency without improper interference, pressure and influence from the Office of Management and Budget. We must have such commitments because, if left to their own designs, the officials of the OMB will continue to chip away at needed veterans' programs and benefits."

Referring to amnesty, he said: "I am against it."

SERVICES NEEDED

Congressman Harley Staggers, who has been in the House 25 years, told the veterans:

"You have served America in time of war; America needs you in peacetime as well. A lot of governments have been overturned throughout the world in just the last two months, some in countries where no one ever thought it would happen. We, in America, must be on the alert. We must never lose faith."

OVER 500 ATTEND

Mr. Lowery was toastmaster at the banquet, which was attended by more than 500 persons.

Commander Muse commented:

"Mr. Lowery performed beyond the call of duty in setting up the convention. I feel this has been the greatest VFW convention ever held in the state. The hospitality of the people of Weirton has been outstanding."

In presenting Mr. Lowery an award, Mr. Muse said: "It's a pleasure to do this for a great guy."

Mr. Holt presented Mr. Muse with an award, citing him as an "All-State Commander."

Mayor Mike Andochick Jr. extended the official welcome and presented City of Weirton awards to top VFW and Auxiliary officials.

JOB TASK FORCE CITED

Awards were presented to James R. Mccartney of Morgantown for heading the Monongalia County Task Force and to Mrs. William Truman of Morgantown, the veterans representative in the Morgantown Office of the Department of Employment Security. The Task Force, a volunteer project, helped get jobs for 2,500 veterans in the Morgantown area.

"We don't have a Weirton Steel in Morgantown," Mr. McCarthy said, "but we have many, many small ones that fully cooperated with us."

WAR HERO ATTENDS

Hershel Williams of Huntington, a VA representative, spoke of the close kinship among veterans and respect for the American flag. He received the Congressional Medal of Honor for blowing up seven pillboxes during the 3rd Marine division's invasion of Iwo Jima.

Two candidates for national junior vice commander attended the dinner. They were Arnold Muir of Columbia, S.C., and T. C. Selman of Freeport, Texas.

Other guests were Albert Benbow, executive vice president of the Weirton Steel Division, and Mrs. Marie Klugow of Tracy, Calif., former national Auxiliary president.

The final session, marking the adoption of resolutions and election of officers, was held in Millsop Community Center Sunday morning.

The 1975 convention was awarded to Huntington.

COOPERATIVE EDUCATION: THE EMERGING MANPOWER RESOURCE

Mr. HARTKE. Mr. President I ask unanimous consent to have printed in the RECORD excerpts from the proceedings of a number of recent conferences on "Cooperative Education: The Emerging Manpower Resource."

These conferences were held in the spring of this year under the joint sponsorship of the Bureau of Higher Education of the U.S. Office of Education and the National Commission for Cooperative Education. They were supported by many business and industrial leaders, trade associations, colleges and universities, and several major corporations. Included in the remarks for insertion in the RECORD are those of my distinguished colleagues Senator JOSEPH M. MONTOYA of New Mexico and Senator TED STEVENS of Alaska, as well as my own.

Work-study cooperative education at the college level is one of the programs that for a number of years has been supported by the Congress and by the Office of Education as a creative way to meet new challenges in higher education. The conferences which were structured as employers' institutes as a way to encourage the employing sector to hire cooperative education students were held in New York City on April 2, in Detroit on May 2, in Albuquerque on May 17, and San Francisco on June 5. I am confident that the following excerpts of the proceedings of these conferences will not only be enlightening as to the great value to the Nation of cooperative education but will also serve to encourage the continued support of the Congress for this uniquely American social invention.

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

REMARKS OF MR. EDWARD E. BOOHER, PRESIDENT, BOOKS AND EDUCATIONAL SERVICES GROUP, MCGRAW-HILL, INC., AT THE EMPLOYERS' INSTITUTE INC., HELD IN NEW YORK CITY ON APRIL 2, 1974

For those of you who are unfamiliar with cooperative education, let me briefly define it as a mode of learning in which students alternate between on-campus study and off-campus work in productive paying jobs. It will be demonstrated to you today, I hope convincingly, that cooperative education, aside from its very important educative value, provides employers with an effective recruitment resource which in balance-sheet terms has positive bottom-line significance.

It is only in recent years that the concept of alternating work and study in a structured sense has caught the imagination of educators, businessmen and government.

A half century after cooperative education was first established at the University of Cincinnati in 1906, there were still only thirty-five or so colleges and universities that had adopted it. In 1962, just a bit more than ten years ago when the National Commission for Cooperative Education was created, there were only 60 colleges offering cooperative education programs.

A valid idea does not die. It may have to wait for its time, and linger in suspension until events assert its necessity. I think this has happened to the idea of cooperative education, which quite recently and quite suddenly has found its time and has moved out of its partial limbo into a major role on the national, education scene.

In 1973, the number of colleges and universities offering cooperative education programs had grown to 566 in the United States and 10 in Canada. These institutions and the wide variety of cooperative education curricula they offer are listed in the green booklet you will find in the packet of material prepared for each of you. This year, that list will be expanded to include 174 additional institutions, bringing the total offering co-op programs to 740.

Many of these programs are in their initial stages; others are in process of being started up and implemented; but in very short order they will be fully functioning, well-staffed, and well-directed operations, so that the number of co-op students is likely to increase from the present level of 200,000 to about 500,000 in the next two or three years. And after that? Well, we understand that over 400 additional colleges have applications in with the U.S. Office of Education for starting-up grants in the new fiscal year, and this suggests that there will be well over a thousand colleges offering co-op programs, with a commensurate increase in the number of students.

The colleges and universities involved are in all 50 states. They include two year community colleges, four year colleges, and graduate schools. In some instances—Antioch, where I went, Wilberforce, the first black university in the country, Northeastern, LaGuardia Community College—the cooperative program is mandatory for all students. In some places, it is mandatory for certain curricula, such as engineering. In other places, the program is offered on an optional basis.

I should also note that the ubiquity of cooperative education programs is a point of interest to companies with employing centers in various parts of the country. There are very few places in the United States which do not offer some access to co-op students; and, indeed there are very few job classifications for which co-op students are not in training. The range of student interest runs a gamut from A to V, starting with agriculture and related subjects, and including architecture, accounting, business majors, engineering, liberal arts, the natural, social and behavioral sciences, secretarial science, health professions, computer sciences, environmental sciences, graphics, industrial design, and v—for vocational arts.

The new, almost epidemic interest in cooperative education, is partly due to the missionary work of the National Commission. To a great extent the spread of the idea can be attributed to the urgency felt by students for more reality-oriented courses, and a flight from traditional ways of learning. And not the least of the forces at work has been the government, and a number of foundations which together have funded much of the starting-up process.

The government itself is in fact a major employer of co-op students. According to the United States Civil Service Commission there are over 6700 co-op students employed in federal agencies, with certified cost benefit results. Furthermore, many, many large and small companies, my own included, employ co-op students and the fact that we repeatedly do so testifies to its validity.

REMARKS OF DR. ROBERT J. KIBBEE, CHANCELLOR OF CITY UNIVERSITY OF NEW YORK, AT THE EMPLOYERS' INSTITUTE, HELD IN NEW YORK CITY ON APRIL 2, 1974

It is not my purpose through my enthusiastic endorsement of cooperative education in any way to denigrate those colleges and universities which do not offer cooperative curricula. In the City University of New York complex, most of the institutions, including the 10 senior colleges do not offer the

cooperative model. I should say, however, that throughout the college and university system of the nation, there are grave doubts about the conventional academic disciplines as to their ability to satisfy the needs of students, and by extension the needs of society. Very often, we witness an abandonment of the strictly traditional modes of learning in favor of something new.

A recent report, for example, of the Commission on Non-Traditional Study, assessing the need for responsiveness to changing social conditions, states:

"Education, like every other important entity of society, must be responsive to the world it serves or suffer from the constant danger of becoming static and lifeless. Its responses must be active, innovative, contemporary. And those who design education must do more than merely respond; they must develop initiatives of their own that reflect an awareness of changing necessities."

One of the reasons I have supported and encouraged the adoption of cooperative education in our 8 community colleges in the public system of New York is precisely because it is responsive to the changing necessities of a very broad segment of our population.

Economically and culturally disadvantaged young people of our community are now more aware than ever before of the offerings of our society if they could but attain the threshold to reach. Many of them move through precollege education with the implanted notion, accidental or purposeful, that their opportunities are limited. Many of them are thwarted in their education ambitions by parental pressure because poor people look to their offspring to bring home money as soon as possible. Many of them are not academically prepared or financially able to seek admission to first rate, 4 year conventional colleges. The community college saves them; it is their escape hatch to self-fulfillment; and more so if its courses, for whatever skill or profession being sought also combine off-campus, meaningful, money-earning work.

I am appalled at times by the lack of understanding of the importance of our community colleges. As far back as the Truman Administration their need was justly valued by the same panel of experts who advanced the notion of the GI Bill. It is one of those social inventions uniquely characteristic of the American process which emerged to open the doors of higher education to all those, who either for reasons of poverty, non-acculturation, discrimination, or academic unpreparedness have had their learning experience aborted.

It would be a serious blow to the vigorous development of the community college system if the Governor and the Legislature failed to provide full funding for the needs of these 8 colleges which have such a special importance to so many young people of our City.

And I would say in conclusion that they have a special importance to you as employers. Don't take my word for it. Test it yourself. Make contact with the cooperative education departments of our community colleges. Let them work with you. Let them guide you in hiring students. And by so doing you will not only be making a sound investment in your own manpower resources, but you will also be invigorating the economic viability of our City.

The future of our City will be brighter if our business and industry flourish and remain here, and related to this is the indispensible accessibility to well-trained, well-educated young men and women. This is the emerging resource provided by our cooperative education colleges.

REMARKS OF U.S. SENATOR TED STEVENS AT THE EMPLOYERS' INSTITUTE, HELD IN DETROIT ON MAY 2, 1974

Education has nearly always been a powerful force in American life in raising the status of individuals from one level to another. Vertical mobility has been possible since colonial indentured servants were able to become businessmen and landowners. And long before free land on the western frontier gave out, free education had become the key success and personal achievement for large numbers of poor and middle class Americans, native born and immigrant.

It still is. The American dream begins with getting an education. But something has happened to erode some of the reality from both the dream and the means of achieving it for many. Education has not altogether kept up with the needs of people. Too much rigidity has developed; too much emphasis has come to be placed on preparation for college, too little on preparation for a rewarding life including earning a living.

This is not to say that too many students are going to college, even though the figure now approaches 50% of that age group. The arguments and statistics used to arrive at that conclusion are not very convincing, and most people continue to believe that college is the capstone of the educational system. The problem is that too many students in elementary and secondary schools are being prepared for nothing else. And of those who go to college too many are going too haphazardly, too poorly prepared, and for the wrong reasons.

Many educators, businessmen, working people, and parents have felt for a long time that the schools should place more emphasis on preparing students for employment. This was the complaint more than a century ago which led to the land grant college legislation of the 1860's, and again more than fifty years ago which led to the Smith-Hughes and subsequent vocational education acts. More recently, we have seen the federal government recognize vocational education within the traditional college setting by providing funding for cooperative education programs.

In the 1960's, with rapidly advancing technology in virtually every field of employment creating obsolescence in job skills and widespread unemployment for the unskilled, Congress again responded. The Manpower Development and Training Act of 1962, and the Vocational Education Amendments of 1968 were major efforts to use national resources in providing every person who needed it with the necessary preparation for employment.

In the judgment of many of those who led these efforts, they should have had a profound effect on American education. Perhaps they will yet. There is considerable evidence that they have made an impact, but the net result at this time is still more than a little disappointing. Large numbers of students continue to go through school without adequate preparation for the world of work. Dropouts, pushouts, and failures litter the educational scene. And jobs go begging which require the skills most unsuccessful students could have acquired in school if they had been given the opportunity.

There are problems at the Federal level—disagreement as to which direction policy should take, disagreement over funding levels for various programs and numerous disagreements which have been recorded in Senate proceedings on confirmation of Commissioners of Education, in Appropriations Committee hearings, in legislative oversight hearings, and on the floor of the House and Senate. This situation has extended through the terms of three Presidents and in both political parties.

In spite of these problems, many people believe that failure to provide satisfactory education for a great number of students lies with the schools themselves. School administrators have their critics; vocational teachers blame academic teachers; academic teachers criticize schools of education; guidance and counseling departments are thought to be poorly qualified to guide students in the selection of careers and career preparation; and educators generally feel that the school budgets are too low, while the taxpayers groups feel they are too high.

In the meantime no one really knows just what education is doing, who is being prepared for what, if vocational graduates are benefiting from their education, and how much it is costing. The U.S. Office of Education has provided a few statistics over the years, but in Congress we have often found these statistics to be quite inadequate. The Senate Appropriations Committee, of which I am a member, has for years complained that we are not getting the kinds of information we need to make the decisions we must make, especially in the area of education.

Total expenditures for higher education rose from $29.9 billion in 1971–72 to $32.5 billion in 1972–73—an increase of 8.3%. The federal budget will provide about $2.1 billion for higher education in Fiscal Year 1975. Additional contributions to higher education for the academic year ending last June are estimated at $2.24 billion—that is an increase of 11% from the previous year. When we add the $65 billion of State and local funds spent yearly—at all levels of education—we can realize what a high financial investment we have made in education. While money is important, we must give the human investment our primary concern. If people are spending twelve to twenty years of their life getting an education, certainly we in decision-making positions should know why they are there and just what education is doing for them.

The Department of Labor's Bureau of Labor Statistics recently reported that two-thirds of the job openings in the United States through 1985 will result from the need to replace workers who die or retire. Only a third of the openings will result from employment growth. Other predictions are that government will continue to be a source of new jobs with most of the growth at state and local levels. State and local government employment could increase by as much as 50% over the 1972 level by 1985. Service and miscellaneous industries will continue to be among the fastest growing industries through the mid-1980's. More than half again as many workers are expected to be employed in this industry division in 1985 as in 1972. Manpower requirements in health services are expected to grow rapidly due to population growth and the increasing ability of persons to pay for health care. Business services, including accounting, data processing, and maintenance, also are expected to grow very rapidly.

The Department of Labor also projects that professional and technical workers—a category which includes highly trained personnel such as teachers, engineers, dentists, and clergymen—will be fast-growing as the nation makes greater efforts toward socio-economic progress, urban renewal, transportation, harnessing the ocean, and related goals.

So, we have taken a brief look at the history of our educational system, the money invested in education and the projected future needs in terms of manpower. I think that the cooperative education movement offers great promise in American education today and in the years to come.

Cooperative education broadens the traditional liberal arts curriculum to assure stu-

dents of a better means of developing a career and earning a living. Education must provide our young people with a better understanding of what they are learning if they are to achieve greater competence and confidence in applying their knowledge and skills. One of the most important benefits to be derived from education is the ability to see the interrelationship of various disciplines—how, for instance, history, economics and psychology are entwined and relevant in day to day decisions. Too often, in the past, colleges have presented material in terms of static or ideal situations which just do not exist. In studying economics, a student may be presented with a consumption model showing government expenditures as an optional policy to be used to stimulate the economy or to slow it down. Seldom, if ever, is the relative size of the federal expenditures which are made daily and year after year ever given their full impact in the capitalistic system. Cooperative education gives the student an opportunity to put to realistic use whatever he happens to be studying—and it does it in such a way that he can truly take advantage of the academic setting to seek answers to real questions.

In many ways, we have looked at college as a period for a person to experiment with different life styles and forms of social interaction within a fairly protected environment. Cooperative education also allows this experimentation within the field of employment. By actually being exposed to different working situations, a student is much more capable of making decisions regarding a career choice. Again, this is timely in that he will have the opportunity to gain the academic background needed to attain his goal.

From the viewpoint of the colleges there are also advantages to adopting a cooperative approach. The cost of higher education continues to rise dramatically—on this I am somewhat of an expert as I now have two daughters in college, a son ready to start next fall and two more sons in high school. By working during part of the academic year, students can often make enough money to pay for a large share of college expenses. This, in turn, enables the colleges to more realistically charge the full cost of educating a student. I would also think that such a system would have a beneficial effect on maintaining high quality professors who are challenged and respond favorably to student questions arising from their actual experiences in applying what they have been taught.

A most important group in this movement is, of course, the employer. During the first and second year of employment a great many industries report a turnover rate in the range of 60%—some go as high as 150%. A cost-benefit analysis conducted by a division of AT&T showed that the cost of employing and retaining each co-op graduate was 40% less expensive than employing and retaining a regular college graduate. Additionally, recruitment of cooperative students has been more efficient because of the opportunity to evaluate the student on the job, and the student to evaluate the employer in his role. There has also been a more rapid rise of cooperative graduates into the managerial ranks. So far, there is relatively little data to support these statements. I would urge those involved in cooperative education to do some concrete evaluation of the program. As you may know, the Federal funding level for this program is requested at the same level this year as for the last fiscal year. The phenomenal growth of the cooperative education program—from 19 state institutions ten years ago to over 800 two and four year colleges and universities during the present year—means that Federal funding will be far short of the demand. To increase the funding we need hard data—from the schools, the employers and the students to present the case before Congress. I, for one, believe in cooperative education and would willingly lend my support to furthering its goals in Washington.

REMARKS OF DR. DEWEY BARICH, PRESIDENT, DETROIT INSTITUTE OF TECHNOLOGY, AT THE EMPLOYERS' INSTITUTE, HELD IN DETROIT ON MAY 2, 1974

All through the American experience there has been a continuing commitment to education, from the days of the Founding Fathers to this very present. To be sure, there is a long tradition of education in other countries reaching back into antiquity, but none has had the kind of development as we have had.

From the beginning it was perceived that a democracy of self-governing people could not function or endure without an informed electorate; and it was also clear that a nation expanding over a vast continent, seeking to create economic wealth on a hitherto unimagined scale, required human resources that could meet the demands for every conceivable skill and talent.

At the beginning, Jefferson wanted higher education accessible to all with the ability to become part of an aristocracy of mind and intellect; and Jackson, our first populist president, scorning such elitist criteria, wanted every mind treated as equal and urged for a universal system open to all regardless of capacity.

These and other contradictory thrusts caused higher education in the United States to evolve into a variegated garden of learning, without conforming to any single doctrine or authoritarian philosophy of education.

We have all kinds of colleges and universities, conventional and experimental, vocational and purely academic, 2-year schools and four year schools and so on, running the full gamut of disciplines, but all of them taken together seek to contribute to each person the will and equipment to achieve a more meaningful life.

What appears to be a hodge-podge of education phenomena, however, is really a unique adaptation to our own inheritance and our own national condition.

We have always invented social forms to suit our national condition, and this has been especially true in education, from the earliest days of free public school instruction through the frequent participation of government in moves to create access to higher education when the requirement for it was felt.

One undertaking of the government which will be long remembered and which had a decisive effect on both the economy and the rise of education was the Land Grant Act of 1862. Under that authority, the federal government distributed approximately 11½ million acres of land to the states and territories, to be sold, with the money to be used to set up new agricultural and mechanical colleges or to finance new agricultural and mechanical departments in existing state universities and private colleges.

It is amply established that this policy provided an opportunity for the children of farm families to learn scientific agriculture and eventually to transmute that knowledge into the most abundant agriculture possessed by any nation in the world. It is also well to recall that out of the original land grant colleges there have emerged a dozen or more of the most prestigious universities now serving the young people of our nation.

More recently, in a span of seven years after World War II, the government spent 14 billion dollars for the education of 8 million veterans under the G.I. bill of rights. No one could regret this undertaking when it is measured against the enormous benefits on countless scores that accrued to the nation. I am sure there are many occupying important positions in Detroit whose education was made possible by the G.I. bill, and who must ever be grateful to it.

Since we have such variety of education and educational needs in the United States, and since we follow no single education doctrine or authority it has been inevitable that we constantly seek new adaptations to new needs and we are consequently continuously engaged in education innovation.

Cooperative Education is an example of an innovation which responds to the needs of our time, and I hope that its significance will be appropriately assessed by both employers with a self interest and as citizens who believe it necessary to encourage an activity which is good for the nation. It is clear that the Federal Government is bent on encouraging the growth of cooperative education as witness the size of grants to colleges that have been authorized under the new and enlarged appropriations, and by its funding of employers' institutes such as this one. This is not the first time nor will it be the last that industry and education have been stimulated to cooperate in a common aim.

I submit that this special attention to cooperative education is very much a part of the nation's ongoing process of relying on education to meet basic national needs, just as the land-grant colleges met a need in their time.

I suggest that not the least of the forces at play in this revelation is the 26th amendment which by enfranchising citizens of 18, has redefined adulthood.

Adulthood requires self-reliance and the ability to manage one's affairs, and this attitude implies a capacity to make one's own way in the world. Cooperative Education is a learning mode that supports this psychic need.

There is also a great stirring among disadvantaged youth for their proper places under our egalaterian ideal and I can think of no more effective way to advance the young people of our ethnic minorities up the ladder of achievement than through cooperative education. Every employer in this room and elsewhere has an obligation to implement so-called "affirmative action" programs which is simply a fancy name for equal opportunity, and we have learned in our experience at the Detroit Institute of Technology that drawing upon the cooperative education program is the most effective way of complying with this obligation.

The same compulsion applies to the education and hiring of women in positions of responsibility and once again employers throughout the country have found that cooperative education programs are the most valuable source of well-trained women even in the most technical professions, including a wide variety of engineering disciplines.

REMARKS BY EDWARD N. COLE, PRESIDENT, GENERAL MOTORS CORP. AT THE EMPLOYERS' INSTITUTE HELD IN DETROIT ON MAY 2, 1974

General Motors has been involved in cooperative education since the establishment of General Motors Institute as a part-time training school in 1919, just thirteen years after Herman Schneider instituted the first program of cooperative education at the University of Cincinnati in 1906. Since its incorporation in 1926, GMI has provided the corporation with educational programs and services in engineering and management. Many of GM's officers, top managers and salaried employes are graduates of GMI.

Exclusive of GMI students, GM employed 992 cooperative education students representing 100 institutions of higher learning during the 1972–73 academic year. The 100 institutions included junior and community colleges as well as the traditional 4-year colleges and universities. The students included 480

who were studying engineering and science; 356 studying business administration; and 156 studying technology.

At GMI, our own institution, there are 3,189 cooperative students this academic year sponsored by 150 of GM's units in the United States and Canada. Of the more than 12,000 GMI graduates, 60 percent are still with General Motors even though they are not required to remain with us one day beyond graduation.

Our retention rate is much higher for our co-op sudents than it is for other graduates.

Officers of the Corporation have been enthusiastic advocates of cooperative education. Charles (Boss) Kettering, for example, was chairman of a conference at Dayton, Ohio, in 1957, which examined the cooperative plan and how it might serve the enlarging student population of the future. That conference resulted in a two-year national examination of the advantages and disadvantages of cooperative education.

At that Dayton conference, C. R. Osborn, a vice president of General Motors and a founding trustee of the National Commission for Cooperative Education, said that the cooperative approach to education represented triple profit—profit to the student, profit to the cooperating institution, and profit to industry. Mr. Osborn's assessment is as valid today as it was 17 years ago.

My association with cooperative education began in 1930 when I enrolled at GMI as an engineering student under the sponsorship of the Cadillac Motor Car Division. I didn't get my degree until 1952 because my work assignments often extended beyond the customary time sequences. Because of my personal experiences, I assure you that I know the full value of a cooperative education. Its innovative approach is revolutionizing higher education. This revolution—very quiet and quite orderly—is producing capable, well-trained professionals and technicians without spectacular confrontations or disruptions.

Cooperative education is a realistic education and is especially suited to the needs of students and employers in this age of industrialization and urbanization. It is a first-rate education because it successfully combines theory and practice in the desirable proportions.

It is my judgment that there will be an increasing demand for the cooperative approach to higher education in the coming decades. Consider two things: First, the growing complexity and mechanization of American industry will require bright and able workers with a wide variety of skills. And, second, the rising cost of a traditional 4 or 5-year college or university education is making it increasingly difficult for many families to afford higher education for their children. Both these factors have a significance for employers and, parents, too, I might add.

The U.S. Department of Labor in its recently published Occupational Outlook Handbook, projects a labor force of 107.7 million in 1985. Because jobs will become more complex and require greater skill, employers will need and seek people who have higher levels of education. The growth in employment will be fastest in those occupations requiring the most education and training. The Labor Department points out, for example, that professional occupations will be the fastest growing occupations between now and 1985 as the nation makes greater efforts toward the country's socio-economic progress, urban renewal, transportation and the environment.

In projecting future employment, the Labor Department assumed that there will be no major event such as a long, and widespread energy shortage that will substantially alter our rate of economic growth. It also assumed that we will maintain our high level of employment and utilization of available manpower; that our economic, social and educational trends will continue to change according to patterns of the recent past and that scientific-technological advancement will continue at about the same rate as in recent years.

Continued economic growth is necessary if the Department's employment projection is to become an actuality. With the end of Phase Four controls yesterday, we should return to a more normal market functioning of supply and demand. I think this will stimulate production and competition and, with limited government direction, reduce prices. To bring inflation under control, we must increase productivity to meet demand. This will provide jobs and cool the economy. Productivity gains are closely tied to our economic climate—the government encouragement of business to re-invest and the stimulation of a favorable tax structure. Any economic philosophy of limited growth will ultimately mean scarcity of products and more inflation, fewer opportunities for individuals and more unemployment.

While a high school education has been the standard for most American workers, training beyond high school has been the standard for many professional occupations. The wider use of new, highly sophisticated automated equipment in offices and on the production lines will raise the skill requirements for clerical and other jobs. New methods of manufacture, new materials, and new products to meet our constantly changing and rising standard of living will require workers who have greater technical knowledge and the ability to understand and operate the complicated machinery of the future.

While a higher level of education or more specialized training will be required for the better, more interesting jobs which offer the best wages and steady employment, it is somewhat ironic that higher education is getting beyond the financial ability of an increasing number of American families.

This circumstance is resulting in greater enrollments in the nation's two-year community colleges. This is especially true of minority students who, because they are highly career oriented, realize that they must leave the campus with critical or unique job skills which will enable them to step competently into a job. They want the degree they earn to be relevant in terms of a steady paycheck.

The institutions of higher learning which offer cooperative education programs now number more than 800, serving more than 180,000 students. This year, the federal government proposes to spend $10.8 million to develop and expand the cooperative education idea. This is a mere drop in the bucket. The federal spending ought to be five times greater than it is because hundreds of community colleges, and public and private 4-year colleges and universities have requested grants to establish or expand their co-op programs.

These developments bode well for the business and industrial community and I urge that community to take advantage of the opportunities offered by work-study programs at the collegiate level.

Cooperative education, as the theme of today's institute indicates, is the emerging resource for developing the manpower for virtually the entire spectrum of technical and professional skills. The remainder of your day will be devoted to the specifics of how you can benefit from this revolution in education. For the moment, I will share with you some of the benefits of cooperative education as I have experienced them.

Cooperative education accomplishes several goals. It allows teacher and student to gather and contemplate the past as well as to create the future. It provides an atmosphere where students can flourish in the real world of competition and where they can participate actively and effectively in their educational experience.

Earning while learning not only enables students to pay a substantial part of their educational expenses, but it gives them a head start on their chosen careers.

Early entry in an occupation, incidentally, has an additional fringe benefit for the employe. Those five years as a co-op student are counted at retirement time. By working while earning an academic degree, students are oriented to the world of work. They have the opportunity to learn about the range of occupations open to them and the potentials and limitations of the fields which interest them. Most importantly, they have the opportunity to change academic plans and prepare for a more informed vocational choice in the event they decide their abilities are more suitable for a different career. This flexibility is desirable and pays dividends because the coordination of work experience with the academic program motivates students, causes them to find greater meaning in their studies as they see the connection between the jobs they hold and the things they learn on campus.

During the five-year work and learn experience, student and employer have the chance to view each other carefully and critically before deciding if they are meant for each other. There is a smoother transition into full-time employment at the end of the undergraduate period and the student is immediately productive upon graduation. The cooperative experience reduces or even eliminates the apprenticeship and training programs usually required of new employes. The co-op student, you might say, has a head start on other student graduates in the company.

The benefits of cooperative education do not only accrue to the student. The employer and the institution benefit also.

Cooperative programs enable the educational system to become more aware of the needs of industry. Because the adequate education of the student is of paramount importance, the institution and the employer establish a relationship which reduces the isolationism of the school and results in a better rapport with the commercial community.

This mutually important relationship enables the faculty to be kept up-to-date and stimulated by events in the world of commerce because the student's on-the job experiences become a vital part of the classroom program. In a way, you might say that industry assists with the design of the educational curriculum because the feedback between industry and education through the student and the faculty keeps the institution more in tune with the needs of industry. The average educational institution simply does not have the resources to keep abreast of today's fast-moving technology.

Finally, another principal advantage of the program is that the co-op student—the successful one anyway—becomes a "missionary" for the employer. His understanding and appreciation of your company and the function it fulfills in the provision of goods and services in our economic system are a dividend that is too often overlooked. His "goodwill ambassador" role is invaluable to the educational institution and the employer.

Finally, important to the success of the cooperative education program is the provision by the employer of a meaningful employment opportunity for the graduate. Permanent employment of cooperative education graduates assures employers of employes who are experienced in the company and have already established a record of constructive work.

The increasing complexity of modern society has heightened the need for improved

cooperation between industry and education. In preparing youth for the highly competitive job market, education can be the equalizer that breaks down racial and economic barriers. The business community feels that if education is to accomplish its goal of providing equal opportunity for advancement, it must be more directly related to the real world and the needs of students. To some, this means that greater emphasis should be on career orientation. This suggests the expansion of work-study programs or the achievement of a marketable skill before students join the work force.

I might point out here that because science and technology will play increasingly important roles in our future, the cooperative education institutions are as good recruiting grounds for government personnel as they are for industry and business. Because so many major decisions on matters affecting the national welfare must be based on technological and scientific knowledge, it just seems to me that our government at all levels—especially the Federal level—should be staffed by more people with this sort of background and training.

It is a mistake to think that the cooperative plan of education is most easily and directly applicable to business and industry. From my experiences with the Congress and federal bureaucrats, I assure you that government can make effective use of cooperative education programs. Legislative and regulatory matters can be better resolved if more legislators and government careerists were technically trained and qualified. And, to be totally fair, I should add that corporate managers benefit, too, when they are better-versed in the structure and functioning of government.

On previous occasions, I have expressed the view that we must kick the habit of always turning to those wonderful folks on the banks of the Potomac River for solutions to all of our problems. I am not convinced that the collective judgment of 535 legislators, or a handful of politically appointed politicians, is necessarily more valid than the judgment of people who know what is best for themselves.

Philip H. Abelson, editor of *Science* magazine, expresses a similar view in the March issue of his magazine as it applies to education. I think it is appropriate to quote here:

"At one time, industry was a prime supporter and defender of academic institutions. During the last two decades, however, while universities fell into dependence on government, industry and universities have been estranged. But academia now understands that it cannot count on government for sustained rational behavior. At the same time, industry needs a healthy university system. Already there are shortages of some kinds of engineers, and shortages of physical scientists are likely soon. Thus the climate is more favorable for a closer working arrangement."

I agree with Mr. Abelson. There are signs that the distress and sometimes hostility that existed between the business world and higher education are beginning to give way. This was evident this past January at the annual meeting of the Association of American Colleges when businessmen and college officers cautiously explored the possibilities of a new relationship, apparently aware of the fact that each needs the other and can really help each other. And, this past March the chairman of IBM hosted a dinner attended by the presidents or chairmen of many of America's largest high technology companies, 13 Nobel laureates, and other leaders in academic life. The dinner honored the three physics Nobel laureates for 1973, but the IBM chairman emphasized that a prime reason for the dinner was to initiate a dialogue between academic science and industry.

This conference today is the proper place to enlarge the dialogue between industry and academia. Our educational system cannot be changed and improved in a meaningful way in isolation. Education must have the active support and cooperation of business and industry if it is to find better ways to provide our youth with more knowledge and more proficient skills. Do not pass up today's opportunity to implement a program that can be of strategic importance to your manpower planning.

Cooperative education is responsible. It is accountable. Its performance has facilitated rather than impeded educational purposes.

Clearly on the basis of what it has already contributed and achieved in the field of higher education, cooperative education is ready and capable of a new era of educational leadership.

REMARKS OF PAUL S. MIRABITO, PRESIDENT, BURROUGHS CORP. AT THE EMPLOYERS' INSTITUTE ON MAY 2, 1974, IN DETROIT, MICH.

I am happy to be taking part in today's conference because I believe that programs in co-operative education offer important benefits to everyone involved: the students, their universities, and the companies which employ them. Industry must recognize the difficulties which education is facing today, and we must be concerned about the implications of those difficulties for our future manpower. Our needs must be communicated to the nation's educators, and co-operative education certainly can play an important role in that function. I would add that our experience at Burroughs with co-operative education has been so successful that we regard this program very favorably.

Before moving into the main portion of my remarks, allow me to express my congratulations to all of the organizers of the Employers Institute. In providing industrial leaders with this comprehensive look at co-operative education, they are performing a very great service for future students who will benefit from expanded programs . . . for the universities which will offer those programs . . . and for the companies represented here, which will gain from hiring co-op students.

THE PROBLEMS OF HIGHER EDUCATION TODAY

Industrial enterprises rise or fall on the quality of their people. This is especially true of companies in the high-technology industries, such as the computer industry, of which Burroughs Corporation is a member. Of necessity, we keep a concerned eye upon the major source of our new people . . . the college campuses . . . and what we see today in many respects gives us concern.

FINANCIAL

Tuition costs are rising to levels frequently beyond the capacity of the typical middle-class student to pay, and federal educational aid programs focus almost entirely on students from low-income families. The basic federal program of educational grants is so poorly funded that the maximum grant is $452, in a year in which the tuition cost alone at a leading university is substantially greater than that amount.

This crucial point in the financing of higher education comes at a time in which support from the private sector is at an all-time high . . . tuition revenues continue to grow . . . state support is increasing . . . foundation support is increasing sharply once again after a period of slowdown . . . and federal support is rising at a faster rate than at any other time in the last five years.

ENROLLMENTS

The paradox of universities facing financial need at a time of record private giving and rising government support testifies to two fundamental problems: the leveling off, and in some cases actual decline, in enrollments; and the destructive effects of inflation, which is eroding the purchasing power of the schools faster than rising income can compensate for it.

The leveling off of student enrollment itself has several causes, not just rising tuition costs and inadequate aid programs. College courses themselves are giving rise to questions as to the relevancy of structured education. One Detroit educator has characterized this aspect of the problem as basically a "consumer revolt." He says that some prospective students are looking at our colleges and refusing to buy what they see.

Costs and the question of relevancy seem today to be the major causes for the half-million vacant seats at American colleges and universities. In the 1980's, another important factor will begin to have its own adverse impact: the movement toward zero population growth. Right now, elementary schools comprising millions of students, report nearly a two percent drop directly attributable to population declines. This shortfall will reach the colleges in a very few years, and relevancy and cost may become moot points. The students just will not be there.

UNIVERSITY CUTBACKS AND ATTITUDE

This cumulative series of problems has led to still another adverse impact on our universities. We find that universities, which for 27 uninterrupted years have devoted their major efforts to the improvement and expansion of their curricula, their facilities, and their physical facilities, today are cutting back in program offerings, faculty strength, and in new construction.

American education, which has been described as a "growth industry" in those 27 years, this year is a "no growth industry," and the prospects for the future are disheartening. Clark Kerr, the chairman of the Carnegie Commission on Higher Education, concluded that the prevailing attitude on many campuses today "is more to look back with longing than to look ahead with hope".

The possible consequences of this attitude of discouragement are highly disturbing for this country's industrial managers. The situation of higher education today has been described as a "watershed, a turning point." Where we go in education depends largely upon how the waters are diverted, and industry, I believe, has an important interest in the diversion of those educational waters.

WHY INDUSTRY HAS AN INTEREST IN EDUCATION

The preservation and strengthening of our educational institutions is central to the continuing development and success of U.S. industry in the competition of world markets . . . and among all industries, those with a high technical or scientific content in their products must be the most concerned.

The technological industries generally are young industries, characterized by invention and discovery and the very rapid application of those discoveries to new products. We constantly seek to improve productivity through beneficial change and, therefore, our industries attract innovative and active young men and women. These young people find within these industries an environment which stimulates their inventiveness and provides high opportunity for career growth.

I am most familiar with the computer industry among the technological industries, and an important characteristic of my industry is its very rapid rate of growth. Many business observers have forecast that the computer industry will be the largest of all industries before the end of this century.

THE GROWING NEED FOR COLLEGE GRADUATES

To support this very rapid rate of growth, we must continue to expand employment. We bring young people into the business at the base of our activity, and promotion follows shortly after they join us from college or university. Thus, our employment profile

always has a very high proportion of young people. Among Burroughs people today around the world, more than one-third are age 30 or younger.

The emphasis in my company upon hiring well-educated and well-trained young men and women stems from the advanced technological nature of our products, and the demand for sophisticated marketing services associated with those products. For instance, our marketing personnel must know the computer business, and they must be thoroughly conversant with the business of their customers as well.

The requirement for well-educated people is not limited to the technical or marketing areas. Growth in those areas requires total growth in all business areas to support and advance the corporation, and that means we constantly seek men and women with degrees in business management, accounting, economics, finance and the entire range of business disciplines.

This example, taken from my own company, illustrates graphically the pragmatic interest of industry in the health of higher education.

INDUSTRY'S ROLE IN HIGHER EDUCATION

If our universities are to produce the young men and women schooled in the technical and business disciplines which we need in very great numbers, avenues of communication must be greatly strengthened. Industry must communicate in regular and specific ways with the educators who shape the courses being offered on today's campuses, and those who plan tomorrow's courses.

Similarly, federal agencies which monitor the changing, long-term trends of industrial development must make certain that information on the emergence of new industries or the rapid growth of existing industries is communicated in specific terms to the education planners.

State industrial development agencies and local universities must also be in constant contact, if the university structure is to have the guidance it requires to support the state's attempts to attract new industries. Universities across the nation, hopefully, will seek to strengthen their competencies in the disciplines needed by those industries which the states are seeking.

The kinds of industries which locate in a given area are determined to a very large extent by the nature of the educational institutions in that area. A good example of this is the role played by MIT in attracting the electronics industry to New England.

COMMUNICATION THROUGH CO-OPERATIVE EDUCATION

Effective communication and competent long-range planning will accomplish much in meeting the future needs of industry. Regarding the *immediate* needs of our companies, and the communication between industry and education, I suggest that a very good beginning has been made through programs such as co-operative education.

These programs bring together the company and the college on the most elementary terms: the college is teaching, and the company is hiring. Viewed as a communications device alone, co-operative education accomplishes a great deal. Industry indicates, by the act of hiring students, those disciplines which it needs . . . now. By its choice of students, the company indicates quite clearly those schools which it feels are doing the best job of preparing young people to enter the world of commerce and industry.

Students returning to their campuses after having spent several months in an industrial environment provide the university with a clear channel of communication regarding the relevance of their courses.

ADDITIONAL BENEFITS OF CO-OP PROGRAMS

We know through our experiences at Burroughs that co-operative education provides benefits beyond basic communication. Co-operative education, for instance, answers many questions a student may have about the relevancy of his education. By spending a significant part of his time in a work environment, the usefulness of his structured classwork is made apparent.

The student also has an opportunity to determine relatively early in his formal education if the career choice he has made is right for him. In the majority of cases, co-operative education reinforces those career decisions which already have been made. However, we have all seen a few youngsters who learned that their preliminary choice was a wrong choice for them. They learned this early enough to make important changes in their educational planning, to shift gears and move toward a different career.

The financial benefits of co-operative education to the student are significant. He has an opportunity to defray the costs of his education through wages earned while at work in industry. This permits many students to finish their degree studies, supported by their own earned income, requiring no grant approval or loan repayment.

The colleges, on the other hand, benefit from the continuing contact with the world of industry afforded by co-operative education, and the renewed interest of their students in the educational process. While the financial benefit to the college implied by greater student interest is impossible to measure, no educator would question the value to a university of strong student interest.

EXPERIENCE AT BURROUGHS

As for industry's gain from the development of an active co-op program, I can cite our own experience at Burroughs, based on many years of participation. Our first co-op student came aboard more than 20 years ago. Today, many managers . . . extending up to senior management . . . are products of co-op programs.

HOW PROGRAM IS CONDUCTED

Our recruitment of co-op students parallels our regular recruiting efforts. All of our operating groups have responsibility to fill their employment needs, and the offices which discharge that responsibility are charged equally with recruiting for co-op posts.

About one-third of the co-ops whom we hire come into the engineering and manufacturing areas; about one-third are preparing for careers in accounting and finance, and the remaining one-third work in marketing areas, thus co-op students are active in all of the major areas of our business. They come to us from more than 50 institutions of higher learning across the United States.

In all, more than 200 students are regular participants in the Burroughs program and they earn nearly a million dollars a year in salaries alone. The important word here is "earn", and managers have made a point of letting us know that they regard these bright young people with great favor.

EXCELLENT IMPRESSION MADE BY STUDENTS

The students have made an excellent impression upon our managers, and we would very much welcome the extension of co-operative education to many more campuses across the country. We would urge college counsellors to encourage outstanding students to participate in those programs.

I am happy to say that many of our students subsequently join Burroughs as regular, full-time employees upon completion of their undergraduate work. Many of those who join our company make good use of our tuition aid program to go on to earn their master's degrees, and as opportunities and needs arise, we encourage their continuing interest in education.

RECOMMENDATION TO OTHER COMPANIES

Other speakers on today's program are presenting detailed reports on the cost-effectiveness of co-operative education, so I will say only that at Burroughs, we have matched our co-op program to our company's manpower and recruiting needs, and after many years of experience, are well satisfied with the excellent results we have obtained.

To the business and industrial community represented in this audience, I can recommend with very great enthusiasm that you look with deep interest toward co-operative education as a very real vehicle by which many of your recruiting needs might be satisfied. At the same time, you will be making a positive and important contribution to the encouragement of youth, and the future development of our universities.

Thank you very much.

REMARKS OF JOHN L. CHASE, CHIEF TRAINING AND PROGRAM DEVELOPMENT BRANCH, DIVISION OF TRAINING AND FACILITIES, U.S. OFFICE OF EDUCATION AT THE EMPLOYERS' INSTITUTE IN DETROIT ON MAY 2, 1974

Dr. Peter Muirhead, the Deputy Commissioner of Education for Higher Education, requested me to express his deep regret that he could not address you today because he is required to appear and testify this morning before the Committee on Education of the House of Representatives.

Dr. Muirhead asked me to speak in his place and present to you the policy position of the U.S. Office of Education in regard to cooperative education because the direction of the program of grants for cooperative education is a responsibility that I have in the Office of Education.

I think that Detroit is the place to acknowledge the fact that Charles Kettering is the originating genius responsible finally for the present federal legislative policies that call for support of the establishment and expansion of cooperative education in institutions of higher education.

Kettering was greatly impressed by the fact that the speed of change imposes a continuous strain on education. A real problem faces education to train not for the needs of last year, nor even for this year, but for the needs of the future of which we may not even dream today.

Kettering used to say to his associates that forty years of work on research and development in the laboratory had taught him one thing: Most things don't work!

I regret to say that many recommended policies for the improvement of higher education do not work.

But Kettering was a close friend of Dean Herman Schneider of the University of Cincinnati, who invented cooperative education in 1906, and Kettering watched and participated in the whole original development of cooperative education.

Kettering's view was that the complexity of social structures and behavior in our society is so great that it is quite unlikely that anyone can, by a purely intellectual effort, blue-print a successful solution for the problems of education.

Kettering devoted his life to looking for successful working models—and he was always greatly impressed by those physical or social arrangements that did work.

So Kettering noticed that the plan of a student alternating periods in college with periods in industry or business did improve the educational programs of institutions of higher learning. He saw this was true years before careful scholarly research revealed that the mixture of educationally related job experience and education provides a much more adequate education.

The observation of human behavior was all important. The test was: Did it work? Were the various demands of individuals satisfied? By inspection of what happened

to students, he concluded that cooperative education lapwelds theory from the classroom with practice on the job. Cooperative education creates a weld that is much stronger than the buttwelding of a college degree followed by employment, the two touching at only one line of contact.

For five years now the Office of Education has been administering a small program of grants in support of cooperative education. We have observed the various successful working operations of cooperative education—and we have learned a lot about it.

We have learned that cooperative education is based on the principle that well-educated, mature individuals will develop more effectively through an educational pattern which, at periodic intervals, places them in a world beyond the campus. Through these controlled and structured experiences, which are most often paid positions in business and industry, and the public employer sector, the students bring an enrichment to the classroom and the employer which enhances their total development.

We have learned that, for students, the alteration of work and study provides a career education that enhances personal growth and development, lends relevance to curriculum, and teaches skills in human relations through experiences in the adult world. It makes higher education financially possible for many students because of their earnings on job assignments in their cooperative education work periods.

It is for these reasons that Dr. Peter Muirhead recently said that "Cooperative education may become the major breakthrough of the 1970's for students, for faculty involvement, for institutions of higher education, and for employers."

The Federal government has inaugurated and established a program for furthering the national expansion of cooperative education.

The Higher Education Act provides for an expenditure of $10,750,000 this year and next year in support of cooperative education.

Requests for grants to establish or expand cooperative education have come from hundreds of community colleges, colleges and universities—both public and private—from all of the fifty states.

The expansion of cooperative education, with the support of the Federal government, is regarded by many educational leaders as the single most important development in higher education today. In June, 1972, there were 350 institutions of higher education offering cooperative education opportunities for students. In June, 1973, there were 566 colleges, universities, and community colleges offering programs of cooperative education in a wide diversity of curricula. Currently, in May, 1974, there are more 800 institutions of higher educating offering cooperative education programs serving over 180,000 students.

This is ten times the number of students in these programs fifteen years ago. Given continuing Congressional funding of the cooperative education legislation, there is a prospect that 500,000 students will be in cooperative education programs by 1980.

It is this growth in cooperative education that has led the U.S. Office of Education to give support to the National Commission's effort to organize a series of Regional Employer Institutes. This Detroit Institute today begins the process of informing employers about the increasing availability of students in cooperative education programs.

For it is essential to say that the further expansion of cooperative education—its projected growth—is dependent upon increasing employer knowledge about the cost-benefit experience that employers have had in hiring cooperative education students.

The Office of Education realizes that adequate data on cost-benefit employer experience would have important usefulness to educators as a tool to enable them to provide employers with answers to their question: What is the effect on "the bottom line" figure for our business if we employ cooperative education students?

There are existing only two examples of the needed cost-benefit information. Xerox has made an internal study which reveals—and I quote—"Xerox has made very substantial savings in its personnel recruitment costs through employing cooperative education students." A second study was made by South Central Bell of nine years of their employer experiences, and they found—and I quote—"The Study revealed that the cost of employing and retaining each Co-op graduate was 40% less expensive than employing and retaining a regular college graduate."

It is the prospect of uncovering useful data of this kind that has led the Office of Education to make two grants this year aimed at persuading leading corporations to undertake internal studies of their own cost-benefit experience in that employers cooperate and support these useful investigations.

Business and industry will find it worthwhile to appraise their experience. The preliminary studies show that there is an unrecognized dollar return to employers who hire cooperative education students.

But there is a further dimension of cooperative education that should be of interest to employers as taxpayers and as citizens. We all know that many institutions of higher education have catastrophic financial problems.

Because of financial distress, 37 colleges closed last year.

The College Entrance Examination Board has recently stated that the cost of higher education to a student in the coming year will be 9.4% greater than last year—and 36% more than it was four years ago.

Meeting the costs of a college education is a problem that more and more American families are finding more difficult each year. The educational institutions, like business and industry, are beset by an inflation that is officially announced in the latest report as running at an annual rate of 14.5%. To compound the difficulty, education budgets and programs for federally-funded support of higher education are all established and based on estimates that are, in general, made two years ago—and thereby there is a further lag behind the pace of inflation.

Within this context, it is useful to consider the economic position of the cooperative education student. At Northeastern University, the largest cooperative education institution, with 16,000 full-time students, the average student earnings for the 26 weeks the student expends in his two job periods are $3,350 this year.

With a small amount of assistance from his family or a small loan of $400 to $700 a year, the student is able to meet his college education costs.

Total student-earned income in jobs in the cooperative education program at Northeastern University is $37,000,000 this year.

Cooperative education is a way of drawing into the economy the productivity of students to meet the ever-mounting costs of higher education—and have this productivity be a part of an organized educational program.

In Congress, both Republicans and Democrats have joined in the bi-partisan introduction and enactment of legislation by Congress supporting cooperative education legislation.

Cooperative education is a response to the realization that industry and education need to work together on pressing problems of education.

In recent years educational leaders of black institutions have begun to see the possibilities of cooperative education programs.

Ten years ago there were *no* black colleges offering cooperative education programs. Now there are more than fifty. More than three-fourths of the black institutions of higher education have been currently applying to the U.S. Office of Education for grants to establish and expand programs of cooperative education.

Ten years ago there was only *one* community college offering its students the opportunity of a cooperative education program. As a consequence of Congress establishing a national public policy to favor and assist the expansion of cooperative education, there are now several hundred community and junior colleges that have started cooperative education programs. For example, there are now 20 community colleges in Michigan, 43 community colleges in California, and nine community colleges in Washington that have programs of cooperative education.

Ten years ago there were 19 state institutions of higher education that had cooperative education programs, almost entirely in the fields of engineering and science. Now there are more than two hundred. These additional institutions of higher education have received grants from the U.S. Office of Education that encouraged them and enabled them to undertake to establish cooperative education. In the fall of 1973, there were 640 institutions of higher education that requested OE support for co-oping programs.

It would seem likely that with continuing adequate Federal support for this educational program, that within five years there will be at least 1,000 institutions of higher education offering cooperative education programs.

It is of use to state candidly that achieving change in higher education is fraught with difficulty. It requires tenacity. It requires a strategy of reinforcing success. It requires that the educational innovation is seen to have advantages from many different viewpoints—and that this becomes obvious to many by inspection of the process and the consequences for the students and society.

Plato said, "What is honored in a country is cultivated there." European travelers to America in the early 19th century gave many accounts of how in America "All honest callings are honorable," as Toqueville reported. The respect for hard work was widespread, and the American definition of a gentleman was to be found in his answer to the question, "What do you *do?*" and *not* to the question of *"Who are you?"*

America was built by a people in a hurry. They built it using a work ethic. It is obvious that the influence of such a system of values creates a highly productive economy.

Town and country have competed with each other in industrious pursuits, machines invented, new lines of communication established, the frontiers reached and passed. The universal and sincere faith that Americans have had in the power of education is one of the most remarkable feartures of America. A great part of our strength has been that the effort made in America to spread useful education is truly prodigious.

Historically, work has held a position of honor in America. We take this for granted, but European travelers to America in the 19th century did not. They were astonished at what they saw. Work was honored and the educated man was looked upon with suspicion. Historically, liberal arts education has been thought of as a practical and useful education—which is an error. Work has not been part of our concept of the process of education. Therefore, the meaning of a work and study program is not easily seen by us.

Aristotle said, "The most difficult problem in the philosophy of education is the relationship between theory and practice."

I think it is forgiveable that we all stumble in thinking about this matter. So, I find it useful to quote two individuals, Ralph Tyler and Sam Gould, who have given a lot of thought to this problem. They say it very well.

First, Sam Gould, the former Chancellor of the State University of New York and a member of the Study Committee on Cooperative Education, which was headed by Dr. Ralph Tyler, cuts to the heart of the problem in saying—and I quote:

"We are not a society of drones or parasites or even pure asethetes. Most of us must work in order to live, and we need to have a healthy regard for the characteristics of work. We need to be aware not only of its boredom but of its exhilaration. We need to see it in the perspective of a highly industrialized society deeply involved in the production and distribution of goods. In such a perspective, it is a valid part of everyone's education since it is inescapable. If we must perforce devote a considerable portion of our mortal time and our physical and mental energies to it, then work is deserving of our careful analysis and consideration. Linked to the total on-going educational process and made a part of such a process, it can and should be a positive force in human and educative development.

"It is when one considers the philosophical roots of the cooperative system of education that the whole process takes on deeper significance. It is an added dimenson to learning tied closely to life itself and therefore maturing and enriching. And the importance of making it part of the educational process is that there is less danger of its real significance being lost to the student. The very pattern itself reduces spoon-feeding and coddling to a minimum, and encourages the self-reliance and responsible qualities of the student."

Sam Gould made this statement in 1960 after he had spent two years looking at research measurements on the performance of 5,300 students in cooperative education programs in all phases of their lives and careers

There are other conclusions reached by the Study Committee on Cooperative Education 15 years ago that are better appreciated now. For example, Dr. Ralph Tyler reported that the Research Study on Cooperative Education found:

"For most married women, the work experience in cooperative education is greatly valued because through it they develop initial skills in an occupational area, and have greater confidence that they can return to productive employment after their children no longer need a great deal of their attention."

It is also true that the Office of Education, after observing the manner in which cooperative education programs serve students, has found a lot of supporting evidence for an important conclusion of the Study of Cooperative Education—and I quote:

"Cooperative education gives a student an education qualitatively superior in some respects to a conventional college education. Cooperative education students, through their educationally related job experience, become more mature; and their records in graduate school and in employment show that cooperative education is a first-rate college education."

Plato was right when he wrote, "What is honored in a country is cultivated there." We have honored hard work in America. For many reasons now, we need to cultivate a relationship between work and education. Years ago, when America was a rural society, the mixture of work and study on a farm was the lot of almost everybody. But we now live in a society which has, increasingly, cut youth off from the adult world of work and thrown them into a leisure filled with hobbies and activities and classroom studies. Cooperative education is a social invention to make education relevant to the needs of students in an age of industrialization and urbanization.

We need to cultivate a relationship between education and experience. We need cooperative education because it is the finest kind of career education. All of us—business, industry, government, educators—need to work together to construct a social and economic arrangement that creates a series of working connections between jobs and education. Cooperative education is a feedback process that cultivates an attitude honoring work and experience.

Kettering used to say, "The trouble with educators is that they tend to wash out experience." Now, leading educators are taking a fresh look at the problems of higher education. They are recommending the inclusion of educationally related work experience in programs for their students. The U.S. Office of Education is presently engaged in making federal grants to institutions of higher education to enable them to make educationally related work experience a part of the student's educational program. Congress has wisely set in motion this expansion of cooperative education. Now, there is need for business and industry to set in motion an expansion of job opportunities for students in cooperative education programs. To all employers, may I say, the ball is now in your court, gentlemen!

Thank you.

REMARKS BY U.S. SENATOR JOSEPH M. MONTOYA AT THE EMPLOYERS' INSTITUTE HELD IN ALBUQUERQUE ON MAY 17

The world is full of nostalgia these days. We love to remember the things of the past which delighted us, and comforted us, and sustained us. Remember home-made ice cream? Remember Saturday night baseball? Remember popcorn in the bleachers?

Remember Babe Ruth—pointing at the bleachers with the tip of his bat to tell the fans this time he was going to hit a home run? And when he did, the crowd went wild. They loved him for what he stood for—the confidence, the ability, the pride—and the success!

We have always loved that confidence, and maybe that is why we have been able to accomplish so much in our brief history as a nation. We have been confident, we have had ability, we have felt proud—and many times we have succeeded!

Of course, there were times when the team or the player we loved—even Babe Ruth—struck out. There were hard times and agonies, too, even in the "good old days" we remember as being so simple.

Success—or failure? What have we been as a nation? What are we now?

In 1974, it is tempting to make a quick negative reply to that kind of question, and a lot of people do. We hear a lot about what we "can't" do—and we *have* had some bad moments in the last few years. Our problems seem to overwhelm us, and it is easy to make a superficial analysis which says "No Way!"

But today I want to suggest that it's time for us to look at what we have been, and what we are, and what we can be—and to decide that all is not lost, after all.

I heard a story the other day about a little boy who brought home a bad report card to his father, and said "It's not me, Dad, it's the system that failed!"

Well, that's one explanation. And we may laugh—but a lot of adults are saying the same kind of thing.

I'm going to try to tell you why I don't agree with that kind of excuse and why I think it's safe to say that the system is not failing.

If there is anything which distinguishes us, as Americans, from other peoples, it is that we have always believed that problems were things which cried out for answers—and that we could find those answers.

From the beginning we have believed in our ability to form a proper government, to build strong institutions, to succeed where others failed, and to create a better world for our children.

Robert Kennedy used to say that we should dream of what had never been—and say "Why not?" He was only putting into words for us the feeling we have always had about ourselves and about one another. We are a great people for saying "Why not?"—and it's time we got back to saying it more often.

With that attitude, we have done many things which seemed like miracles—two hundred years of miracles, miracles often performed in the face of a world opinion which assured us that it couldn't be done.

When something needed changing, there has always been an American government to do the things we could not do alone: educate our children, build our roads, deliver our mail, provide for our elderly, lick a depression.

Yet we have retained the freedom to choose our tools of progress: when private enterprise could do a job better than government we have supported that effort, both as consumers and as producers. When individuals could increase their own abilities and their own knowledge through their own effort we have been proud of them as "self-made" men and women—and we think of them as being "typical" of our nation.

Our great genius has been in being able to balance these two ways of doing things, without ever losing our confidence in the systems and the institutions we built.

It is through the proper balance of two human concepts that we have succeeded as a people, I think. Those concepts are basic to all human societies, but are usually opposed to one another: the concept of law and the concept of freedom. One controls our action, the other makes it limitless.

Our genius has been in creating a system of law—a government—which we ourselves could change, so that when we *needed* to work together to achieve a goal we could choose to do that, through government. At the same time we had a written Constitution which protected us from the restrictions of too much government. We could depend upon our Constitutional protections to preserve our freedom to act as private individuals.

With this very unique kind of balance we developed a successful and creative society which led the world in development and challenge.

It still does.

When the world thinks of the great achievements of this century, they think first of American achievements: nuclear power, putting a man on the moon, controlling polio, putting communications satellites into the sky, creating a "green revolution" in agriculture.

All of those miracles—and the thousands of others which have happened in our two hundred years of development as a nation—happened through the cooperation of many institutions in our society—working together for change and for progress. Our business community, our banks, our universities, our farms, our media—*and* our government have a record of successfully sharing the responsibility and the effort for change when it is needed.

That doesn't mean that change has always been easy, or that every new development has come effortlessly or without a quarrel. We have had to *work* at cooperation, and we have had to convince one another that something was worth doing before we could go ahead to get it done.

But our track record is pretty fair—and when we tipped our bat at the bleachers to indicate our goal and our intention of reaching that goal successfully—more often than not we have hit a home run.

You may think this is a strange time for an elected official to be speaking to you about our great success as a nation. It has become very popular to question all of our institutions, and to "put down" those which are most visible. We live in a climate of disappointment and disillusionment. Our children question the value of every one of the institutions we have built with such effort—our schools, our universities, our government at every level, our political parties, our churches, our courts, and our business enterprises of every kind.

Doctor, farmer, banker, student, professor, Senator, manufacturer, lawyer—none of us has quite escaped, in recent years, the scorn or anger of a public which no longer seems to believe in us—or in itself as a problem solver.

What has gone wrong? None of us really know, and I am certainly no wiser than any other American when it comes to explaining what has happened to weaken us as a nation. I have heard many reasons given for our current malaise:

The war—but we have had wars before, and more painful ones.

Economic problems—but we have had those before, and only 40 years ago a terrible depression.

Rebelling youth—but we have always had young people who rebelled—in fact we are a nation which was created by young men in revolt against the establishment or an authoritarian King and a harsh government.

Permissiveness?—but we have always been a nation which permitted great personal freedom to ourselves and to one another. The strength of this nation has depended, at least partly, on the openness and lack of conformity in our society.

No—I am going to suggest something else—as an explanation. First, I am going to suggest that the things we view today as failing institutions are not falling at all. I think that it may be simply that we are overreacting to *temporary* setbacks and to successes which are simply not as great as we expected and planned for them to be. We promised ourselves a home run—and we found we are only on first base.

Because we are so very good at so very many things, we somehow came to believe that we could do *everything* well and *immediately* and without working together. We over-expected—and stopped cooperating.

We saw poverty—and we decided that we would change it. We did make great progress with many programs—but of course, some programs were not completely successful—and so we began to feel that all the programs were failing and that it was useless to keep trying.

We saw inequality of opportunity and discrimination—and we decided that we could change that with law and with government programs to help the disadvantaged catch up. We have made remarkable progress. In just a few years we have raised the consciousness of blacks and Mexican-Americans and Puerto Ricans and Indians and Cubans and Chinese-Americans, so that now each of these minorities is struggling and complaining and working toward a better chance. But we have not yet succeeded in removing *all* the barriers to success for these disadvantaged Americans—so we have begun to think we cannot.

We saw children and the elderly and poor families without hospitals and without doctors—and we tried to build the hospitals and provide the health care. We did more in a few short years to change health care than had ever been done before in such a short time—but of course we did not completely finish the job. We removed polio and measles and whooping cough and scarlet fever as dangers—but we found other needs which now seem equally as difficult and important.

We saw ignorance—and we decided that we would provide education for all children. We *have* created a great revolution in education, and we have the most successful education system in the world—but there are still unsolved problems.

We began to say "it can't be done," instead of "why not?"

All of the things I am saying are generalizations, of course. Not every American is disillusioned about every part of our society. Businessmen, for instance, feel sure that the business community is on the right track—but that *other* parts of the system are not working as well as they should be.

University professors *know* how many great advances they are making or could make if they were properly funded—but feel that the *rest* of the society is going astray.

Easterners feel that the western states don't understand the problems of the great cities—and westerners know that the eastern elite are ruining the country. Young people don't trust anyone over thirty—and old people complain that "kids didn't act that way when I was young."

So that is my second explanation for our unhappiness with ourselves—we have stopped cooperating with one another and stopped believing in one another. We have allowed ourselves to be divided into many parts—and we are so busy worrying that we often don't find time to work.

You all know about Gresham's Law—that bad money drives out good. Well, there's another law which political men and women understand well—that is that bad talk drives out good. In the last few years we have listened to a lot of bad talk—and it has served to make us doubt ourselves, doubt our own abilities and accomplishments, and divide us into quarreling factions.

But the system isn't failing—I can assure you, the system is working! In fact, if one looks, one finds that in America in 1974, all systems are "GO," as the astronauts said.

Nowhere is that fact more evident than in the cooperative education systems which this group is gathered to discuss. Here is a place where three institutions—government, education, and business—have come together to solve a problem.

The problem, of course, was how to get more education into young people and at the same time how to get better educated young people into the working world.

It isn't a new problem—men have always struggled to find a way to train young people to take over jobs. That's what the apprentice system was about, in the middle ages. That's what the craft shops of Europe were about—and the stable of artists who worked for Titian or da Vinci or Michelangelo were doing "on the job training"—a kind of renaissance vocational education, if you will.

After the industrial revolution changed our world in the last century, it began to be clear that a barrier between the academic world and the work world was separating the young from the old, and the student from the worker. When the University of Cincinnati began the first cooperative education program in 1906, the idea of combining work and study to enrich both experiences, it was recognized by students who participated as a plan of great value. Slowly the academic world and the business world were won over—as colleges began to realize that students who worked were *better* students as a result—and businesses began to realize that better educated and more experienced workers would result from an investment in this new kind of work-study program.

The addition of the third ingredient—government support—came in the 1960's, with the help of National Commission for Cooperative Education, and the passage of the Higher Education Act, Title IV. The urgent need for this kind of education, combined with the cooperation between government, business and the universities and colleges, caused a sudden expansion of programs. Now there are more than 800 institutions involved—and almost 200,000 students.

It worked. The "system" worked to develop it. It is going to keep on working!

I know that in this conference many speakers will be extolling the remarkable virtues of this kind of education, and providing the details of performance in the past and promise in the future.

In Washington hearings are being held this week where much of the same information will be heard—and I am sure that those hearings will result in increased support, a longer grant period, and some changes in the guidelines. The success of the programs is such that even Administration hardliners are finding it difficult to say no to *this* grant program.

The real point I want to make about cooperative education today is that it is one of the many success stories which are all around us—a sign not of a failing system, but a working one.

Our universities face economic problems today which are going to be very difficult to overcome. With tuition costs rising, so that average costs are $4000 and $5000 a year in private four year colleges, students are in trouble too—and so are parents. Inflation eats away at our progress, and nowhere with more tragedy than in our educational system.

Yet more than half of all American youngsters go on to college today, and more want to go. In 1960 there were only 3.8 million students enrolled in one form or another of higher education—and today there are more than 9 million. That kind of expansion has been expensive, and difficult—but it has begun to break down old discriminations and barriers to opportunity.

The problem we face today is preventing a reversal of that trend toward better education for minorities, for poor youngsters, for the children of the working poor. We need *more* colleges, more community colleges, more two year colleges, and more great universities—not less.

Is there a way that we can keep on working toward that goal of expanded educational opportunity—in spite of inflation and an energy shortage and the other problems which have become such a part of our lives that we talk of nothing else?

Is there a way in which businessmen can make sure that they will get both educated and trained workers in the future—and keep them?

Is there a way students—even poor students—can earn and learn and stay in college in spite of rising costs?

Is there a way in which college and university professors can keep students in college, learning—and still help them to be a part of the working world around them?

I think it is obvious that cooperative education is *one* way that we can do all these things—and that we *will*. Here in New Mexico five of our colleges and universities have good experience with the cooperative education program—and more will follow.

In this, as in so many other things, we will have to *make* it work. That means we will have to believe in one another, in ourselves and in our system. That means that we will have to accept the fact that we can make government work, that we can solve problems, that we do the difficult and even the impossible. We will have to say "Why not?"—and dare to dream that we can change the things we want to change about our future.

We will have to turn the negative attitudes of the last few years around. A generation

gap is not something we can't close—and inflation is not something we can't lick—and good government is not something we can't have. All those things are possible to us—and I believe that we *will* have them, because I believe that its still possible to point that bat at the bleachers—and hit a home run.

We *are* the system—and that's why the system can't strike out.

REMARKS OF BRUCE J. PIERCE, PRESIDENT AND CHIEF EXECUTIVE OFFICER, BANK OF NEW MEXICO AT THE EMPLOYERS' INSTITUTE HELD ON MAY 17 IN ALBUQUERQUE

The distinguished speakers on today's agenda intend to demonstrate to you that cooperative education is an important emerging manpower resource, not only as it relates to the large national purpose, but also for the significant opportunity it presents to employers in planning their strategic hiring policies.

Before I go any further, let me emphasize that when we use the word "manpower", both in the title of today's Conference and in the material which will be presented, we ask not to be faulted as "male chauvinists", for we mean man *and* woman power with equal emphasis.

For those of you who are unfamiliar with cooperative education, let me give you a bit of a briefing on its background, its purposes, and its increasingly important contribution to a new partnership between education and industry.

Cooperative education is based on the premise that learning occurs in settings beyond the traditional classroom. A well structured program in which students alternate between periods of work and study provides students with work experience which complements and supplements classroom experience, thereby bringing relevance into the curriculum, and enabling students to develop increased knowledge and skills in their major fields of interest.

Cooperative education compounds the mastery of knowledge, information and techniques with realistic experience and a sense of relationships of schoolwork with other aspects of life. It is a step toward fulfilling the expectations of the students' hopes and plans which in and of itself is a mighty motivational force. Cooperative education calls for learning, through doing, the chance to know and practice democratic group living.

Cooperative education also makes higher education financially feasible for many students because of earnings from their work assignments. It may well represent the best way for students from educationally and economically disadvantaged backgrounds to enter and succeed in college. Cooperative education can provide financial help to the student since he will be engaged in gainful employment during a portion of his college career. He can actually make and save enough during his off-campus term to underwrite his tuition and other costs when he returns to the campus.

As employers, you will be impressed by how much cooperative education inculcates a sense of the importance of work and good workmanship and the wise use of time, energy, and money. I believe that to the extent that student employees have this awareness, they automatically set higher than ordinary standards for their own performance.

I think that the speakers on today's program will demonstrate to you—and I hope convince you—that cooperative education, aside from its very important educative value, provides employers with an effective recruitment resource, which in income statement terms, has a positive bottom-line significance.

As is indicated on your program, your speakers today will expand on the derivations and the scope of cooperative education as an important and, happily, expanding social invention. You will be brought up to date on the progress we are making here in our own part of the country in harnessing this concept of alternating work and study in a way that enables all of us as employers to make our own contribution to the growing partnership I spoke of earlier, the increasing interaction between education and industry.

Here in New Mexico, several of our institutions of higher learning are involved in cooperative education. Long a leader in the field, our own New Mexico State University at Las Cruces has pioneered many of the developments that have led to a better understanding of the values of cooperative education.

REMARKS OF DEAN ROY L. WOOLDRIDGE, EXECUTIVE VICE PRESIDENT FOR COOPERATIVE EDUCATION AT THE EMPLOYERS' INSTITUTE HELD ON MAY 17, 1974, IN ALBUQUERQUE

It is indeed a pleasure to be here today to tell you a little of what is happening in cooperative education. I accepted the invitation because it seems to me that there is one common bond that we all have here today, and that is our interest in cooperative education. I thought it might be well to give you some perspective on what is happening on the national scene in cooperative education. Unless you live with it on a day-to-day basis, you may not be aware of the rather significant things that are happening to this form of education that began so many years ago. Therefore, I am dividing my remarks into three parts. First, I will give you some background information, then something about the present status, and then I will try to take a look at the future and what it might mean, particularly to those of you who are employers.

When we talk of cooperative education today, we are talking about a system of education that blends some form of off-campus experience into the educational lives of the students. There are two things that I would look for to distinguish it from other kinds of part-time placements. One is that the institution regards the experience as an integral part of the degree experience. I do not mean that it necessarily gives academic credit in terms of semester hours or credit hours, although as you will see, that is one of the innovations in cooperative education, but that the institution considers successful completion of the off-campus experiences in industry or the public sector a requirement for graduation. The second ingredient that I would look for is that the educational institution assumes the responsibility for the work experience to be integrated into the educational program of the student. It should be related or closely associated to what the student is studying or the student's long-range career objectives or goals that the student is interested in achieving.

You may recall that when cooperative education began at the turn of the century, it was based on two observations made by Herman Schneider about the students in his classes. In a sense, they are the same basic reasons for many institutions adopting the cooperative education program today. Most students, whether they are in an engineering program, a liberal arts program, business, or whatever, are aiming toward some future professional career, and every profession has certain factors that cannot be taught solely in the classroom or laboratory. Working side by side with professionals who are already successful in the field is a very important element in the student's preparation for a career. Secondly, and possibly even truer today, students must earn money to help pay for their education. They work evenings and weekends, part-time, and during vacation periods. Students feel compelled to do this, but in most cases, these jobs bear little or no relationship to the student's educational program. Schneider's observations were that if these two things were true: if students in fact need to work, and if they need some type of experience outside of the classroom in order to prepare them for careers, then the two should be combined into an educational system whereby paid employment is part of the system and the work experience is related to the students career objectives and studies.

It is easy to make these observations but not nearly as simple to implement a program. A special kind of calendar must be designed which allows the student body to be split into two groups; while one is at work, the other is in school, and they change places at periodic intervals. This insures a full 52 week coverage of a regular job assignment. This was the key that opened the door to the jobs in the early years and still does today. It takes a lot of work on the campus to redesign the curriculum and to make a commitment to radically change the calendar from the usual nine months with a three-month vacation. The alternative patterns vary greatly. One calendar used by many community colleges employs the formula of having one student work in the morning and another in the afternoon, so it becomes a half-day alternation. At the opposite end of the pole is a system used by a university in Tennessee which has a full twelve-month alternation. The student works for twelve months and then goes to school for twelve months. Amid these two extremes one finds the quarter system, the plan in use at Northeastern, which is built around a thirteen-week pattern. Another common calendar is one based on a semester system which is designed around a sixteen-week alternating cycle. These latter two are the most popular types of calendars.

It is easiest to describe the phenomenal growth of cooperative education by citing some figures. In the first 36 years of cooperative education's life, from 1906 to 1942 when the U.S. was fully into World War II, we went from one institution, the University of Cincinnati in 1906 and Northeastern soon after in 1909, to 30 schools, or a growth of 30 institutions in 36 years. In 1946 the War had ended, and with the veterans coming back, the colleges returned to their normal patterns. A sixteen-year period followed from 1946 to 1962 when 40 more institutions were added making a total of 70 institutions. In the eleven years from 1962 to the present time, 330 institutions were added to the list, making a current total in this country of about 400 colleges and universities offering this form of education. At the moment 200 more institutions are in the planning stage. Therefore, the total number of institutions either offering or having made a commitment to offer cooperative education is about 600.

Over the years, the Federal government has been fairly generous in making grants to cooperative education. This past year, 630 institutions applied for a total of $25,000,000 of support from the U.S. Office of Education. An appropriation of $10,750,000 was made for cooperative education which has been allocated to 420 institutions, and of these, 240 institutions were new to the field of cooperative education. The remaining grants were for expansion or the further development of existing programs. The best estimate of the National Commission for Cooperative Education is that 95,000 students are presently participating in these programs in the U.S., and we would guess that about 5,000 employers of all kinds—public, private, large, and small—are participating with an annual student payroll of $280,000,000.

There are various kinds of programs of cooperative education. In a mandatory program like Northeastern's, except for a few students in the Liberal Arts College, students are automatically on the program when enrolled at the University. Antioch, Wilberforce, and the General Motors Institute also have compulsory programs. Out of the 400

cooperative education schools, there are only 4 or 5 where there is this kind of total institutional commitment. Elective programs are by far the most popular. At these institutions, students elect whether they wish to go into a cooperative or off-campus program or to remain on campus for a conventional education.

Some institutions like MIT, Cornell, and the Rochester Polytechnical Institute have honors programs that are restricted to the very best and brightest students, which are measured by the student's grades. At Berea College in Kentucky all the assignments are on the campus and the students constitute a substantial portion of the institution's work force. Finally there are the off-campus experimental programs which are much more free-wheeling than any of those previously mentioned. Bennington, Keuka, Beloit, and Kalamazoo are some of the schools offering such cooperative programs. These would not look at all like the programs at Northeastern, Antioch, or Drexel which have a more rigidly structured teaming of students. In the experimental programs some jobs are salaried and some are not. However it is more difficult to find paid positions when year-round coverage is not offered.

In the late 1950's, when cooperative education was growing from a very modest base of a few institutions which were very much committed to it, the Edison Foundation became interested and obtained funds from The Ford Foundation to engage in a research study that was conducted by Dr. James W. Wilson under the chairmanship of Dr. Ralph W. Tyler. After two years of studying students in cooperative programs, a report was published that made several very strong claims as to the educational benefits of cooperative education. It concluded that cooperative education is a superior form of education for young people. On that platform the National Commission for Cooperative Education was formed.

The purpose of this nonprofit organization has been to spread the gospel of cooperative education. Its consultants were sent across the country to speak to presidents, trustees, students, faculty—any group that would listen.

The Ford Foundation began to show a keen interest, and in 1965 it gave Northeastern University a grant to establish a Center for Cooperative Education to provide research, training, and consulting services to other institutions interested in developing cooperative programs. In 1968, The Ford Foundation made an additional grant to Northeastern to endow a chair for a research professorship in cooperative education.

At about this time, the Federal government became interested, and several of us were called to Washington at the request of both houses of Congress to testify before various committees. As a result one provision in the 1965 Higher Education Act, under the title concerned with developing institutions, states that one of the activities a developing institution could undertake with federal money was to develop a cooperative program. In 1968, when the amendments to the Higher Education Act were written, it was felt that cooperative education was worthy enough to warrant its own legislation. Under the 1968 Amendments, cooperative education was given its own title and became a line item in the bill. Last year's budget appropriated $10,750,000 for cooperative education. It was one of the few items in the Department of Health, Education, and Welfare budget for which the Nixon administration requested more money than in previous years. The same amount is being requested for the fiscal year 1974, and it would not be surprising if there were as many as 800 institutions applying for approximately $30,000,000.

Some factors came into play that brought all of this into focus which I would like to mention. First was President Johnson's War on Poverty and the nation's concern with impoverished people and deprived youngsters who had neither social, cultural, nor economic advantages. The cooperative program, because of its peculiar quality of allowing students to earn at the same time as assimilating them into America's free enterprise system, became one of the answers to this problem. Also there was a great concern for racial injustice. Cooperative education became a vehicle for many of the traditionally Black colleges to combat inequality and open the door for more Black young people to attend college. There was the cry for relevance that grew out of the anti-war movement and the critical questioning of the traditional form of education. Cooperative education bridged the gap between the utopian life on the campus and the realities of the world outside the university walls. Finally, the financial squeeze hit many institutions, in particular the church-related schools when the church could no longer maintain its former level of support.

Where are we going from here? I think that there is enough evidence to predict that within the next five years, one-half of our colleges and universities, that would be 1,500 in number, will be offering some kind of off-campus experience for their students. This means a jump from 95,000 to 500,000 students looking for positions in the labor market. One of the problems that we will have to face is preparing employers for this onslaught of students. One of the worst things that could happen would be for the young people who are again turning to the American free enterprise system to find that the employers are totally unprepared to offer any kind of positions to them. That is one of the problems facing us and forms the new missionary thrust of the National Commission.

Let me close by saying that one of the programs that Northeastern has undertaken to prepare for the rapid rise of cooperative institutions is the establishment of the Institute for Off-Campus Experience and Cooperative Education. We are finding more and more schools in New England wishing to offer some experience for students who are "stopping-out". These are students who are fed up with the traditional educational setting and want something more from a college education than they are being offered under the conventional system. It is very expensive to mount a staff, even with government aid, especially if there are only 20–30 students at a university wishing to participate. We founded the Institute in order to draw on the expertise of our own coordinators to try and help place the students from these other institutions. It has been funded by the Carnegie Corporation and the Exxon Education Foundation for $400,000 for the first two years while we experiment with it to see if it is a viable approach. We now have eleven colleges in New England who are on contract with us and paying fees. We hope that in five years it will be self-sufficient, and we anticipate a nationwide network growing out of this experiment.

The advantage to you, I think, as employers will be that you will need to meet only with the Northeastern coordinators with whom you have become accustomed, who know your needs, and who now can refer students from other institutions as well as Northeastern.

REMARKS OF HOWARD W. FRIEDMAN, PRESIDENT, AMREP CORPORATION AT THE EMPLOYERS' INSTITUTE HELD ON MAY 17, 1974, IN ALBUQUERQUE

Just about seven years ago, AMREP Corporation assisted the National Commission for Cooperative Education in organizing one of its first regional conferences which was held here in Albuquerque under the aegis of Senator Montoya.

The event was the model for a subsequent series of regional conferences which hastened the acceptance of this form of higher education among policy-makers in Washington and educators.

I am, therefore, happy to be taking part in today's conference, which is conceived as an employers' institute dedicated to the mission of increasing employment opportunities for college students enrolled in work-study cooperative programs.

In providing us a comprehensive look at cooperative education, this conference is offering an excellent frame of reference for all of us concerned with the future growth of New Mexico.

Now, I know there are some people in our state who oppose growth in the mistaken notion that it violates the environment, or causes social dislocations which offend the status quo. I think these largely are people who have the time and money to star gaze, climb mountains, and live in a dream world.

For New Mexico, the brutal reality is that without growth, our economic viability and our well being will not improve but decline.

New Mexico is fifth in size, geographically, among all 50 states, possessing over 121,000 square miles. Yet with all this vast area, in the 1970 census, we reported a population of just over 1,000,000, an increase of only 50,000 in the ten years after the 1960 census. In terms of per-capita income, we are way down among the lower fifth of the States. And like all areas of limited opportunities, we suffer from a brain drain: at least 50 percent of all our college graduates leave us to make their lives elsewhere.

Note with me that New Mexico's principal sources of revenue, exclusive of the Federal Government's atomic energy projects, are derived from tourism, agriculture, and extractive industries. New Mexico does not export very many products with a significant labor and capital content.

Nowadays there is much talk about the limits of growth; and even if it were a valid fear, which I for one do not accept, it is preposterous to talk about limiting growth in a place where it hasn't even started in any modern sense.

We need to start growing in New Mexico in such a way that all New Mexicans can prosper, and that the per-capita income of New Mexico will rise from the lower fifth to the upper fifth. The prescription is no secret. We must urgently attract new industries to the state, especially those new industries which are characterized by clean, new, high technology.

To do so, our state development agencies must be able to say that our colleges and universities are training and developing a New Mexico manpower resource needed by those industries which the State is seeking. That is one of the reasons we must do everything in our power to encourage, support and strengthen programs of cooperative education in our institutions of higher learning. New Mexico needs the kind of well trained, motivated students cooperative education produces if new employment opportunities are to be created here.

All over this country, there will be an increasing demand for the cooperative approach to higher education. The growing complexity and mechanization of American industry will require bright and able workers with a wide variety of skills. And, importantly, the rising cost of a traditional college education is making it increasingly difficult for many families to afford higher education for their children, and I should think this is truer of New Mexico than of many other states. Because co-op students are paid in their work periods or internships, the cooperative method helps ease the cost crunch, and opens higher learning to those who otherwise could not afford it.

If New Mexico is going to move forward, if we are going to grow, we most certainly must have the trained manpower to make it possible.

The U.S. Department of Labor in its recently published *Occupational Outlook Handbook* projects a labor force in the United States of 107.7 million in 1985. That's not too far ahead in the future. Because jobs will become more complex and require greater skill, employers will need and seek people who have higher levels of education. The growth in employment, it is said, will be fastest in those occupations requiring the most education and training.

The Labor Department points out that professional occupations will be the fastest growing occupations between now and 1985 as we make greater efforts toward socio-economic progress, urban renewal, transportation and environmental improvement.

I should say that unless our young people have ample opportunity for development of these advanced skills, New Mexico will find it difficult to march forward into the new era of growth projected for the nation as a whole.

It was, I think, Robert McNamara, President of the World Bank, who once said that the money goes where the brains are, and he meant by that the money for capital investment as well as for technological research.

Only two weeks ago, at a conference in Detroit similar to this one, Paul S. Mirabito, President of the Burroughs Corporation, said, "The kinds of industries which locate in a given area are determined to a very large extent by the nature of the educational institutions in that area. A good example of this is the role played by MIT in attracting the electronics industry to New England."

It is noteworthy to observe that the Burroughs Corporation, a leader in the computer industry, is a major employer of cooperative education students, and includes the recruitment of such students in its overall corporate manpower policies.

This is also true of such companies as Xerox, General Electric, RCA, General Motors, Kodak and countless others.

These companies find that among the advantages of hiring cooperative students are the low cost of recruitment and training; the higher rate of retention; greater motivation; and an overall better job performance.

Except for the few who want to sit by the wayside and watch the world go by, most of us want New Mexico to grow and prosper, and to do so we need to attract the kinds of companies I have mentioned.

Now, I am not so naive as to believe that the mere expansion of cooperative education in and of itself will do the job. It is an important factor however, because it will demonstrate that in the offing is a manpower resource to serve the needs of the companies involved in the new technology.

I think our state development agencies in cooperation with New Mexico's colleges and universities should broadcast far and wide the kinds of students we have enrolled in cooperative education curricula, as a way of demonstrating that we, too, are right up there with the best.

I think that corporate chief executives—those of us who are building new communities in New Mexico, the large and small banks, the public utilities and the manufacturing concerns should organize an industry/education council through which employers can communicate to educators what their present manpower needs are and what they will be in the future. I believe it to be vital that the closest possible relationship be established between these two main sectors of our economic life.

I think the State Government, the prime movers of the economy, and the educational institutions should set up a task force to determine how, when and where a New Mexico Center of Science and Technology can be created. New Mexico must, one way or another, establish a brain resource which will attract, as MIT did in New England, those companies which require access to highly trained minds. Remember, the money goes where the brains are.

Finally, as I have said earlier, all of us here must assist in every way possible the expansion of cooperative education in New Mexico. We have in our state a large segment of disadvantaged people. Especially the young among them must be given the opportunity to become fully functioning, economically creative members of society. To achieve that, they must be educated and trained, and I can think of no more effective way than through cooperative education. Like every other society since the dawn of history, the people of New Mexico must also increase their wealth-producing capacity, and only through the power of brain, skill and talent can that be accomplished. Education—and emphatically, cooperative education—is the means at hand. If we turn away from it, we may well end on the dead center we now occupy, with tourists coming and going, and with our best minds leaving us forever.

The other course open to us is to grow parallel with the nation: educate and train the new generation of young New Mexicans, with business and education working together toward the goal of increasing New Mexico's productivity.

Fred Smith, Chairman of the Board of Trustees of the National Planning Association, said it took historian Arnold Toynbee a lifetime and a million or so words to isolate some overwhelming truths as old as society itself.

Mr. Smith said, "First, Toynbee finds there is a direct parallel between successful civilizations and the capacity of civilizations to produce the surplus necessary to keep them moving forward. In short, only a productive society can get anywhere."

I think there is a lesson for us in New Mexico. We must promote the will and determination to move constructively toward a society that is more rewarding for all the people. The path to this goal is through education for all who seek it.

REMARKS OF U.S. SENATOR VANCE HARTKE AT THE EMPLOYERS' INSTITUTE HELD IN SAN FRANCISCO ON JUNE 5, 1974.

As we approach the two hundredth anniversary of the founding of the Republic we are also at that edge of time when it is vital to know who we are and where we are going.

The past is prologue only in the sense that it stirs our collective memory to recall that Americans in another age were resolute and courageous in their confrontations with the imperatives of their own time.

But there is nothing in our beginning which fortold the pain and disarray of our present condition.

The temptation is almost unavoidable to speak out about the Watergate scandals—or the corruption in high places beyond all belief—or the energy crisis which was allowed to happen despite the early warnings—or the manipulation and mismanagement of the economy which have led to raging inflation and sinful unemployment—or the ultimate danger to the American system which lies in the spreading erosion of public confidence in all our inherited institutions.

However, it is not the purpose of this forum to agonize over these failures and betrayals; but to discuss the significance of cooperative education, which I have wholeheartedly supported for many years, and which as a subject has the refreshing significance of being positive and creative.

At the outset, I should say that I am honored to be part of this first series of regional *employers'* institutes on cooperative education, as much as I was honored in 1967 to have been the sponsor of the first regional *educators'* conference on cooperative education.

The question before us is the relationship between work-study cooperative education and national policy, and by national policy I mean a rational manpower policy, which is something we pretend to have but really don't.

The functional objective of any rational manpower policy must be full employment. The impulse to work, to build, to do, to be active is inherent in the human spirit and any society which denies its people the opportunity to do so violates this ingrained need to its own peril.

More to the point, the failure to provide full meaningful employment exacts such incalculable costs that the burden must finally become too heavy for a free, democratic people to bear.

With increasing severity, our high-technology industrial system seems unable to meet this requirement. Already, upwards of 20% of our population—40 million or more people—are nonfunctioning or only marginally functioning in an economically productive sense. These include those displaced by machines, those who are mandatorily retired at too early an age, those untrained or undertrained for meaningful achievement, those unemployed, and those disemployed.

There is no way I can assess for you in human terms, in society's terms, or in dollars and cents what it means to the nation that a large proportion of our adult population goes through life unneeded and unproductive.

There is more at stake in this condition than meets the eye, and I assure you it takes no special intellectual agility to perceive that a system which discards or has no place in it for millions of its people—old and young adults alike—must expect anti-social behavior such as drug abuse, alcoholism, crime and violence, racial conflict, alienation, and I would suspect finally that out of this could develop a strong inclination to impose social controls by those who *have*, in self-preservation against those who *have not*. Therein lies the real danger to our democracy.

Let me suggest also that the generation of young Americans now in college or planning to go to college will not be automatically rescued from this discontent and alienation. There are about 9 million young people in college and community colleges across the nation. According to the "Report on Higher Education" prepared by the U.S. Office of Education by a task force headed by Dr. Frank Newman of Stanford University, of the more than one million people who enter college each year, fewer than half will complete 2 years of study, and only about a third will complete a 4-year course of study.

The Report states, "With the exception of summer jobs, most young people in college have no first-hand knowledge of any occupation save that of being a student. A great deal of student concern about the relevance of their education can be attributed to their isolation. Many, perhaps most students lack the experience and sense of adult roles that would help them to see how courses can be relevant."

The Report states that the ability to make career choices improves with off-campus experience. I would translate this to mean that the mixture of work and study contributes a sense of purpose to the student's outlook, and helps to fulfill the expectation that the system has a place for him or her.

The rub here is that there must be choices for off-campus experience in meaningful jobs for students and continuing employment after graduation in jobs of ascending potentials.

But even more vexatious than the sense of isolation of college students, which is substantially mitigated by the cooperative education concept, is the sense of exclusion of disadvantaged young people in the ethnic minorities, the actual discrimination against women from equal career opportunities and the devastating disappointment of college graduates for whom the planned-for career

is not available. And finally, in this context, I must also note the shameful treatment of the veterans of the Vietnam War. There were no welcome-home parades with flags and bunting and the bands playing for them. But that was because it was a war we did not win and the people hated it. But the veterans, those who spent part of their youth in the slime of Indo-China, why in God's name should they not have the same chances as everyone else for good jobs and a good education?

Obviously we have a universe of problems which we cannot roll up into one ball of wax under the general heading of a rational manpower policy, for manpower policy must be part and parcel of a national economic policy. I submit that this and previous administrations have imprisoned our economy in a straight-jacket of archaic economic ideas which are totally non-applicable to the present world, and which, in fact, could not include a real manpower policy.

The White House Council of Economic Advisers, the experts in the Office of Budget and Management, the Governors of the Federal Reserve System, the technicians of the Treasury Department are all masters of statistical compilations and econometric models, and they determine policy basically in non-human terms.

In my view there should be only one guiding principle for this nation's economic policy and it is that our human resources are our most precious treasure and that the opportunities must be created for the full expression of the human potential to work, to produce and to create.

I think we must reject any policy which induces unemployment as an anti-inflationary force, which has been the Nixon policy since he took office. It has succeeded only in producing countless victims, without at all halting the relentless rise in prices. Furthermore, there is something dead wrong—morally and economically—with any national policy which defines full employment as a condition in which only a small percentage of the work force is unemployed. To me, full employment means what it says—no unemployment at all, not even the 4% which the professional economists accept as tolerable.

I think the tight money and credit policies imposed by the Federal Reserve Board and encouraged by the White House have been a disaster, which the powers that be refuse to recognize, and which if permitted to continue will result in economic stagnation.

In place of these policies of restraint, I am in favor of stimulating vigorous economic expansion by reducing personal income taxes so as to increase purchasing power, and by a mandatory rollback of interest rates to a level which will open the door again to large scale investment in new housing and other construction, in new plants and equipment, and in new business ventures.

A national economic policy with the welfare of the people at its core should recognize that there is a growing scarcity of jobs in American industry due to the export of American technology, jobs and plant facilities as company after company has sought access to cheap labor and favorable tax conditions abroad. The result is that in such industries as electronic parts and sub-assemblies, machine tools, shoes and apparel, automobiles, and so on and so on, a flight of jobs from America has occurred in increasing volume.

To compound this, we are losing jobs to foreign manufacturers who compete with us in our home markets and overseas with the benefit of various forms of government subsidies and local wage controls.

As many of you may know, I am the co-author of the Hartke-Burke Trade Bill and I am pressing for its enactment over the massive opposition of various special interests who in my opinion place their selfish goals above the nation's needs.

This bill is closely related to the theme of this conference, for it basically seeks to preserve, restore and create job opportunities. It is a complex and technical piece of legislation which has as its main thrust the protection of American jobs against the competition of cheap labor and subsidized exports.

I want earnings of American companies abroad returned here, taxed here and invested here.

I want jobs we have lost abroad brought back here.

I want the flight of American capital halted.

In short, I want to stop the decline in industrial employment in the United States. And, if the opponents of the Hartke-Burke Bill want to call this protectionism—well, that's just another shibboleth and it doesn't bother me at all.

Nor am I timid about the use of tax relief in such instances where it will stimulate the economy and encourage the drive toward full employment.

In 1966 I introduced an amendment to the Manpower Training and Development Act calling for an extension of the 7-percent investment tax credit to apply as well as to investment in job retraining. Now there is an even greater urgency for technologically displaced and disemployed Americans to redirect their skills into other or related occupations, and I plan in this session of the Congress to reintroduce that amendment as part of a needed manpower policy.

A year later, in 1967, impressed by the creative importance of cooperative education, I introduced with the support of 18 colleagues, the College-Industry Cooperative Education Bill which was passed in 1968. This was the precedent legislation that finally resulted in the current enlarged, but I believe, still inadequate, appropriation of $10,750,000 for spreading cooperative programs. The result, as you have heard, will be a rapidly multiplying number of students, in both four-year and community colleges, who will need jobs as the tandem feature of their education.

The appropriation of $10,750,000 in the current fiscal year, and a similar amount for the fiscal year starting July 1, 1974 are not enough. Cooperative education is one area of government funding that has demonstrable success, both educationally and economically. It pays for itself many times over. The taxes alone paid by students on their earnings are about five times greater than the current appropriations.

Just recently, hearings have begun in the Congress on proposed appropriations for cooperative education for the fiscal year beginning July 1, 1975, and more than one leader, including Edward Cole, the President of General Motors, has testified in support of an appropriation of at least $50,000,000. I think this is the least amount this vital development needs for its more rapid expansion, and when this bill reaches the Senate, that is the amount I will fight for on the floor.

The leaders of American industry have the overriding incentive of supporting the mission of cooperative education as one way of reinforcing the hopes of young people that there is a place for them in our system. To provide an additional incentive, Congress should consider the possibility of granting employers a tax credit of 7 percent on the wages paid to cooperative education students for on-the-job educational experience.

Let me, if I may, touch upon some salient points which should bother all of us, and which are closely related to the purposes of this conference, and which ultimately must be coped with in a new manpower-economic policy.

First, and very dear to me, is the problem of the returned Vietnam War veteran, who has been stigmatized and generally cast into the segment of the disadvantaged. As Chairman of the Senate Committee on Veterans' Affairs, I am sponsoring and otherwise supporting a wide range of proposals that will increase veterans' allotments so that continuing education and job training will be possible.

I think there is a place in the scheme of cooperative education for all veterans who want the opportunity for such a work-study experience.

And today, I invite the directors of college co-op programs and the National Commission for Cooperative Education to develop with me a program that can be financed by the Federal Government which will first, prepare veterans for college entries, second, guide them in curricular and career choices, and work for them in appropriate job placements.

Second, I am concerned about the plight of many of our colleges and universities. I am bothered, as you should be, by the reports of rises in tuition costs, the cutbacks in education services, and the menacing financial difficulties, on occasion bordering on bankruptcy, of colleges. When I read that a College of Engineering or a College of Pharmacy has been shut down for want of money, I consider it a national tragedy.

Our colleges must not be allowed to go broke and schools must not be allowed to close down.

To avert this, I plan to introduce a pluralistic approach to providing federal aid to higher education. Later this month I intend to give special attention to the problems of middle-income families who cannot bear the ever-increasing burden of tuition costs.

Finally, and without laboring over too many of our other deficiencies, we have to redress the evil of unequal opportunity for women and the career and education barriers to the young people of our ethnic minorities. Regardless of what you hear about equality and upward mobility, the reality tells a different story.

With regard to the discrimination against women, I think under the Fair Employment Practices Act every major employer in the United States should be subject to a regular, periodic audit of its hiring and advancement policies, and that it should be established by law that employers must, on the basis of merit, give equal pay for equal work, and provide equal opportunity for women to advance to higher positions of responsibility. This process should be undertaken as a regular procedure and not in response to occasional complaints of injustice.

With regard to minority youth, I would welcome the collaboration of the leaders of the cooperative education movement to develop with me a program to be Federally funded to make possible the college entry of such young people. I envision such a program to include preliminary selection and motivation of potential students, pre-college preparation, and Federal scholarships to supplement their off-campus earnings.

These are all important considerations for each of us to weigh as we contemplate the future. Recently, I read an article by Willis W. Harman, director of the Center for the Study of Social Policy at Stanford Research Institute, entitled "Humanistic Capitalism: Another Alternative." Dr. Harman notes that the ability of capitalism to bring about a humane society is held increasingly in question. He asks, in effect, if there is an alternative to the "friendly facism" toward which some observers see us heading. His alternative is a society that embraces an economic policy rooted in human values.

I believe it is part of the continuing story of the quest for fulfilling our goals of a fair and equitable society. Among the questions that have come down to us is our responsibility to provide education for all, a higher quality of working life, and real chances for

all those on the fringe, for whom our fine talk about equality and opportunity is still meaningless.

Whatever winds the future blows toward us, our common purpose is to make a commitment to ourselves, to each other and to the nation to make this democracy work, and that we shall have the courage to adopt new ideas and new policies in that most worthwhile of struggles.

Since our concern today is the fate and future of higher education in the United States, I would like to recall for you an item in the last will and testament of George Washington. It is a long document, but not too far from the beginning of it is a passage which suggests how we might celebrate the 200th anniversary of the Republic.

As one of the rewards for his services in the founding of the nation, Washington agreed to accept from the Commonwealth of Virginia 50 shares in something called the Potomac Company, on the condition that he would be allowed to assign the shares to public uses. He said in that connection that he could not accept them for his personal profit since to do so "would be inconsistent with a principle which I had adopted and had never departed from . . . namely, not to receive any pecuniary compensation for any services I could render my country in its arduous struggle with Great Britain for its rights . . ." What a standard of behavior that is!

Washington then bequeathed the fifty shares in the Potomac Company "towards the endowment of a university, to be established within the limits of the District of Columbia, under the auspices of the general government."

That University was never built, and I submit that it should be built. We have three military academies, but none for peace. I think it would be a stirring avowal of our faith in the future if we redeemed the promise of the first of our founding fathers by breaking ground in the year of the bicentennial for the building of a United States Academy for International Peace. I intend to offer the necessary legislation for an authority and funding to establish such a United States International Peace Academy, the building of which to start coterminously with the celebration of the nation's birthday. Its purpose should be to train a new generation of leaders in the discovery and invention of the ways and means to permanent world peace. If we are greatly to celebrate the birth of our nation, let us do so with a bold forward look rather than a backward glance.

REMARKS OF WILLIAM S. PFEIFLE, PRESIDENT AND CHIEF OPERATING OFFICER, THE BANK OF CALIFORNIA, AT THE EMPLOYERS' INSTITUTE HELD IN SAN FRANCISCO, JUNE 5, 1974

Other speakers on our program will deal with such subjects as the national and ubiquitous availability of co-op students: the relationship to the co-op movement to our manpower needs; its effectiveness in implementing affirmative action programs; specific cost-benefit data; and cooperative education and national policy.

For my part, I have one observation I should like to share with you. We are going through a very painful period in the history of our country. The epidemic erosion of confidence in our inherited institutions is constantly aggravated by our seeming inability to solve the massive problems for which we as a people have had little or no previous experience. The energy crisis, the relentless inflation, the violation of public trust, the world's food crisis and its effect on us, our own change from a society of abundance to one of shortage—all these and other dilemmas have combined to create a mood of pessimism among large numbers of people.

But when we learn that hundreds of thousands of young men and women have enrolled—and will enroll—in cooperative education programs as an expression of their ambition to work in our system and to be successful, we have good reason to be optimistic. They are proof positive of an underlying faith in the continuing opportunities our society offers.

The expectations of young America are high, but they must not, under any conditions, be thwarted. They include a desire for higher learning related to the real world and finally the opportunity for employment in creative, meaningful work. The preservation and strengthening of our educational institutions is central to this problem. But tuition costs are rising beyond the reach of many students, while universities themselves face mounting financial need, as one of the destructive effects of inflation. A result has been a decline in enrollment. A decline which is expected to get worse unless the cost of education is reduced. Also occurring is the actual closing of some colleges.

This is an unhealthy condition in the face of our manpower needs with their heavier and heavier stress on professional and advanced technical skills. The strengthening of our higher education institutions and lessening of the cost burden for students should be matters of immediate concern to industrial and business enterprises. This is especially true of companies in high-technology industries, of which California has a very large share. For it is such companies for whom college campuses are the major source of new people. It is of paramount importance to our future growth that this brain resource be nourished and supported.

One of the purposes of this Institute today is to open the lines of communication between employers of California and the colleges and universities which are offering Cooperative Education programs. I myself have only recently gained a comprehensive view of Cooperative Education, and I can recommend with great enthusiasm that you look at it as a very real vehicle by which many of your recruiting needs can be satisfied. At the same time, you will be reinforcing the faith of our youth in the American system, and helping the future development of our colleges. Don't forget, Cooperative students earn money for their work and this helps them meet tuition costs.

Once again the interaction between industry and education can result in a new partnership of significance to both.

REMARKS BY STANLEY E. MCCAFFREY, PRESIDENT, UNIVERSITY OF THE PACIFIC AT THE EMPLOYERS' INSTITUTE, HELD IN SAN FRANCISCO, JUNE 5

It is a very great pleasure for me, on behalf of the University of the Pacific, and our fellow sponsoring organizations, to welcome you to this "Employer Institute on Cooperative Education" and we of our University are extremely pleased to be able to join with the National Commission for Cooperative Education and the United States Office of Education in sponsoring this important conference. May I express our deep appreciation, also, to the Northern California business and industrial firms and associations which have joined with us as sponsors. Their assistance and support have been most valuable in making this Institute possible.

The theme of this Institute is "Cooperative Education: The Emerging Manpower Resource." There is a very great deal of discussion these days about "resources," much of it directed toward the energy problem. Largely because of the energy problem, all of us have had occasion lately to think about our resources and to come to have a new appreciation for them. As a nation and as a people, we are blessed with numerous resources, many of which we either take for granted or hardly think of as resources. For example, the intangible qualities of Spiritual Faith, of Honesty and Integrity, are among our most valuable and vital resources and often only in times of emergency do we appreciate them. Of all our resources, however, I think none is more valuable than education. Education enables individuals to lift themselves above even the most humble beginnings to new levels of development and fulfillment, enables a whole society to have a higher level of knowledge, and in general is a mighty force in improving our quality of life.

As we pause to think of our nation's development in this century—or that of our own State of California, for that matter—we must be impressed that education, in general, and higher education, in particular, has played a vitally important role in that progress. Indeed, a strong case can be made that America's supremacy in the world is due to our system of higher education. American higher education is unique in the world. We literally make it possible for any young man or woman to have the opportunity to obtain a college education. That is not the case in Europe, in England, Asia and in most parts of the world. Thus we have not only trained great scientists and scholars but the general level of education of our citizenry is unquestionably higher than of other countries of the world. A young person in this country, regardless of his economic background, his race, creed or color, can obtain the finest education if he or she has the motivation to try and the capacity to take advantage of the opportunity, This, ladies and gentlemen, in my opinion, is a very important key to the progress of our nation and the strength of our society.

The importance of higher education is stressed by Bernard Berelson when he said, "American society *depends* upon American higher education. This has always been true but in recent years it has become more widely recognized and probably more widely applicable. As American society has become more complex and more interdependent, the burdens upon the institutions of higher education have become heavier—the burdens to provide intellectual leadership for the society, to transmit the higher learning from generation to generation, to advance knowledge, to apply knowledge through professional practice, to recruit, screen and develop the leading talent of each generation. The great society of the modern world rests upon trained intelligence, and the institutions of higher education are its sources of renewal."

Thus, I believe you can see why I feel a convincing case can be made that "Our Nation's Greatest Resource" is Higher Education, our colleges and universities.

Now I know that the confidence of many people—undoubtedly a majority of our citizens—in our colleges and universities was seriously shaken in the 60's when activism on the campuses was the order of the day and when violent demonstrations were taking place at so many colleges and universities across the land and indeed, throughout the world. Those were turbulent, terrible days—an extremely difficult period—for colleges, for all associated with them, and for our society. Fortunately, as some times happens, out of all those troubles some constructive things developed. Faculty came to realize that students cared about learning and professors had to devote themselves more to teaching. Relevancy became important. Participation in decision making on the part of faculty and students developed. A sense of responsibility on the part of students and faculty has developed. Today you rarely hear of violence on a campus. Students are more serious, more hard-working, more goal oriented. Whereas during the 60's they

pressed for the no-grade, "pass-fail" system, now they work for A's and are disappointed when they don't achieve them. The average student today is looking forward to a career or a profession and is expecting the college or university to prepare him for it.

Let me talk for a moment about the students I know best, those on my own campus at the University of the Pacific. The entering class this past year was one of the brightest in history. They had a high school Grade Point Average of 3.28 (a B+) as compared with the previous entering class average of 3.09. They are hard-workers and professors testify that today's students not only are doing their homework but are eager to learn. There certainly is evidence, too, that they want to prepare themselves for a career, that while they want a general education, they also want to be prepared to undertake a job upon graduation.

Nowhere in the United States or world, for that matter, is there a finer system of higher education than here in our own State of California. We have the combination public-private system which provides a full range of educational opportunities and services and comprises the finest system of higher education anywhere in the world. There is the University of California with its nine campuses, the State College and University system with its twenty institutions, the junior-community college system with now 101 campuses throughout the state, and the independent sector with 52 private colleges and universities. Thanks to the generous support of generations of Californians through legislative appropriations the public sector has been enabled to provide the finest type of higher education at the lowest possible cost and in the University of California has one of the great universities in all the world. The private colleges and universities are also distinguished and have enrolled in them about one-quarter of all the students in 4 year and graduate schools—some 80,000 undergraduates and 45,000 graduates and professional students. These private universities grant annually some 15,000 bachelors degrees, one-fourth of all those awarded in the State, 36% of the Masters, 55% of Professional, nearly 50% of MDs and 41% of PhDs.

Of particular interest to us as we consider cooperative work-study education, are the junior or now more commonly called community colleges. This movement had its principal beginnings and greatest development in this State and today there are 101 campuses throughout California with a total enrollment of over one million students! These 2-year colleges provide college preparatory work for transfer to 4-year institutions and very importantly offer vocational and occupational training in preparation for careers. The community college movement, kindled in California, has now spread across the nation and has become one of the vitally important aspects of the total educational fabric of our nation, providing educational opportunities to any student, regardless of economic background.

California has been blessed with this incomparable public-private system of higher education and there is no question but that the enormous and incomparable growth and development of the State from every standpoint has been made possible in very large measure by our colleges and universities.

As we observe the changes in thinking of young people and of needs of society, I am very much impressed that of the various forms of education, it is now clear that cooperative work-study is the type of education *"whose time has come."* In combining the classroom academic learning with practical on-the-job work experience, cooperative education fulfills the desires of young people to have relevance in their education, provides them the satisfaction of preparing themselves for a career and of assisting them in earning money to achieve their educational goals.

Cooperative work-study education, introduced in 1906 at the University of Cincinnati, is really flowering today. After a slow and gradual development for the better part of this century, the movement has flourished in recent years. Today this form of higher education is being offered by more than 800 colleges and universities across the country. More than 180,000 students are enrolled in these programs and are employed by cooperating employers in 5,000 locations. It is estimated that with the accelerating expansion of this type of education, in the near future there will be half a million students participating in some form of cooperative work-study program! In Northern California, the University of California at Davis has a well-developed cooperative work-study program and Chico State is moving strongly into this field.

We are proud that at our University of the Pacific we have been engaged in several forms of cooperative work-study programs for some years. While our Engineering program is best known, we also have a well-developed program in the form of internships in our School of Pharmacy. Under this plan, our Pharmacy students undertake jobs in pharmacies and in other health care settings, performing the practical jobs of pharmacists and expanding their knowledge of pharmacy beyond the classroom through this practical on-the-job experience. We know our Pharmacy School graduates are well prepared when they obtain their degree, both because of the excellent academic preparation they have received but also as a result of the excellent training they have received in pharmacies, in hospitals, in clinics and other professional assignments.

Cooperative work-study has expanded beyond engineering, business administration and the professions, like Pharmacy, into the liberal arts and that is where the greatest opportunity and need exist today. In our Raymond College, established fourteen years ago as the first cluster college in the United States, we see extremely interesting developments in this regard. Raymond has historically been an innovative college with a great deal of emphasis on independent study and the liberal arts. Gradually in recent years, in response to the desire of students to gain practical work experience of a real and relevant nature, Raymond has been developing internships which are both popular and valuable. We today find Raymond students working as internes for Congressmen, in Federal, State and local governmental agencies, on business assignments in banks and insurance companies, in journalism and for other media, and many of these internships provide not only practical work experience but lead to permanent job opportunities. One of our Raymond graduates of this year, for example, Deborah Nikkel, had an internship with the *Christian Science Monitor* in Boston and so favorably impressed her employer by her proformance that she has been employed by that distinguished newspaper on its regular staff.

But it is in our School of Engineering that we find what is a classic cooperative work-study program. Under it, students spread their four years of engineering study over five years and have actual work experience totaling 16 months in three or four work periods during that five years. Incidentally, students earn an average of $600 a month while working and a total of $10,000 during the 16 month work experience. Most importantly they gain invaluable on-the-job training which enables them both to be placed more readily in engineering jobs, and to be better prepared for undertaking their careers.

Every engineering co-op student is expected to "carry his own weight" and be a productive employee in each of the co-op assignments. Thus our students do fill a critical need for the employers by performing necessary and useful tasks within the companies. On the other hand, the companies are contributing substantially to the welfare of the university and the student by virtue of the salaries paid by the employers to the students. During the three years since our co-op program was started, engineering students have had a total of 203 co-op assignments—each of which last for approximately 4 months. In these 203 assignments engineering students have grossed $515,392.00 in salaries. It is perfectly clear that employers have thus contributed, in return for services rendered, more than one-half million dollars to enable students to continue their engineering studies here at UOP. Also noteworthy is that minority students represent more than 13% of the total placements. More than sixty employers are participating with us in this program representing small, large, private, public, research, design, construction and production oriented firms. Graduates of this program, as a result of their classroom academic preparation and practical on-the-job experience, are not only in the favorable position of having tangible job offers but even more importantly are truly prepared to undertake the challenging responsibilities of today's engineer to solve engineering problems and make a constructive contribution to building a better life tomorrow.

Cooperative work-study education is a program which has very real benefits for all who participate, the student, the university and the employer. It is one of those rare activities where "everybody gains and nobody loses." It makes so much sense that one wonders why it has taken so long to be recognized for its values. But it is clear that such recognition has arrived and that there will be enormous development of these programs in the years immediately ahead. To you as employers, as well as to those educators present, I heartily commend this program to you. You will hear testimony today as to the values of the program to employers and certainly there is every evidence from the experience of others that these values are real. But, as in most things in life, the best and only way in which you will really be able to know these values is to participate in the program. If and when you do, you will find that you, as an employer, will benefit, and you can also have the very real satisfaction of knowing that you are playing a vital part in the growth and development of individual lives. And it is pretty hard to gain a greater satisfaction than that.

In a talk given by the late Alfred P. Sloan, Jr. shortly before his death, he called attention to the joint role of education and the corporate enterprise by saying: "When the annals of our time are recorded, it will most likely be found that the two greatest contributions of our time have been the U.S. university and the U.S. corporation; both mighty forces, both uniquely American. If these two forces," he continued, "can go forward together in understanding and cooperation, there is perhaps no problem beyond their joint power for resolution. If, however," he added, "they choose to go their separate ways, there is no solution of any problem affecting either that is likely to be long lasting."

I am confident that our universities and our leaders in business and industry share more than ever the responsibility and obligation to repair and strengthen the very fabric of our society. And I know of no way in which we can better work together for our mutual benefit, for the enriching of individual lives and for the strengthening of our society than through cooperative work-study education. Here is a great opportunity for all of us. Let us seize it and by our devoted and dedicated

efforts, together, enable our nation and society to move forward to achievements for the betterment of mankind.

REPORT BY DR. CHARLES C. HALBOWER, HEAD, EDUCATIONAL MANAGEMENT GROUP, ARTHUR D. LITTLE, INC., ON "DOCUMENTED EMPLOYER BENEFITS FROM COOPERATIVE EDUCATION," PRESENTED AT BOTH THE ALBUQUERQUE AND SAN FRANCISCO EMPLOYERS' INSTITUTES

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

The objective of this study was to identify, document and, where possible, quantify the benefits selected employers derive from their cooperative education programs. It was planned as the first and pilot stage of a two stage nationwide study. The purpose of the overall study is to stimulate and support a significant nationwide expansion of cooperative education.

Basic to the purpose of the overall study effort are the following premises:

(1) College students and educational leaders are increasingly appreciative of and involved in cooperative education. Several studies have documented the value of cooperative education to students and to educational institutions. From the end of World War II to 1973 the number of collegiate institutions offering cooperative education programs increased from approximately 43 institutions to over 566 colleges, universities and community colleges. The number continues to grow.

(2) The Federal government is committed to a significant expansion of cooperative education programs that meet desired criteria. Under provisions of the Higher Education Act of 1972 Congressional appropriations to support the Cooperative Education Program increased from $1.7 million to $10.75 million for 1973–74.

(3) Expansion of cooperative education on the scale suggested above will require significantly greater participation on the part of the nation's employers. This must include involvement of increasing numbers of employing organizations not now hiring cooperative education student employees together with broader and more extensive utilization of cooperative education programs by employers now only modestly involved.

(4) Essential to the significantly greater participation of employers in cooperative education is their understanding of the several ways cooperative education can benefit them.

(5) Very little systematically researched and publicly available data exist regarding employer benefits from cooperative education.

Therefore, as the first step in the effort to engender significantly greater participation of employer in the desired nationwide expansion of cooperative education, it was decided to research and document the benefits actually being derived from cooperative education by a small sample of employing organizations known to be effectively managing their cooperative education programs. This new research-based information could then be utilized in subsequent efforts to inform the nation's employers of ways they too might benefit from more extensive or perhaps more purposefully managed cooperative education programs.

Northeastern University officials, leaders in the cooperative education movement for many years, identified the need for such a study and conceptualized its broad outlines. They contracted with and funded an Arthur D. Little, Inc., study team to carry out the first stage of the study. This report is the principal product of that commitment.

This report is organized as follows. The Introduction offers background information concerning this study: brief comments on the development of cooperative education; a discussion of the need for this study, its conceptualization and its sponsors; and a description of the study team composition and relationships with Northeastern University officials. Chapter II discusses the selection of employer to participate in the study; and it briefly describes the six employing organizations and comments on their cooperative education programs. Chapter III presents in some detail the results of our analysis of each of the benefits the six employers are deriving from cooperative education. Chapter IV discusses a number of policy level and operational level issues concerning the management of cooperative education programs by employers, and offers several recommendations for optimizing employer benefits from cooperative education.

The remainder of this chapter presents a summarized discussion of the study design, a brief summary of each of the benefits being derived from cooperative education by the six employers, and a list of employers' situational difficulties in which cooperative education would appear to be specifically beneficial.

A. The study design

To produce the information and analyses desired in this study the "case study" approach was adopted. The subjects of the case studies were a small number of employing organizations of various types and sizes whose cooperative education programs differed in the length of time they had been in operation and in ways they were utilized and emphasized. A sample of six (N=6) was agreed upon as being both adequate for the intended purpose and manageable within time and budget constraints.

Important characteristics common to each employer to be considered for inclusion in this study were established as: (1) a policy level commitment to cooperative education based on conclusions by management that cooperative education was beneficial to that organization; and (2) recognition by knowledgeable cooperative education leaders in educational institutions that the employer was managing its cooperative education program so as to derive several benefits from it. Characteristics we sought to vary among employers selected for study were those of size, economic sector and type of activity, and duration of the cooperative education program. After considerable exploration and discussion, the following six employing organizations agreed to participate with us in this study:

General Electric Company.
Xerox Corporation.
Pioneer Cooperative Bank.
Liberty Mutual Insurance Companies.
Social Security Administration.
Wellesley (Massachusetts) Public School System.

In planning the case studies of the six participating employers, we reviewed the literature on cooperative education to ensure that our explorations of employer benefits would cover the full range of potential benefits suggested or referred to in the literature. Our task then was to define those potential benefits in operational terms and to specify those data to be collected and analyzed so that we could determine whether, and the degree to which, those potential benefits were being realized. These definitions and specifications were then utilized in constructing standard data collection instruments to be applied where feasible in the case study of each employing organization.

Within each of the six participating organizations we interviewed policy level officials and those most directly involved in administering the cooperative education programs. We collected background information about the organization, its personnel administration and personnel data system, the history of its cooperative education program, and the way its cooperative education program is now managed and utilized for various purposes. We obtained judgments from interviewees on a broad and largely predetermined set of issues and questions concerning their cooperative education programs; and we pressed for "hard data" that would support or qualify the interviewees' conclusions. In particular, we sought information from each employing organization that would permit comparative analyses of the relative costs and benefits of utilizing its cooperative education program to achieve certain ends versus the costs and benefits of utilizing alternative means or programs to achieve the same ends.

For each employing organization we constructed a profile of the specific benefits the organization was attempting to derive from its cooperative education program, together with whatever evidence was available to document whether or not, and to what degree, those benefits actually were being derived.

It became apparent that similar benefits to employers from cooperative education were occurring in each of three definable stages or time phases, and that some employers were managing their cooperative education programs to derive benefits more in some time phases of their cooperative education programs than in others. Therefore, we decided to present and discuss each benefit separately, in the time phase in which it typically occurred, and to indicate which employer was obtaining that particular benefit and how.

A draft of our conclusions about the benefits that each employing organization was deriving from its cooperative education program was sent to a representative of that organization for review prior to including that information in this final report.

B. Benefits to the six employing organizations

Employers can derive benefits from their cooperative education programs in one or more of three generally definable time phases: (1) the preprofessional employment phase; (2) the recruitment, selection, orientation and initial training phase; and (3) the permanent professional employment phase. Chart 1 on the next page defines those phases and indicates employer benefits possible in each of those time phases. Each of these time phases of cooperative education is discussed below together with a summary of the benefits employers realize from cooperative education in each phase.

1. The Preprofessional Employment Phase

Benefits in this first phase are derived from the employment of cooperative education students as they alternate periods of academic study with periods (workblocks) of actual work experience in jobs related to their career development. This phase begins with the student's first workblock with an employer and continues until the employer decides that the student is a good candidate for "permanent" employment. This decision usually is made in the student's final workblock, although employers increasingly are making and acting on this decision earlier (in the student's next to the last workblock), especially when the student is a particularly attractive candidate for permanent employment. If the employer decides not to offer employment to the student upon graduation, the employer can still benefit from effective utilization of the student employee through his or her final workblock.

There are at least four specific types or classes of benefits that employers can derive from their cooperative education programs in this first Preprofessional Employment phase. However, employers differ in the ways they manage their cooperative education programs. Some manage their programs purposefully to derive all four types of benefits, or to stress the yield from some of the four types of benefits more than from others. More typical, apparently, is a focus on deriv-

ing two or perhaps three types of benefits. And of course, employers differ in the ways and the degree to which they exploit particular benefits within each type or class of benefits.

CHART 1.—*The phases of cooperative education in which employer benefits occur*

PHASE 1. PREPROFESSIONAL EMPLOYMENT

Definition

The period begins with the first workblock and extends up to the last workblock of the employed co-op student. Phase ends when the employee seeks and the employer considers permanent employment.

Benefits

a Good source of manpower (Preprofessional or Paraprofessional)
b Generates professional released time
c Improves the personnel selection process
d Enhances relations with colleges and other students

PHASE 2. RECRUITMENT, SELECTION, ORIENTATION AND HIRING

Definition

The phase includes the last workblock of co-op student employment through completion of orientation to entry level employment. The orientation can include either formal or informal training. Phase ends when the co-op student is hired full-time *and* becomes "permanently" responsible to the supervisor for the quality of his work.

Benefits

a Facilitates entry level recruiting
b Facilitates assessments of employee quality and promotability or advancement potential
c Improved access to and by minority employees
d Improved cost-benefits in recruitment and training

PHASE 3. PERMANENT PROFESSIONAL PLACEMENT

Definition

The period includes at least the first three years of permanent employment. The end point of this phase is not clear from our study but needs to be established. It extends to that time beyond which differences in value or performance of employees cannot be attributed to whether or not they are former co-op students.

Benefits

a Longer average retention (lower attrition)
b High quality employees
c More rapid advancement

This study reveals that in the Preprofessional Employment phase, employers derive the following four types of classes of benefits from their cooperative education programs:

(1) a good source of paraprofessional or preprofessional manpower;

(2) the generation of professional released time;

(3) contributions to improving the personnel selection process; and

(4) fostering effective relationships with colleges and enhancing the overall effectiveness of college recruiting.

Each of these types or classes of benefits is discussed briefly below and in more detail in Chapter III. Also indicated below, and treated at greater length in Chapter III are those employing organizations that purposefully and demonstrably capitalize upon each of these potential benefits.

a. A good source of paraprofessional or preprofessional manpower

The employer benefit most commonly derived from cooperative education programs is obviously that of utilizing cooperative education student employees as a good source of paraprofessional and preprofessional manpower. Some employers designate specific positions or "workslots" as "Co-op positions." Those positions are then filled constantly by cooperative education students alternating between their workblocks and their periods of academic study. Employers also utilize cooperative education student employees in a series of specific, short-term tasks which may not constitute a defined "position" but which capitalize on the students' particular levels of knowledge, intelligence, and skill. Employers benefit most from this mode of utilizing cooperative education student employees when they purposefully design these positions and select tasks so that they make genuine, meaningful contributions in achieving organizational objectives. Increased benefit also depends on the care with which cooperative education student employees are placed in positions which make optimum use of their capabilities as they grow with additional experience and learning.

Important in the economics of cooperative education study employee utilization is the determination of pay scales and fringe benefits for such employees. Most cooperative education students are paid according to the salary levels for specific job classifications which take into account not only the job demands but also levels of education and prior work experience of the employee. Employers generally pay cooperative education student employees at the same salary level they would pay other new "permanent" employees in the same positions or job classifications. While they find that "permanent" employees in those positions usually become more efficient in the more routine functions of the job (because of longer experience in the jobs), they also find that cooperative education students in those positions usually learn faster and better.

Two major economic benefits to employers are derived from the typical differential cost of cooperative education positions versus "permanent" positions. A permanent employee in a given paraprofessional or preprofessional position typically advances up the salary scale annually or on some other basis of "time in grade," even though the position requirements do not change. However, the salary for that same position can be maintained at the same level for longer periods (or with only cost of living adjustments) by rotating cooperative education student employees into that position. In addition, the fringe benefits of permanent employees typically cost significantly more than those of cooperative education student employees who fill equivalent positions, since they are often classified as "term" or temporary employees, or as employees who regularly go on "leave without pay."

All six employing organizations managed their cooperative education programs so as to derive benefits of this type or class. Some employer representatives believe that their programs could be economically justified solely from benefits of this type. However, because of data limitations it was not possible to carry out systematic comparative cost analyses to document the extent of such benefits.

b. Generation of professional released time

Four of the six employers (General Electric, Xerox, Social Security Administration, and the Wellesley Public School System) utilized their cooperative education programs to derive incremental value from their cadre of permanent professional staff. This type of benefit is made possible by: (1) pairing cooperative education student employees with professional staff who utilize the student employees as assistants to carry out the less demanding elements of their jobs; or (2) redefining professional level positions to focus more exclusively on professional level tasks, and complementing those positions where necessary with closely related paraprofessional or preprofessional level support positions to be filled by cooperative education student employees with appropriate knowledge and skill. This permits more work of greater value to be accomplished by the higher paid professional staff. The less demanding tasks can be carried out more economically by the lower paid cooperative education student employees under the guidance of the professional staff.

It is obvious that careful and purposeful personnel administration is required to generate professional released time from the utilization of cooperative education student employees, especially if benefits of this type are to be maximized. The realization of this employer benefit also tends to benefit additionally the cooperative education student employees through the purposefully closer working relationships with professional staff, a highly valued learning opportunity.

While four of the employers demonstrated the steps they have taken to realize this potential and obvious economic benefit from cooperative education, none had "hard data" available to quantify this benefit.

c. Contributions to improving the personal selection process

Cooperative education programs provide unique opportunities for both the prospective employer and the prospective permanent employee to evaluate each other in terms of an appropriate "match" for possible permanent employment. The unique value of such opportunities lies in the "reality" features of what amounts to actual trial employment in a mutually beneficial arrangement without long-term commitments by either party.

The student employee gets a reality-based understanding of job requirements, style of supervision, organizational "climate," and opportunities for satisfying work and advancement. Important to both employee and employer, the cooperative education student employee has a unique and early opportunity to explorse and assess the appropriateness of his chosen career and thus the appropriateness of his academic major or specialization.

The employer has an opportunity to evaluate the performance of the student employee on the job and with respect to various tasks and functional requirements. Such on-the-job performance evaluations permit significantly more effective screening of potential candidates for permanent employment than is possible with alternative procedures limited to the evaluation of candidates' grade averages, test scores, extracurricular activities, and reference checks. Employers who manage their cooperative education programs so as to capitalize on these reality-based performance evaluations can improve the validity of their selection decisions and reduce the incidence and the cost of bad selection decisions.

Five of the six employers in this study manage their cooperative education programs purposefully to benefit from opportunities afforded to improve their employee screening and selection process. Those employers are: General Electric, Xerox, Pioneer Cooperative Bank, Social Security Administration, and the Wellesley Public School System. Three of those five employers had specific data available to demonstrate the realization of this benefit.

d. Fosters effectiveness of college relations and the overall college recruiting effort

Four of the six employers in this study (General Electric, Liberty Mutual, Pioneer Cooperative Bank and Social Security Administration) utilize their cooperative education programs as vehicles for fostering interaction with participating colleges and for enhancing the effectiveness of their overall college recruiting. Cooperative education programs provide employers with specific contacts and means for communicating regularly with the institutions about changing personnel requirements, including possible new functional or knowledge or skill require-

ments in specific occupations and industries. This feedback permits teaching faculty to modify the content of certain courses or the options that might be offered in standard programs. This feedback also enables career counselors and faculty advisors to be more realistic in the counseling and guidance of students regarding career opportunities and related academic preparation. Such feedback and its effects benefit the college, its students, and eventually the employer.

An even broader or more general potential employer benefit from participating in cooperative education programs is the enhancement of the employer's overall college recruiting effort. Faculty advisors, college counselors and cooperative education coordinators can do a much better job of accurately advising students about employment opportunities and requirements when they are familiar with the employment situations of specific employers. Interactions concerning cooperative education programs can produce that familiarity. And finally, and quite important to some employers, cooperative education student employees satisfied with their work experiences can be effective promoters of their employer in contracts with other students.

2. The Recruitment, Selection, Orientation and Initial Training Phase

Employer benefits in the second time phase of cooperative education are those incremental advantages afforded in the recruitment, selection, orientation and initial training of "new college hires," i.e., college graduates hired into entry level professional positions. This phase typically begins with the last workblock of cooperative education students employment, although it may begin earlier in the student employee's next to last workblock, especially if the "co-op student" is a particularly attractive candidate for permanent employment. It begins operationally with the employer's identification of likely candidates for permanent employment from a review of the performance evaluations of cooperative education student employees. It includes the mutual exploration of possible entry level positions, the negotiation of a mutually acceptable employment agreement, and the orientation and training of the "new hire" for the "permanent" position.

There are at least four specific types or classes of benefits that employers can derive from this phase of their cooperative education programs. Some employers manage their programs so as to realize or emphasize more of these potential benefits than is the case with other employers. These four potential benefits include:

(1) the facilitation of professional entry level recruiting;

(2) the facilitation of assessments of employee quality and promotability;

(3) improved access to and by minority employees; and

(4) improved cost/benefits in orientation and initial on-the-job training.

Each of these benefits is discussed briefly below and in greater detail in Chapter III. Indicated below, and treated at greater length in Chapter III, are the employing organizations that demonstrably capitalize upon each of these potential benefits.

a. The facilitation of professional entry level recruiting

Five of the six employers in this study (General Electric, Xerox, Pioneer Cooperative Bank, Social Security Administration, and the Wellesley Public School System) demonstrated evidence that they manage their cooperative education programs to facilitate professional or college entry level recruiting. Among those five employers this "facilitation" was demonstrated in different ways and produced various advantages over alternative modes of college entry level recruitment. Some of these advantages were obviously more "economic" than others. However, none of the employers maintained cost data which would permit documentation of the extent of the cost/benefits of recruiting entry level professionals from their cooperative education programs versus other modes of recruitment.

Most of the five employers demonstrated that the "yield" per employment offer (acceptances of permanent employment as a percent of offers) is significantly higher for cooperative education students than for college seniors recruited in other ways.

Another demonstrated advantage of recruitment and selection from cooperative education student employees is that line managers and supervisors participate earlier and more meaningfully in the process than characteristic of other modes of recruitment and selection. The on-the-job performance evaluations of "co-op employees" by the line managers and supervisors and their participation in the hiring process enhance the specificity of job offers and the confidence with which they are made.

The cooperative education student employee is much more aware of employer requirements and specific job requirements in that organization than an employment candidate recruited directly from campus. Thus he can make more informed career decisions and even more valid choices among possible job openings in the employer's organization. At least for some employers this appears to result in higher job satisfaction as indicated by reduced turnover and transfers.

One employer, the Pioneer Cooperative Bank, elected to utilize its cooperative education program as its sole college recruitment vehicle. This decision was made partly on the basis of comparative costs of various modes of recruitment and partly because of the desire to minimize potentially costly errors in selection of personnel to be developed as the Bank's middle mangers.

b. The facilitation of assessment of employee quality and promotability

Four of the six employers (Xerox, Pioneer Cooperative Bank, Social Security Administration, and the Wellesley Public School System) purposefully manage their cooperative education programs to realize the benefit of being able to assess and forecast employee quality and promotability accurately.

Xerox utilizes cooperative education student employee performance evaluations as a primary factor in its decisions to offer permanent employment; and offers are usually made only if the evaluations suggest that the candidates will meet entry level requirements. Pioneer Cooperative Bank uses its teller positions (most of which are "co-op positions") as on-the-job training and selection experiences to determine which individuals will be further trained and developed as middle managers in the Bank. The Social Security Administration's cooperative education "Access Program" is designed specifically to train, evaluate and retain only those student employees who will qualify for entry-level professional positions upon graduation from college and completion of the program, and then be assured of progress up the career ladder from entry-level positions of GS–5 or GS–7 to the GS–10 or GS–11 level. The Wellesley Junior High School generally hires inexperienced teachers only if they have had a prior work experience in the school. This policy was adopted to facilitate selection of high-quality teachers capable of qualifying for tenure through the use of first-hand, on-the-job performance evaluations.

c. Improved access to and by minority employees

Two of the six employers in this study (Liberty Mutual and the Social Security Administration) purposefully and demonstrably utilize their cooperative education programs to improve access to qualified minority employees and to improve access to professional level jobs for qualified minority student employees. In 1973 the Social Security Administration's Program Access involved 208 cooperative education student employees, of which 60 percent were members of minority groups. Of the 24 students successfully completing the program since its initiation in 1972, 22 were hired as entry-level professionals and exactly 50 percent of those hired were members of minority groups.

Three other employers recently have taken action to facilitate the hiring of minority employees through their cooperative education programs. Of all the cooperative education student employees of General Electric 41 percent are members of minority groups and 18 percent are women.

d. Improved cost/benefits in orientation and initial training

None of the six employers in this study maintained the comparative cost data and quantified estimates of benefits regarding those aspects of personnel administration that would permit straightforward analyses of the degree of cost/benefit being derived from their cooperative education programs. However, two of the employers with relatively new programs (Pioneer Cooperative Bank and the Social Security Administration) maintained data which permitted the determination that a positive relationship existed between the benefits and costs of certain aspects of their "co-op programs" when compared with similar aspects of alternative programs. That was true of the cost/benefits of orientation and initial on-the-job training, especially when the factor of significantly increased retention in entry-level "permanent" positions was considered.

With the exception of the Wellesley Public School System, employers in this study judged their cooperative education programs to be more cost-effective than alternative programs in the orientation and training of employees for their initial entry-level positions in permanent employment. There was no doubt that the understanding of an organization's operations, management processes, job requirements and "product lines" was superior and less costly to produce for cooperative education student employees selected for permanent positions than for direct hires from campus. Pioneer Cooperative Bank and the Social Security Administration were able to document that advantage. In addition, Liberty Mutual can offer permanent employees hired from its cooperative education program a starting salary of up to $1,000 a year more than it offers other entry-level new college hires. It is believed that this represents the "value added" from the orientation and training experience of the cooperative education student employee.

3. The Permanent Professional Employment Phase

Employer benefits in this third time phase of cooperaitve education actually are advantages the employer derives after the former cooperative education student employees have been hired and placed as permanent employees. The time phase lasts until the value of such employees no longer can be attributed to whether or not they were cooperative education students. This time period is estimated to be of at least three years' duration and probably not more than five years, but it has not been established through systematic research.

At least three types or classes of benefits appear to be realized from cooperative education by at least some employers in this third time phase. They include:

(1) longer average employment (higher retention or less attrition);

(2) high staff quality, as measured by performance appraisals; and

(3) high potential for advancement or promotion.

a. Higher retention (less attrition) of former cooperative education student employees

Three of the six employers in this study (Xerox, Social Security Administration, and the Wellesley Public School System) maintained a personnel information system which would permit comparative analysis of the retention of permanent employees who are former cooperative education student employees versus those who are not. In the Social Security Administration, retention of former cooperative education students in almost a year of entry level professional employment is significantly higher than that of other new college hires. In the Wellesley Junior High School 100 percent of new teachers hired from the pool of former cooperative education student employees were eligible for tenure after three years of employment. However, this was not significantly higher than the retention of other new teacher hires, all of whom had prior work experience in the school. Analysis of available data showed that in the Xerox Corporation retention of former cooperative education students was not significantly different from the retention of other entry level new college hires.

b. Potential for advancement or promotion

The cooperative education programs of four of the employers in this study have existed long enough to have some information on the comparative rate of advancement (promotion) of former "co-op students" versus those who are not. However, their personnel information systems do not readily permit such comparative quantitative analyses. The Pioneer Cooperative Bank and the Social Security Administration will be able to carry out such comparative analyses in two to three years.

The Wellesley Junior High School represents the only source of data available for such a comparative analysis, and then only if achieving tenure is regarded as "advancement or promotion." All nine former "co-op students" hired as starting teachers in the Junior High School have been awarded tenure. However, this is not significantly higher then the rate of tenure award for teachers also who had prior work experience in the school but were not former "co-op students."

c. Staff quality as measured by performance appraisals

Of the six employers in this study only the Xerox Corporation had both: (1) a cooperative education program of sufficient duration to place graduates in permanent employment long enough to receive systematic performance evaluations; and (2) a personnel information system which permitted comparative analysis of the performance evaluations of former "co-op students" versus other new college hires who were not. Analysis of the Xerox data showed no significant differences or systematic trends in the performance evaluations of the two groups of permanent employees.

Both the Pioneer Cooperative Bank and the Social Security Administration have relatively new cooperative education programs, and both will be able to make those comparative analyses of performance evaluations shortly.

Other indicators of "staff quality" can be used in such a comparison. While Liberty Mutual's data base does not permit quantitative measurement and analysis of the starting salaries of new college hires, the company frequently starts former "co-op student employees" at a somewhat higher salary (up to $1,000 a year) than those without the prior work experience in the organization. Also data from the Wellesley Junior High School show that teachers who are former "co-op students" have consistently been awarded tenure after three years of teaching experience as contrasted with a slightly lower rate of tenure awards among other beginning teachers.

Available data from General Electric regarding salary progress (i.e., rate of salary advancement) do not show a consistent difference or trend between former "co-op students" and those who are not.

Chart 2 summarizes the findings of our study. It shows that among the six employers in our study, more benefits are being derived from the earlier time phases of cooperative education than from the last one. Also, it shows that some employing organizations manage their cooperative education programs purposefully to realize a broader spectrum of benefits than do others. The next section summarizes and highlights a range of situational problems or difficulties in which cooperative education was found to be helpful.

CHART 2.—DOCUMENTED [1] BENEFITS OF COOPERATIVE EDUCATION

Phases and benefits employers receive	Employers [2] participating in the study					
	1	2	3	4	5	6
1. Professional employment:						
A. Manpower: preprofessional, paraprofessional	X	X	X	X	X	X
B. Professional released time	X	X			X	X
C. Improved selection process	X	X		X	X	X
D. Enhanced college relations	X		X	X	X	X
2. Recruitment, selection, orientation, and hiring:						
A. Facilitates entry-level recruiting	X	X		X	X	X
B. Promotability more accurately determined		X		X	X	X
C. Improved access to and by minority employees			X		X	
D. Improved cost/benefits in orientation and training			X	X	X	
3. Permanent professional employment:						
A. Higher average retention	Same				X	Same.
B. Potential for advancement				?	?	Same.
C. Staff quality (as measured by performance appraisals)	Same					Same.

[1] Benefits shown here are limited to those we were able to verify from interview information and from records of implemented activities. Some employers have recently implemented activities the results of which are not yet available for analysis.

[2] Legend: 1=General Electric Co., 2=Xerox Corp., 3=Liberty Mutual, 4=Pioneer Cooperative Bank, 5=Social Security Administration, 6=Wellesley Public School System.

C. Problems cooperative education can help ameliorate

Listed below is a range of situational problems or difficulties frequently encountered by employers which an effectively managed and coordinated cooperative education program help ameliorate. We suggest that if employers are confronted by one or more of the following problems, they consider cooperative education as one approach to improving their situation.

Cooperative education can be helpful if:

1. There is a need for a stable and prescreened source of intelligent and upwardly mobile preprofessional or paraprofessional manpower.

2. There is a need for more economic and flexible utilization of preprofessional level manpower.

3. There is a need to derive greater value from the work of professional level employees by permitting them to focus more exclusively on more professional demanding tasks.

4. There is a need to improve the quality (validity) of the screening and selection decisions about new college hires.

5. It would be useful to enhance the quality and extent of relationships with colleges from which graduates are recruited.

6. It would be useful to have college faculty, counselors and students be more knowledgeable of employment opportunities in your organization.

7. There is a need to improve the "yield" from employment offers and reduce the cost of campus recruitment.

8. There is a need to improve the promotability, or at least the assessment of promotability, of new college hires.

9. There is a need to improve access to the employment of qualified minority employees, and to increase access to professional level jobs by members of minority groups.

10. There is a need to reduce the cost of orientation and initial training of new college hires.

11. There is a need to reduce early attrition and turnover among new college hires.

12. There is a need to maintain high quality of new permanent professional level employees.

THE CONSUMER PROTECTION AGENCY ACT SHOULD BECOME LAW

Mr. RIBICOFF. Mr. President, legislation creating an independent Consumer Protection Agency, S. 707, was reported favorably by the Committee on Government Operations on May 28. The legislation is about to be considered once again by the Senate.

In anticipation of that event a minority of the Committee of Government Operations filed separately, on May 29, minority views on this legislation. I would like to take the opportunity today to answer some of the points raised in the minority views. I believe that this bill should rise or fall on its own merits. Once all the Members have an opportunity to study the issues at hand an overwhelming majority will support it. It is my hope that this statement, in addition to the detailed description of the bill's provisions contained in the majority report—Senate Report 93–883—will be of some help to the Senate in considering this legislation.

To summarize the points I will cover in detail, I disagree with the minority views for the following reasons:

The CPA will not be just another large Government bureaucracy seeking to regulate how people live and work.

In size it will be small by any relative standard.

In its powers, it will operate only as an advocate with no regulatory power.

It cannot force an agency to take any action, nor force any company to do business in a certain way.

As the minority views concede, the agency will seek chiefly to assure that consumer's interests are heard in major Federal regulatory proceedings.

The CPA can intervene in agency proceedings only to advocate the interests of consumers. And it may only intervene in agency proceedings in a way that does not disrupt the agency's functions. It will not be entitled to constant status reports. It will not be able to interfere with the Government's national security functions.

The CPA can intervene as a formal party in formal agency proceedings, but subject to all the restrictions and rules to which any other party is subject. Intervention by the CPA under such conditions will not endanger the due process rights of other parties.

The CPA will have the power to appeal in court final agency decisions affecting the consumer. But the bill does not increase the number of agency decisions that can be reviewed by a court, nor does it alter the extent of such review. Courts will continue to afford great deference to the decisions of other agencies. The CPA's arguments will be treated like the arguments of any advocate. Judges will not be reduced to confusion by the presence of a second Government agency as a party, but rather helped in reaching its decision, just as they have been often helped in the past when two Government agencies have appeared in court on opposite sides of an issue.

The CPA's actions will be subject to judicial review by any party injured by the CPA's actions. Nothing it does—including its findings that a particular matter substantially affects the interests of consumers—will be beyond challenge. The whole scope of the CPA's activities will be largely governed and limited by the interpretation and rulings made, not by itself, but by other agencies.

The CPA will have certain information gathering and disclosure powers. But they are governed by numerous restrictions I will later list in detail. Its information-gathering powers are far less than most agencies have. It can subpena no one, nor can it inspect the records of any business. The number of persons to which it can even send questions is limited. It can in no way harass small businesses or private citizens. While the CPA, like any other agency, will be able to obtain certain relevant information from other agencies, it will not be able under any circumstances to disclose such information to the public.

While certain business interests have been active in opposition to this legislation, the Senate is also beginning to hear from the people, and their representatives on the State and local level. They leave no doubt that the people see this legislation, not as a threat, but an important safeguard for their interests. I ask unanimous consent to print in the RECORD at the conclusion of my remarks telegrams or resolutions of support from 32 State Governors, from the U.S. Conference of Mayors, and the National Association of Attorneys General. I also ask unanimous consent to print a list of some of the national, State, and local organizations and groups endorsing the bill.

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

(See exhibit 1.)

I. THE CPA WILL NOT ACT LIKE A REGULATORY AGENCY

Mr. RIBICOFF. Before discussing some of the more specific points raised by the minority views, I wish to emphasize that the CPA will have no power to regulate any business activities. The minority views refer to the agency's "insidious" or "predatory" powers; its ability to "usurp" the congressionally mandated responsibility of other agencies; its ability to "order" agencies to take action; and its ability to "disrupt the priorities of any administration." These words are inappropriate. The CPA will be an advocate. It will not be a regulatory agency. It will not be able to assure that its views ever prevail. It will not be able to dictate to any other Federal agency. Any change in Federal Government policy effected by this act will come about because another Federal agency agrees with the views the CPA takes, or because a Federal court agrees with the CPA that the Federal agency has been acting unlawfully. So as to leave no doubt about this point, section 3(2) of the bill provides that the CPA's authority:

> Shall not be construed to supersede, supplant, or replace the jurisdiction, functions, or powers of any other agency to discharge its own statutory responsibilities according to law.

Whatever substantive standards have governed the conduct of agency proceedings in the past will continue to govern. The primary purpose of this bill will be to increase advocacy of consumer interests in agency proceedings substantially affecting consumer interests.

II. CPA WILL NOT HAVE THE POWER TO DISRUPT THE FUNCTIONS OF OTHER FEDERAL AGENCIES

The minority views argue that the CPA's right of intervention or participation in Federal agency activities will inhibit Federal agencies in carrying out their functions. The minority views construct a hypothetical example to buttress that argument—an example which concludes that a representative of the CPA would have to accompany the Secretary of State to the Mideast each time he conducted oil negotiations with Arab leaders.

The Consumer Protection Agency Act would not, in fact, permit this to happen.

A. THE CPA'S RIGHT TO SUBMIT VIEWS IN INFORMAL AGENCY ACTIVITIES

First. Section 7(b) of the bill provides that the CPA may participate in each of the various stages of a Federal agency proceeding. Thus, it may participate at the stage when an agency undertakes to settle informally with a party. Or, it may participate during the stage when a Government agency seeks to negotiate a trade agreement.

The minority views, however, are in error when they suggest that everything happens within or during one of these stages, such as during the give and take of negotiations, is in itself a separate stage of the agency's activity.

The majority report of the committee clearly makes the distinction:

> The Administrator, under Subsection (b), has the right to participate through submission of written or oral information at all stages of an agency activity. The fact that he has participated in the investigatory phase of an activity does not impair his right to participate in a later phase of the activity, *such as the reaching of a settlement, the decision to initiate formal proceedings, or even a decision to discontinue the investigation.* (Italics added)

This sentence in no way suggests that a decision about a detail of the investigation process—or the negotiating process—would itself constitute a new stage of the agency activity, giving rise to a new right to participate in the agency's activity.

Second. The contention in the minority views that a representative of the CPA would have to fly around with the Secretary of State ignores the specific wording in section 7(b) of the bill. This subsection provides that the CPA's submission "need not be simultaneous with those of any other person."

This states flatly that the CPA does not have to be present, or in the next room, or even the same country, every time the Federal agency talks to anyone else. This provision further confirms that the bill does not require a Federal agency to solicit new views from the CPA every time another person makes any statement during the course of an agency activity.

Third. The minority views also contend that the Secretary of State would have to interrupt negotiations with Arab leaders on practically an hourly basis to talk to the CPA. This totally ignores the specific wording in section 7(b) requiring that the CPA participate in informal agency activities in an "orderly manner and without causing undue delay."

Finally, the minority views are incorrect when they contend that under section 7(d) the State Department would have to continually respond in writing to CPA's latest submissions of views. Since the CPA would not be entitled to continually submit new views during negotiations, there would be nothing for the agency to reply to under section 7(d). Moreover, nothing in section 7(d), or in any other section, requires a Federal agency to submit a written explanation to the CPA each time it adopts a decision that is not in conformity with the CPA's views. The requirements of section 7(d) apply only when a Federal agency fails to initiate a particular proceeding or action in response to a petition by the CPA. It has no applicability to decisions taken once the trade negotiations or other proceedings are initiated.

B. THE CPA'S RIGHT OF NOTICE OF INFORMAL AGENCY ACTIVITIES UNDER SECTION 9(B)

Since the CPA would have no right to submit views to the country's trade negotiators on a continual basis, it is equally incorrect to suggest that section 9 requires the State Department to con-

stantly report to the CPA on the negotiating sessions

Section 9 is, by its own terms, simply designed to give the CPA the basic information it needs to decide whether or not to participate in any stage of any agency proceeding The threshold role that section 9 will play is reflected in the language in section 9(B)(2). This subsection states that the CPA may request such information about the agency activities, in addition to notice and a status report, "as would facilitate the Administrator's timely and effective participation in an agency activity under section 7."

The purpose of section 9 is to assure the CPA the right to receive information when the CPA first becomes interested in an agency activity, or when an agency initiates a new activity. Since each new offer or counteroffer in trade negotiations does not represent a new stage in an agency's activity for purposes of section 7, the Federal agency would not be required to provide the CPA with continual notice.

In summary, the bill would not require the State Department to do more than: First, notify the CPA at the outset of an impending negotiation; second, provide the agency with a brief status report and other relevant information on where matters stand as of that time; and third, consider the views the CPA submits in return.

C. THE CPA'S INVOLVEMENT IN AGENCY ACTIVITIES WILL NOT ENDANGER NATIONAL SECURITY

The minority views are in error when they imply that the CPA could intrude into national security matters.

MOST NATIONAL SECURITY MATTERS OUTSIDE THE CPA'S JURISDICTION

Section 17(d) specifically exempts from the bill's provision the Central Intelligence Agency, the Federal Bureau of Investigation, the National Security Agency, and the national security or intelligence functions of the Department of Defense, including the Departments of the Army, Navy, and Air Force. This simply reflects the fact that most agency activities affecting national security will have no imaginable effect on a marketplace transaction involving consumers. There is no need, or authority, for the CPA to become involved in any way in such matters.

In cases involving other Federal agencies, where national security interests and substantial consumer interest are both involved in the same agency activity, the CPA's ability to participate in an agency activity will not include the right to be briefed on classified national security matters. The CPA's participation in such matters can be carefully limited by the Federal agency pursuant to all the safeguards in sections 7, 9, and 11(c). Section 11(c)(1) provides that an agency need not disclose classified information to the CPA.

Trade matters may substantially affect the interests of consumers, but most trade negotiations are handled on a routine basis, and according to established procedures, by the Special Representative for Trade Negotiations, rather than personally by high-level State Department officials. And most trade negotiations do not involve sensitive national security matters.

NEED FOR LIMITED PARTICIPATION BY THE CPA

The example cited by the minority views perfectly illustrates the need for participation by CPA, subject to all the restrictions described above, in some trade matters affecting both national security and substantial consumer interests.

The country's recent experience with the energy crisis has dramatically illustrated the importance of imported oil. Senator CHURCH's Subcommittee on Multinational Corporations has determined, on the basis of extensive hearings, that the skyrocketing cost of imported oil since 1971 was in large part due to the State Department's failure to take an active and informed part in negotiations between oil companies and the Arab exporting countries. The Church subcommittee has concluded that too often "the Government has routinely acquiesced in and abided by the wishes of the companies." The American people have paid the price for this failure by paying billions and billions of dollars in added fuel costs.

Oil is not the only area where foreign trade deals negotiated by this Government have cost the American public great sums of money. In 1972, the United States sold a quarter of its entire 1972 wheat crop to the Russians. Wheat rose from $1.51 a bushel to $2.27 in the summer of 1972. And because of the deal, each individual American consumer was forced to pay as much as a nickel more for each loaf of bread he bought.

Sections 135(c) and (d) of the House-passed trade bill presently pending before the Senate (H.R. 10710) would permit the President to establish special advisory committees representing sectors of industry, labor, or agriculture, but not consumers. These advisory committees would meet "before and during any trade negotiations" to provide policy and technical advice on the negotiations. The access S. 707 provides the CPA on behalf of consumers is less than the right these other interests would thus have under the trade bill to participate on a continuing basis in trade negotiations.

The CPA will not be able to dictate this country's trade policies, let alone its overall foreign policy. Yet recent history has conclusively proven the need for greater participation of consumers in this area.

III. THE CPA'S FINDINGS WILL BE SUBJECT TO JUDICIAL REVIEW

The minority views are not correct when they claim that by this bill:

> Congress would be delegating to the CPA the administrative expertise to decide what is best for consumers, an expertise which, by virtue of paragraphs (1) and (2) of subsection 14(e), could be challenged by no one anywhere, including in court.

A brief look at the bill's major provisions demonstrates the ample opportunity there will be to contest the CPA's determinations.

First, an agency may deny the CPA the right to participate in an agency activity if it does not accept the CPA's finding that the activity is one that substantially affects the interests of consumers. In such event, the CPA would have to go to court and persuade the court it has met all applicable preconditions for participation in the proceedings. If it could not support its finding that the matter substantially affected the interests of consumers, it could not participate. The other agency's familiarity with its own activity, and its possible consequences, would allow it to contest CPA's contention that a particular matter substantially affected the interests of consumers.

Second, section 14(e)(1)(B) states that any person who participates in an agency activity in which the CPA intervened or participated may obtain judicial review of CPA's actions if the agency action is itself reviewable. If the person can show that CPA's participation was prejudicial to the party, the action will be reversed. Similarly, section 14(e)(1)(c) specifically provides for review of the CPA's actions by any person substantially and adversely affected by the Administrator's use of discovery in an agency proceeding, under section 7(e), its request for information, under section 11(b), or its decision to disclose information in its possession under section 12.

Section 14(e)(2) governs review of the CPA's determinations that a particular agency activity substantially affects the interests of consumers. Pursuant to accepted principles of judicial review, this paragraph provides that such a determination may not be challenged by a party adversely affected by the CPA's action until completion of the proceedings. At the completion of the agency activity such person can challenge the CPA's right to participate in the proceedings, as well as any other matters it wishes. The provision simply follows the normal practice of preventing interlocutory appeals of a portion of an agency's actions prior to completion of the entire proceeding. This is a well-established rule based on the needs of judicial efficiency. Even in such cases, the only question that must be deferred is the correctness of the CPA's determination that the activity in which it is participating or intervening substantially affects the interests of consumers. If the CPA seeks, for example, to exercise rights of discovery as part of its participation in the proceeding, the person subject to such discovery requests may challenge it in court as unduly burdensome, irrelevant, or the like.

Third, even if the CPA does gain the right to participate in agency proceedings, the scope of the CPA's involvement will rest in large part on determinations which the Federal agency, not the CPA, will make. Sections 7, 9, and 11(c) require Federal agencies to make a number of determinations about the meaning of its regulations, the burden CPA's involvement will place on the agency, the character of information in its possession which the CPA seeks, and the consistency of the CPA's request with the agency's statutory responsibilities. The agency, not the CPA, will have the final word on these matters unless the CPA wishes to contest the agency's determination in court. In court, the other agency will be at great

advantage. Since it will be its information, its proceedings, and its needs that will be at issue, the agency's arguments will be entitled to considerable deference.

Fourth, section 12(b) contains an even more extreme example of how the CPA will not, under any circumstances, be a law unto itself. That provision gives the other agency complete responsibility for deciding whether the CPA may or may not disclose information provided by such agency to the CPA. The CPA will have no option in such cases but to accept the other agency's determination. Nowhere is the CPA given the same right to dictate decisions to other Federal agencies.

IV. PARTICIPATION BY THE CPA IN FORMAL AGENCY PROCEEDINGS WILL NOT DENY DUE PROCESS TO OTHER PARTIES

The minority views suggest this legislation would deny due process to other parties to the agency proceeding because it would subject them to "dual prosecutors." This is not so.

At the outset it should be noted that use of the word "prosecutor" incorrectly suggests that the proceedings in which the CPA will intervene are criminal proceedings. This is not so. Proceedings before Federal agencies are not criminal trials. Likewise, section 8 of the bill specifically prohibits the CPA from instituting or participating in any criminal action in Federal court.

The CPA's intervention or participation power thus is limited to civil proceedings before agencies and courts. And even in such cases, the CPA cannot institute civil enforcement suits at either the agency or Federal court levels. The CPA can only intervene in such proceedings.

The bill provides that the CPA cannot intervene as a full party unless the Administrator finds he cannot adequately protect the interests of consumers by means short of such full intervention. In short, there is always a presumption against the CPA's need to intervene as a party—section 7(a). The CPA could not meet this requirement if its intervention was solely for the purpose of repeating evidence already introduced into the case. Intervention will only occur when necessary to introduce evidence that would not otherwise be introduced. Section 7(a) also specifies that when the CPA intervenes it will be subject to all the agency's rules governing the conduct of hearings. The CPA will not in any way be able to burden the record of the respondent by introducing evidence which is repetitive or cumulative or irrelevant to the issues at stake in the proceedings. If the CPA tries, the agency or the court will prohibit it as just that.

Section 7(a) states that the CPA's intervention in any proceedings may not affect the obligation of the Federal agency to assure procedural fairness to all parties. This represents a specific charge to all agencies to in fact make sure that CPA's participation in a proceeding does not impinge upon the due process rights of another party.

Section 7(e) states that when the CPA participates in agency proceedings it may only summon such witnesses, and only obtain such discovery, as are appropriate under the agency's rules of practice and procedure, and consistent with the Administrator's right to participate in an orderly fashion in the proceedings. The CPA's requests for discovery against other parties to the proceedings will thus be subject to the same rules concerning relevance, burdensomeness, and the like as any other party. In addition, the agency may reject the CPA's discovery request, whenever the request would unduly interfere with the agency's discharge of its own statutory responsibilities.

The CPA will be fully subject to all procedural rules protecting the rights of other parties. Therefore, when it participates in an agency proceeding as less than a full party, it will be subject to the same disadvantages as any other person participating in the proceeding to the same degree. The CPA could not, as the minority views suggest, intervene as an amicus, "insulated from examination by an opposing party, and force the FTC to proceed down a line of prosecution to the CPA's liking."

If the CPA only participated in an amicus status, it could not introduce evidence into the record. All it could do would be to present briefs and other argument which, untested by cross-examination, would not be admitted into the record as evidence. Even if the CPA were permitted to cross-examine parties as an amicus, it could only pursue matters raised during the witness's direct testimony. It would be unable on cross-examination to force an agency to proceed down a new line of prosecution.

The courts have found that intervention by parties in agency proceedings does not destroy the respondent's due process rights. Legislation granting the CPA intervention rights in agency proceedings is, in fact, entirely consistent with the common practice of agencies and courts to permit persons to intervene as full parties in such proceedings. In recent years the courts have been actually expanding the right of third parties to intervene and participate actively in Federal agency proceedings. *The Office of Communications of the United Church of Christ* v. *FCC*, 359 F.2d 994, is just one example of a number of such cases. In a subsequent court action in the United Church of Christ case then Judge Barger likened the proper role of a third party intervenor in such agency proceedings not to a prosecutor, but to a complaining witness. (See 425 F.2d 543, 546.)

Some of the cases recognize that intervention by third-parties in agency proceedings may increase the complexity of the hearing process. The courts have concluded, however, that this is no reason to deny persons the right to participate. Rather, the answer lies in making all parties adhere to the issues and refrain from introducing cumulative or irrelevant evidence. See, for example, *Virginia Petroleum Jobbers Association* v. *FPC*, 265 F.2d 364. There is no reason to conclude that the due process rights of other parties would be any more endangered when CPA intervenes, than when any other person intervenes.

V. THE CPA'S RIGHT TO APPEAR IN FEDERAL COURT IS ENTIRELY CONSISTENT WITH GOOD GOVERNMENT

The minority views suggest that the right the CPA will have to participate in court actions reviewing Federal agency actions will have a disastrous effect upon public policymaking as mandated by Congress. Both the present bill, and past precedents, are proof that this will not happen.

A. LIMITS ON THE CPA'S RIGHTS TO INSTITUTE OR INTERVENE IN JUDICIAL ACTION

As explained in the majority report, the judicial review section of the bill, section 8, limits and regulates in a number of important ways the CPA's right to participate in court cases so that it will not be able to unduly challenge the decisions of the Federal Government:

First, the CPA can only become involved in cases which are in Federal court, and which concern the review or enforcement of a Federal agency action.

Second, the CPA can only institute or participate in civil proceedings.

Third, the CPA can only institute or participate in review of Federal agency proceedings if the Administrator determines that such action substantially affects the interests of consumers. If the court finds that this determination is without basis, the CPA will be denied the right to institute or participate in the court proceedings.

Fourth, if the CPA did not intervene or participate in proceedings at the agency level, the CPA may not initiate judicial review of an agency action unless it first petitions the agency to reconsider its position.

Fifth, if the CPA did not intervene or participate in the proceedings at the agency level, the CPA may not institute or participate in the proceedings at the court level if such action would adversely affect the interests of justice.

Sixth, whenever the CPA initiates action in Federal courts he must do so within the same time period, and in the same manner, as any other person. Final agency action will not be subject to judicial challenge for any greater period of time than was the case previously.

Seventh, while the CPA may participate in suits involving the enforcement of agency decisions, it may not initiate such actions.

Eighth, while the section gives the CPA standing to institute or participate in certain suits, it specifically provides that the CPA can only seek court review of agency actions that are normally reviewable under the law. The CPA will not be able to appeal agency decisions committed to agency discretion, and thus not reviewable.

Ninth, whenever the CPA institutes or participates in judicial review of an agency action, the Administrator must explicitly state publicly both the consumer interests he is representing, and the interests of consumers which he is not representing—section 14(g).

Tenth, when the CPA intervenes in court actions reviewing agency proceedings which it did not participate in below, the CPA will not be able to disrupt or delay the legal process, or place an un-

fair burden on other parties. In addition to the requirements of section 8, the CPA will be subject to all the restrictions already governing intervention by any other party under Federal law.

It is a well-established principle of law that when a party intervenes in a proceeding, he "takes the case as he finds it"—2 Barron & Holtzoff, Federal Practice and Procedure, section 593 (1961)—and cases cited therein.

When the CPA intervenes in a proceeding reviewing a Federal agency decision, it will be just as subject as any other party to the rules requiring parties to confine themselves to the record as developed below. It may not raise new issues that are not already part of the record.

Further, the CPA may not wait indefinitely to intervene. Rule 15(d) of the Federal Rules Appellate Procedure requires that the motion for leave to intervene must be filed within 30 days of the time the original petition for review is filed. Finally, the note accompanying rule 24 of the Federal Rules of Civil Procedure, as amended in 1966, notes that even where a party has a right to intervene in proceedings pursuant to this rule, much intervention "may be subject to appropriate conditions or restrictions responsive among other things to the requirements of efficient conduct of the proceedings."

In summary, section 8 does not permit the CPA to appeal a decision on any grounds, nor is the CPA's finding that the matter involved in the court proceedings substantially affects the interests of consumers nonreviewable, nor does the section change "the standard of review" of Federal actions.

B. THE CPA'S PARTICIPATION WILL NOT PLACE AN UNDUE BURDEN ON THE COURTS

The minority views also suggest that the provision will place a "confusing and confounding burden upon our Federal courts." These fears are unfounded.

Opponents of this bill fear that a court would be forced to choose between the arguments of two Federal agencies, each with an equal claim to expertise on the same matter. This will not be the case. When the CPA participates in a review of an agency proceeding it will appear as an advocate for a particular point of view. As such it will be in the posture of any other advocate, for the CPA is granted no authority by this bill to make any decision as to how the interests of consumers should be weighed with other interests, and the final agency decision reached. Only the Federal agency charged with responsibility for acting in the public interest can do that. Thus, that agency's claim to expertise will be far more relevant, and much more determinative, with respect to the lawfulness of its final decision, than any expertise the CPA may claim.

This legislation will not significantly increase the caseload of Federal courts. Other parties to an agency decision can be counted on to appeal most agency decisions raising substantial questions suitable for resolution by the courts. In many, if not most cases, the CPA will simply intervene in court cases already brought by other parties to the proceedings. Most of those cases not appealed by another party will not be appealed by the CPA because of the unlikelihood of the CPA reversing a decision which none of the other parties thought worth appealing. The bill permits the CPA to institute action on its own, to take care of those few instances when the agency's action does raise a significant point of law, but the other parties do not appeal because the agency decision was favorable to them, though not to consumers. For instances, in a recent FPC decision—Opinion No. 686—a majority of the Commission approved, on an expedited basis, an application of certain producers to sell gas to a pipeline at a price determined by the parties. In a dissenting opinion, Chairman Nassikas attacked the majority's approval of the rate proposed by the parties "as a travesty of justice." He lamented the fact that since the parties obtained all they had sought, there was no one who could appeal in court the Commission's actions. The CPA could fill this gap.

Third. The minority views suggest that this legislation will spawn great numbers of court suits, because the National Environmental Policy Act did so. This overlooks the difference between the two bills. The Consumer Protection Agency Act gives the CPA—and by the express terms of section 14, only the CPA—the authority to enforce in court its right to participate in proceedings, obtain discovery, and so forth. This bill creates no new general right of review. Only agency proceedings that were reviewable before will be reviewable under the act, and only to the same extent. In contrast, the NEPA legislation placed a new imposition on every agency in the Government—the environmental impact statement—and made it possible for any person interested in environmental protection to make this the basis of a suit in Federal court.

Fourth. The proven difficulty of overturning an agency decision on appeal should further guarantee that the CPA will not flood the courts with appeals from agency actions. To challenge successfully an agency action, the CPA would have to show that the decision was unsupported by substantial evidence in the record as a whole. (See the Administrative Procedures Act, 5 U.S.C. 709; Davis, Administrative Law Text, section 29.01 et seq. (1972)). Agency decisions are in fact accorded great deference. The difficulty of overturning agency decisions is borne out by the record. The facts indicate that the agency wins well over 90 percent of the cases appealed.

For instance, between 1970 and the present, 32 decisions of the FTC have been appealed to the court of appeals Of these 32 appeals, the FTC has only lost twice. Similarly, in the CAB 58 petitions for judicial review of agency decisions in formal proceedings were filed with the court of appeals during fiscal year 1973. Twenty-five of these appeals have been decided, and the CAB was upheld in 24 of the 25 cases. Thus, the mere threat that CPA may take an agency into court will not give the CPA, even when combined with its other authority, the power to "coerce" any other agency into acting in accord with the CPA's views. The CPA will surely be aware of this record of court affirmations of agency actions and appeal only those rare cases not appealed by other parties which raise substantial and important questions about the lawfulness of the agency's actions. Of course, the bill's provision may well result in some undetermined number of additional agency actions being reversed in court. But that is hardly an argument against the bill. If the host agency acts unlawfully, the decision should be reversed.

Fifth. The American Bar Association, after thorough study of the question, has concluded that permitting the CPA to seek judicial review of final agency decisions causes no legal or practical problem. The ABA concluded that—

> Interagency litigation over the validity of administrative action has been commonplace since the early days of the administrative process; *that no new problems, whether doctrinal or practical* are presented by the proposal to give the Consumer Protection Agency the right to initiate or intervene in proceedings for judicial review of other agencies' actions; and that the *feasibility and desirability of inter-agency litigation should accordingly be recognized in this statutory context as well.* (emphasis supplied.) (See Congressional Record, vol. 118, pt. 24, p. 31774 et seq.)

This study notes that established principles of law permit Federal agencies to seek judicial review of the decision of another agency, even where there was no specific statutory provision authorizing it, and even where the proprietary interests of an agency are not involved.

The minority views suggest that when such instances have occurred in the past it has been different than if the CPA sought judicial review because such suits in the past have involved the conflicting proprietary or regulatory mandates of the two agencies. Yet, the ABA study points out that for years the Secretary of Agriculture, under the Agricultural Adjustment Act of 1938, has been authorized to seek judicial review of decisions reached by the Interstate Commerce Commission where necessary to protect farmers from exorbitant and discriminatory freight rates. In such instances, the Secretary of Agriculture is in exactly the same posture as the CPA. Like the CPA, the Secretary of Agriculture has no direct responsibility for setting interstate freight rates. Like the CPA, the Secretary of Agriculture is participating in such suits solely as an advocate for the interests of consumers of a service which is regulated by another Federal agency.

The minority views suggest that one agency has only rarely sought judicial review of another agency's action. Yet the study notes that the Secretary of Agriculture "has repeatedly attacked a wide variety of ICC orders viewed as contrary to the interests of farmers."

Sixth. The minority views are concerned that forcing a Federal district to chose between the arguments of two different Federal courts would place a difficult burden on the court.

But Federal judges are commonly called on to review and master difficult cases, where the record is voluminous and the evidence conflicting. The American

Bar Association study of the CPA concluded that having the CPA and another Federal agency vigorously advocating their point of view in court would not make the court's jobs more difficult. Rather, it would help to highlight and develop the issues in the case and promote more informed decisionmaking by the court.

VI. THE CPA'S ABILITY TO COLLECT AND DISCLOSE INFORMATION IS CAREFULLY CONTROLLED AND LIMITED

Sections 11 and 12 describe in considerable detail the conditions under which the CPA may obtain information from other Federal agencies, or other persons, and the limitations or prohibitions on public disclosure of such information. The minority views, in criticizing these sectons, overlook these safeguards, as well as the distinction made in the bill between the CPA's right to obtain information, and its more limited right to publicly disclose information it has obtained.

A. THE CPA'S RIGHT TO INFORMATION IN PRIVATE HANDS IS LIMITED

The bill contains a number of safeguards which will assure that the CPA will not be able to go on a fishing expedition or harrass businesses with numerous requests for information.

First. The minority views suggest that the CPA's information gathering in section 11(b) is unprecedented in scope. The fact is that the CPA's information gathering powers are far less than those of other Federal agencies. The CPA may ask business to supply it with information in writing, but so may the Federal Trade Commission (15 U.S.C. 46) and other Federal regulatory agencies. But the CPA will have no additional power to inspect or copy documents. It will have no power to require any person to appear and testify before the CPA as part of its information-gathering powers. Many other agencies do have these powers. Statutes confer such additional authority, for example, on the Securities Exchange Commission (15 U.S.C. 77(s)(b) and 77 uuu(a)); the Agriculture Department (7 U.S.C. 2115); the Interstate Commerce Commission (49 U.S.C. 20); the Veterans' Administration (38 U.S.C. 3311); and the Federal Communications Commission (47 U.S.C. 409). This list does not even begin to exhaust the number of such statutes.

Two. It has been suggested that the CPA may obtain any information it wants, free of any restrictions. In fact, section 11(b) of the bill contains a large number of restrictions on the CPA's information-gathering powers:

First. The CPA may only request information to the extent required to protect the health or safety of consumers, or to discover consumer fraud or other unconscionable conduct detrimental to the interest of consumers.

Second. The CPA may only request information from persons engaged in activities which substantially affect interstate commerce and whose activities may substantially affect an interest of consumers. These are significant limitations that will present the CPA from requesting information from many companies, especially small businesses, and almost all individuals. The section will not threaten the rights of individual citizens.

Third. Before requesting any information the CPA must set forth with particularly what consumer interest is involved, and the purpose for which the information is sought.

Fourth. If the person from whom the information is sought declines to provide the information, the CPA has the burden of proving in court that the information sought concerns the health or safety of consumers or relates to the "discovery of consumer fraud or other unconscionable conduct detrimental to the interests of consumers." It is by no means certain that the CPA will be able to meet its burden on this point.

Fifth. If the CPA meets this burden of proof, the person from whom the information is sought can still refuse the CPA the information if it would be unnecessarily or excessively burdensome to provide it.

Sixth. A district court is authorized to place whatever conditions it deems just on the CPA's right to collect information from private persons.

Seventh. The subsection further prohibits CPA from seeking any information from a private person if the same information is already available from a public source, or another Federal agency.

Eighth. In addition to the particular protection spelled out in the subsection itself, section 11(b) also provides that the Federal Reports Act will apply to the collection of information by the CPA to the same extent as it applies to independent Federal regulatory agencies. This means that any questionnaires the CPA wishes to send to 10 or more businessmen must first be submitted to the General Accounting Office. It will be the GAO's responsibility under 44 U.S.C. 3512, to assure that the CPA obtains needed information with a minimum burden on business enterprises, especially small businesses, and in a way that avoids duplication of effort with other Federal agencies. If the GAO determines that the information sought is available from other Federal sources, the CPA will be prohibited by the terms of this bill, and the Federal Reports Act, from soliciting the information.

Third. The CPA cannot use its information-gathering powers under this section in connection with any agency proceeding he has intervened in which is pending against the person from whom the information is sought. It is argued that the CPA should be barred from using any information obtained under this subsection in any subsequent proceedings, but this would only subject private persons to duplicative discovery requests. If this were the law, the CPA in any subsequent proceeding would have to go through the pointless exercise of using the agency's discovery procedures to obtain from the same person, for a second time, the information it already had.

Fourth. The CPA's information-gathering powers will not pose a threat to privacy. In fact, section 11(b) clearly prohibits CPA from requiring private persons to submit any information which would violate any relationship privileged according to law. If the law holds that a reporter's sources are privileged, the CPA could not obtain the information. A bill creating the CPA is not the place, however, to pass new legislation in this difficult and controversial area giving newsmen greater protection that they claim in other, similar instances.

B. THE CPA'S ACCESS TO AGENCY INFORMATION WILL NOT DISRUPT AGENCY ACTIVITIES

The CPA's right to obtain information from other Federal agencies under section 11(c) is not, as the minority views suggest, either unprecedented, or likely to hinder the ability of other agencies to obtain information from other sources.

First. It is first important, once again, to put this provision in perspective. The CPA's power extends only to the right to obtain information held by other agencies. This section has nothing to do with public disclosure of such information. As discussed below, an agency which gives the CPA any information may prohibit the CPA from disclosing that information if it wishes.

Second. The provision for such sharing of information does not give the CPA extraordinary powers. Under the Federal Reports Act of 1942 (44 U.S.C. 3501–3511) and other statutes, information may be and often is exchanged among Federal agencies. A number of opinions, including Federal Power Commission (16 U.S.C. 797) and the Federal Energy Administration, have been given specific authority to obtain information, such as that relating to oil and gas reserves, from other Federal agencies.

Third. Serving the CPA access to information already acquired by other agencies would only place an unnecessary burden on the persons outside Government from whom most of the information was developed in the first place. Without section 11(c), the CPA would have to ask these persons to duplicate for them the information already supplied another Federal agency.

Fourth. The bill specifically exempts seven categories of information from the disclosure requirements. These seven categories, modeled after provisions in the Freedom of Information Act, exempt, first, national security matters; second, agency personnel policy and prosecutorial recommendations; third, routine executive and administrative functions; fourth, personnel, medical, and similar files; fifth, information an agency is expressly prohibited by law from disclosing to another Federal agency; sixth, information in bank examination reports; and seventh, certain trade secrets and commercial or financial information.

The conditions under which one Federal agency may withhold information from the CPA under the seventh exception, relating to trade secrets, are spelled out in detail in section 11(c)(7). The Federal agency in possession of the information, not the CPA, will decide whether the information fits the conditions described in this subsection. Before any agency hands over such confidential information, the party who originally supplied the information must be notified. In this way he can seek injunctive relief if he feels the agency is acting in violation of this bill or any other act.

Fifth. The CPA's ability to obtain confidential information from other Federal

agencies will not destroy the ability of other agencies to obtain the information in the first place. In its treatment of information which could injure a company if disclosed to the public, the bill distinguishes, on the one hand, between information which an agency must have to carry out its programs, but which it has no legal right to obtain from a business, and on the other hand, information which an agency has a legal right to obtain and which it needs to carry out its functions.

In the case of information which an agency needs and which it has a right to obtain anyway, enactment of the CPA bill will make no difference. In such instances a business would be doing the agency no favor by agreeing to turn over such information without a court fight. It would, in fact, be only obeying the law. There is no reason why a business would go through the pointless and expensive exercise of challenging an agency's order to produce certain data where it was clear that in the end it would lose, and the Federal agency would obtain the information. Even if businesses act in this way, the Federal agencies can still order disclosure of such material.

If the agency does not have a lawful right to obtain confidential information which could cause competitive injury if disclosed to the public, the powers granted the CPA by section 11(c) will in no way interfere with the ability of the agency to obtain such information on a voluntary basis. Under the bill's specific provisions, a business can in such event, continue to voluntarily cooperate with the agency. Such information will not be disclosed to the CPA, so long as the agency also finds that it must have the information to carry out its activities. Wherever the agency cannot so find that it needs the information, the business will have to decline to turn the material over to the agency if it does not want the CPA to get it. But in such a case the work of the agency will not, by definition, be seriously impaired by failure to obtain the information.

Thus the provisions of the bill fully protect an agency's ability to pledge not to disclose information received to any other agency so long as such agreements are necessary to obtain needed information.

C. DISCLOSURE OF INFORMATION BY THE CPA

I come next to the points raised by the opponents of the bill in connection with the CPA's right to disclose information to the public under section 12.

First. The minority views state that the exceptions from the right of the CPA to disclose information under this section are "narrow, contorted and ill-fitting." The first exception, contained in section 12(b), however, flatly prohibits the CPA from disclosing any information obtained from another Federal agency where that agency states that the material is the type that is exempted from disclosure to the public under the Freedom of Information Act or other law. Thus, disclosure of any trade secrets obtained from another Federal agency is flatly prohibited. If the agency does not make such a finding, the CPA may disclose the information. But in that case, the CPA's action will not provide the public with any additional information it could not also obtain from the agency that supplied the information to the CPA. To permit the CPA to disclose another agency's information only where the public could also get the information directly from the other agency is both a clear and reasonable exception.

Second. Trade secrets or confidential information the CPA obtains from sources other than another Federal agency may not be disclosed in most cases to the public. Any official of the CPA who violates this prohibition could be imprisoned for up to 1 year under the criminal penalty provisions of 18 U.S.C. 1905.

Third. The only time the CPA may disclose confidential information obtained from sources other than another Federal agency is when necessary to protect the public health or safety. Unlike other Federal regulatory agencies who can take direct action when they learn of a threat to the public's health or safety, the CPA would have no similar option. Public disclosure would be the only action it could take to avert the danger. In most instances the CPA will not be able to justify disclosure of trade secrets under the limited exception in section 12(c). It will be enough simply to disclose to the public the fact of the danger, without any detailed explanation that might require disclosure of actual trade secrets. This exception is included in the bill, however, because it is impossible to justify prohibiting the disclosure of confidential information where it is the only way the CPA has to prevent injury to the health or safety of Americans. As an added safeguard, section 12(d) requires that before the CPA discloses any trade secrets likely to cause substantial injury to a person or a company, it must notify the person affected and afford him an opportunity to comment or obtain injunctive release. If the CPA cannot prove the necessity of disclosing the trade secret, the court will bar disclosure.

Fourth. Finally, section 12(d) of the information disclosure provision contains very extensive safeguards contained to assure the accuracy of any information disclosed. The safeguards go beyond the provisions found in almost any other statute. Even if the information the CPA wishes to disclose is not a trade secret, the agency must first take all reasonable measures to assure its accuracy. It must also notify any person or company whose reputation or goodwill is likely to be substantially injured by the disclosure of the information. In effect, such person will have a full right to review and challenge—in court if necessary—any such information before it is disclosed. If, despite this, the information released is still inaccurate, misleading, or incomplete, the section imposes on the Administrator the duty to do all that is necessary to redress the wrong.

In summary, I believe that the provisions of sections 11 and 12 are carefully drafted to strike a fair balance between the right of the CPA, and the public, to learn about consumer goods, and the right of businesses to protect confidential information.

VII. THE CPA'S RESOURCES WILL NOT BE EXCESSIVE

The resources available to the CPA will not be excessive. The bill provides for a maximum authorization of $15 million in the agency's first year of operation, $20 million the second year, and $25 million the third year.

Let me try to put this in perspective:

The CPA's first year authorization would equal one two-hundreths of 1 percent of the Federal Government's total estimated budget for fiscal year 1975. The sum of $15 million is equally infinitesimal when compared to the size of the budget of U.S. agencies which take actions affecting the interests of consumers. The estimated size of the authorization for the Department of Commerce alone is $896 million for fiscal year 1975. It is the function of the Department of Commerce, with a budget 60 times greater than CPA will have in its first year, to "foster, promote, and develop commerce and industry." The agency's size is equally insignificant when compared to the resources of private industry. In 1973, GM alone made, every 4 days, more in after-taxes profits than the CPA will probably have in its third year to spend on all litigation.

Businesses spend large sums of money to protect their interests before Government agencies. This fact will also assure that the CPA will never be able to dominate the record, and overwhelm its opponents by its sheer size. One study cited in a recent book on the legal profession, "Lions in the Street," showed that for the single year, 1971, 17 companies alone spent a minimum of $15,282,000 on outside legal fees. This figure is not even complete, because it only includes fees paid to firms with individuals who were corporate officers or who sat on the boards of the corporations.

Further, it does not include the large sums the companies spent for in-house legal services. The total size of the money spent on all the corporations in the country for both in-house and outside legal services would be many, many times that amount. Of course, these 17 corporations spent money for legal services on matters which would in no way come under the CPA's jurisdiction. However, when the budget of only 17 companies for outside legal service alone equals the total resources the CPA is likely to have in its third year for agency and court activities, CPA's true relative size becomes apparent.

As the minority views point out, not every business is interested in every matter affecting the interest of consumers considered by a Federal agency. But this only emphasizes how businesses can concentrate their resources on those few matters of most direct concern to them, while the CPA will have to allocate its resources among a much wider spectrum of consumer interests.

The CPAs limited resources means that it will literally have to choose from among many, many thousands of Federal agency activities, those relatively few cases involving the most substantial interests of consumers. While complete figures are not available, the Administra-

tive Conference of the United States has recently estimated that the administrative law judges in only 16 agencies terminate between 180,925 and 200,282 cases a year. An official of the Administrative Conference has also estimated that formal proceedings of the type included in these figures represent only about 10 percent of an agency's activities (see hearings on S. 1177, 92d Cong., p. 234). The total yearly number of agency activities, both formal and informal, throughout the whole Government could thus be in the millions. Even if it is conceded that only a fraction of these actions substantially affects the interests of consumers, it is clear the CPA will indeed be a David to the Goliath, of the Federal Government.

CONCLUSION

Many of the arguments against this legislation rests on the belief that one Federal agency should not oppose another Federal agency. Such a confrontation is "embarrassing" and leads to "erosion and a division of the Government."

In previous days, when the Federal Government was small, and its responsibilities far simpler, it may not have been necessary to charge a portion of the Federal Government with openly advocating its interests before other agencies.

But today, the conflicting pressures on the Government are too great—and its responsibilities too varied—to think that the Federal Government can still operate in the public's best interest if one agency cannot differ with the positions taken by another agency. One agency, representing one point of view, frequently contends, in one way or the other, with another agency, representing another point of view. This has hardly caused the Federal Government to collapse.

The Justice Department has consistently opposed arguments put forth by other agencies that the Justice Department should not be permitted to challenge decisions of other agencies in court because such suits are "embarrassing." In response, the Justice Department has recognized that without such opportunities for judicial review of one agency by another, the interests of the people might not be protected. Such protection of the people's interest is after all what good Government is all about.

As Deputy Attorney General Kleindienst testified in 1970:*

Still applicable is the following objection to legislation to remove the United States and the Attorney General from suits to set aside Commission orders expressed by the then Deputy Attorney General William P. Rogers in an April 11, 1955, letter to the Director of the Bureau of the Budget:

"The overall legislative plan now is and should be to create a check and balance between the Commission and the Attorney General in such fashion as to give double protection to the people of the United States."

*See Hearings on Judicial Review of Decisions of the ICC Before the Subcommittee on Improvements in Judicial Machinery of the Senate Judiciary Committee (91st Cong., 2d Sess. 8–9). The testimony is cited in the American Bar Association study on the CPA. See CONGRESSIONAL RECORD, vol. 118, pt. 24, p. 31774 et seq.

With specific reference to the need for such checks and balances in connection with Federal agency actions affecting the consumer, Justice Department officials in the same hearings stated (id. at 12):

Mr. Comegys (Deputy Assistant Attorney General, Antitrust Division). * * * Transportation affects the economy. It also affects the consumer. There is no independent consumer counsel within the Interstate Commerce Commission. Therefore, it is important that the United States bring an independent view to bear on the conduct of this litigation at all levels.

Creation of the CPA would not create a dangerous new precedent, but only recognize the diversity of viewpoint already in the Government.

Many of the opponents of this bill admit that the Federal Government has become too big and unresponsive. Some suggest that instead of creating a CPA, the Congress should instead reform every Federal agency. Reform of Federal agencies is a commendable goal, but a far more difficult task that could take years to accomplish. Those who speak about such reform efforts as an alternative to the CPA fail to describe with any specificity exactly how they would go about reforming the Federal Government. It may, in fact, be impossible to reform agencies internally. In 1970, for example, the CAB established a consumer advisory committee, but then abolished it 2 years later amid complaints by the agency that the committee had sought to get into policy issues of great importance to the consumer, such as international air fare agreements.

The Senate has the choice of taking no action, on the legislation on the hope that Congress will some day effect sweeping reforms of the entire Government. Or the Senate can take now a first step to try to work reform without such wholesale changes. This is what the CPA legislation tries to do. Some of the many safeguards contained in the bill are described above. Others are listed in the majority report. The bill is responsible legislation. And yet it undeniably breaks new ground. If it did not it would not be worth enacting.

All Americans are consumers. Those who support the bill can point to the CPA legislation with pride when people ask what they are doing to restore the people's faith in the integrity of the Federal Government.

I urge rapid and favorable action on this bill.

EXHIBIT 1

ENDORSEMENT OF STATE GOVERNORS

June 5, 1974.

Because of our concern that consumers presently lack effective representation before Federal regulatory agencies and because this lack of positive representation has resulted in a system of Federal regulations that do not adequately reflect interest of consumers we support legislation that would create an independent nonregulatory consumer protection agency.

Governor Daniel J. Evans, Washington State, Governor David Hall, Oklahoma, Governor Milton Shapp, Pennsylvania, Governor Jimmy Carter, Georgia, Governor Otis R. Bowen, Indiana, Governor William G. Milliken, Michigan, Governor, J. James Exon, Nebraska, Governor William A. Egan, Alaska, Governor Marvin Mandel, Maryland, Governor Philip W. Noel, Rhode Island, Governor Malcum Wilson, New York, Governor Tom McCall, Oregon, Governor Dale Bumpers, Arkansas, Govenor Branden T Byrne, New Jersey, Governor Patrick J. Lucey, Wisconsin, Governor Thomas L. Judge, Montana, Governor Dan Walker, Illinois, Governor Reubin Askew, Florida, Governor Mills E. Godwin, Jr., Virginia, Governor James E. Holshouser, Jr., North Carolina, Governor Thomas P. Salmon, Vermont, Governor John C. West, South Carolina, Governor John J. Gilligan, Ohio, Governor Wendell H. Ford, Kentucky, Governor Arthur A. Link, North Dokota, Governor John M. Haydon American Somoa, Governor Melvin H. Evans, Virgin Islands, Governor Bruce King, New Mexico, Governor Cecil D. Andrus, Idaho, Governor Richard P. Kneip, South Dakota, Governor Wendell R. Anderson, Minnesota, Governor Kenneth M. Curtis, Maine, Governor Francis W. Sargent, Massachusetts, Governor John Burns, Hawaii.

ENDORSEMENT OF THE U.S. CONFERENCE OF MAYORS

WASHINGTON, D.C.,
June 19, 1974.

On behalf of the United States Conference of Mayors, I want to take this opportunity to express our support for the Consumer Protection Agency Act (S. 707) as reported by the Senate Commerce and Government Operations Committees. The legislation would at long last provide consumers a voice at the executive level of the Federal Government in policy decisions being made by other Federal administrative and regulatory agencies. It would also create a much needed clearinghouse for consumer complaints at the Federal level to work in conjunction with local agencies currently involved in this area.

Protection of the rights of the consumer is a matter of the utmost importance to the Nation's local elected officials. We urge you and your Senate colleagues to take prompt affirmative action on S. 707 when the legislation reaches the floor during the upcoming weeks.

JOHN J. GUNTHER,
Executive Director, U.S. Conference of Mayors.

ENDORSEMENT OF THE NATIONAL ASSOCIATION OF ATTORNEYS GENERAL

Whereas, the National Association of Attorneys General, whose members have provided leadership for consumer protection law enforcement in their respective states, wholeheartedly support the creation of an independent and effective consumer protection agency to afford consumer advocacy at the federal level; and whereas, it is the Association's firm belief that the consumer should be afforded adequate protection through the coordinated efforts of local, state and federal enforcement agencies; and whereas this goal can best be achieved through insuring adequate funding to strengthen each agency's ability to respond quickly to consumer needs, therefore be it resolved, that the National Association of Attorneys General urges the United States Congress to pass legislation which establishes an independent and effective Federal Consumer Protection Agency to afford consumer advocacy involving only interstate transactions, and designed to strengthen state and local consumer programs through federal grants-in-aid, and which would recognize the necessity for maintaining effective control of enforcement of our consumer protection laws at the state and local level.

(Adopted unanimously, June 26, 1974, at the annual meeting of the National Association of Attorneys General at Coeur d'Alene, Idaho.)

ENDORSEMENT OF STATE AND LOCAL ORGANIZATIONS

NATIONAL GROUPS

Amalgamated Clothing Workers of America (AFL–CIO).
Amalgamated Meat Cutters and Butcher Workmen (AFL–CIO).
American Association of University Women.
Americans for Democratic Action.
B'nai B'rith Women.
Common Cause.
Communications Workers of America (AFL–CIO).
Consumer Action for Improved Food and Drugs.
Consumer Federation of America.
Consumers Union of U.S., Inc.
Cooperative League of U.S.A.
Friends of the Earth.
International Association of Machinists and Aerospace Workers (AFL–CIO).
International Union of Electrical Radio and Machine Workers (AFL–CIO).
International Ladies Garment Workers Union (AFL-CIO).
National Consumers Congress.
National Consumers League (Esther Peterson, President).
National Council of Jewish Women.
National Council of Senior Citizens.
National Farmers Union.
National Rural Electric Cooperative Association.
National Women's Political Caucus.
Oil, Chemical and Atomic Workers International Union (AFL–CIO).
Public Citizen (Congress Watch).
Retail Clerks International Association (AFL–CIO).
Sierra Club.
United Auto Workers.
United Mine Workers of America.
United Presbyterian Church (Washington Office).
United Steelworkers of America (AFL–CIO).
Women's Equity Action League.
Women's Lobby.

LOCAL GROUPS AND INDIVIDUALS

Alabama

Alabama Labor Council (AFL–CIO).
Young Democrats, Univ. of Ala. (Tuscaloosa).

Arizona

Arizona Consumer Council.
Arizona Committee for Social Utility.

Arkansas

Arkansas Community Organization for Reform Now (Little Rock).
Arkansas Consumer Research (Little Rock).

California

California Citizen Action Group.
Coalition for Santa Clara Valley.
Consumers Cooperative (Don Rothenberg, Richmond).
Consumers Coop of Palo Alto.
Consumers United of Palo Alto.
Lawyers Committee for Urban Affairs (San Francisco).
San Francisco Consumer Action.
California Public Interest Research Group.

Colorado

Colorado League for Consumer Protection.
Colorado Public Interest Research Group.

Connecticut

Connecticut Citizen Action Group.
Connecticut Consumer Association. Inc.

Florida

American Consumers Association, Inc.
Concerned Consumers of Dade County.
Congress of Senior Citizens.
Consumer Information Center of Central Florida, Inc.
Florida Consumers' Federation.
Florida Public Interest Research Group.

Georgia

Citizens Consumer Council of Georgia.
Georgia Consumer Services Program (Ga. Dept. of Human Resources).

Iowa

Iowa Consumers' League.

Kansas

Kansas City Consumers Association.
Kansas State Consumer Relations Board.

Kentucky

Consumers Association of Kentucky, Inc.

Louisiana

Acadiana League.
Louisiana Consumers' League.
Consumer Protection Center (Baton Rouge).
Capitol Area Consumers League (New Orleans).
Mayor's Office of Consumer Affairs (New Orleans).

Maine

Public Interest Research Group.

Maryland

Maryland Citizens Consumer Council.
Montgomery County Office of Consumer Affairs.

Massachusetts

Fight Food Prices (Boston).

Michigan

Michigan Credit Union League.
Consumer Alliance of Michigan.

Missouri

Mid-American Coalition for Energy Alternatives (Clinton).
Housewives Elect Lower Prices.
Missouri Association of Consumers.
St. Louis Consumer Federation.

Nevada

Consumer League of Nevada.
Commissioner of Consumer Affairs.

New Mexico

Albequerque Consumer Federation.

New York

Action for a Better Community (Rochester).
Bi-County Consumer Coalition of Long Island.
Center for Community Issues Research (Rochester).
Consumers Association of New York (Rochester).
Consumer Protection Board (Huntington).
Legal Assistance Corporation.
Metro-Act of Rochester.
National Organization of Women, Genessee Valley Chapter (Rochester).
New York Consumers Assembly.
Program Funding (Rochester).
Rochester Urban League.

North Carolina

North Carolina Consumers Council.
North Carolina Public Interest Research Interest Group.
Conservation Council of North Carolina.

Ohio

Consumer Conference of Greater Cincinnati.
Consumer Protection Association of Cleveland.
Consumers League of Ohio.
Ohio Consumers Association.

Oregon

Community Care Association, Inc. (Portland).
Oregon Consumers' League.

Pennsylvania

Alliance for Consumer Protection.
Commissioner of Insurance, Commonwealth of Penn.
Buckshead County Consumer Organization.
Pennsylvania League for Consumer Protection.
Philadelphia Area Consumers' Council.

Tennessee

Tennessee Consumer Alliance.

Texas

Texas Consumer Association.

Vermont

Vermont Public Interest Research Group.

Virginia

Virginia Consumers Citizens Council.

IS MOBIL OIL MOVING ANTICOMPETITIVELY

Mr. McINTYRE. Mr. President, just over a week ago, Mobil Oil Corp. announced that it was considering purchasing a controlling interest in Marcor, the parent company of Montgomery Ward, Inc. Since then, I, and a number of other Members of this Chamber, have spoken out against this move.

When Mobil announced this decision it was riding high on a crest of profit and public relations coups.

It had done battle with CBS News over an advertisement that CBS had refused to run and it seemed to me had at least won some advantage over the news media.

Second, Mobil was the last major oil company to open a major oil refinery in the United States. The company has used this as an advertising statement, and with good reason. New refineries are commendable ventures.

Mobil's profits have been up, too, in spite of rapid increases in investment in drilling, exploration, and development.

What I do not understand, Mr. President, is why Mobil had to go out to buy the Nation's fourth largest retailer.

Of course, I can make a few good guesses.

First, Congress has been making unkind noises about the oil companies for some time. So, it would appear to me that some members of Mobil's board would want to move out of oil into the "safer," less turbulent waters of retailing—though I doubt that they will find the waters of retailing much less turbulent than oil.

Second, Mobil has been trying to better its profits from its marketing operations. Purchase of a large marketing operation could help.

They are, to use the legal phrase, "forward integrating." This means they can buy up the marketing operations in the regions they serve. And instead of leasing gasoline stations that serve the public to independent operators, they take them over and turn them into owned and operated Mobil Oil Co. stations.

While there is nothing illegal in this, to my knowledge, the move by Mobil to buy Marcor worries me: instead of buying out the independents, Mobil may just have decided to compete on a massive scale. In competing it could drive the small independent gasoline dealer who sells Mobil products out of business. And, I doubt that Mobil will pass along any cost savings. It will absorb the savings.

Montgomery Ward, like other nationwide chains, sells considerable quantities of automobile related products. It owns 590 service centers at its stores and plans to add 50 more this year. I could make a good guess and say that Mobil certainly would not hesitate to install gasoline pumps at these high volume stores.

It infuriates me that the recent push by the majors to drive out independent dealers, several thousand, I believe, will result in concentration of gasoline marketing as the majors move into high volume dealerships.

And because of the amount of trade Montgomery Ward does in tires, batteries, and accessories, I wonder if there might not be a potential restraint of trade if Mobil buys its parent, Marcor.

At this point, Mr. President, I ask unanimous consent to have printed in the RECORD a letter that I have written to Attorney General Saxbe asking him to look into the matter of whether or not Mobil's purchase of a controlling interest in Marcor might not be in restraint of trade. Additionally, I ask unanimous consent to print in the RECORD an article by Crosby S. Noyes, from the Washington Star-News of June 25, showing how bad the public relations impact is of Mobil's move.

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

U.S. SENATE,
SELECT COMMITTEE ON SMALL BUSINESS,
Washington, D.C., June 27, 1974.

Hon. WILLIAM B. SAXBE,
Attorney General, Department of Justice, Washington, D.C.

DEAR BILL: As you have probably noticed by the press reports, Mobil Oil Company, the nation's third largest oil company, has decided to purchase a controlling interest in Marcor, the parent company of Montgomery Ward, the nation's fourth largest retailer.

Because of the size of these two companies, I wonder whether or not there might be a violation of the nation's antitrust laws if the purchase is ever completed.

According to its annual report, Marcor owns some 449 retail outlets. It plans to add 20 more to this total during 1974. Marcor, through Montgomery Ward, also owns 590 service centers which provide tires, batteries, and automobile accessories to car owners. It has been expanding these operations and plans to add 50 new bays during 1974 to the 4,833 operating in the service centers.

Mobil owns and operates 412 retail outlets providing gasoline, and, I assume, tires, batteries and accessories to the American public. It has a total of 23,553 affiliated stations where its products are sold. This number declined by nearly 1,500 during 1973 as Mobil consolidated its operations. I believe this trend is continuing. Mobil also added 48 owned and operated stations during 1973.

From its position as one of the nation's largest refiners and the number of its affiliates, Mobil has a substantial share of the nation's gasoline marketing business. Mobil's share could be increased if it is allowed to control Montgomery Ward. Additionally, the growing concentration of high volume, high profits and gasoline facilities in shopping centers could further encourage Mobil's growth. In the end, there could be a substantial lessening of competition in gasoline marketing if the proposed purchase is permitted.

I look forward to hearing your views on the matter.

With best wishes,
Sincerely,

THOMAS J. MCINTYRE,
U.S. Senator.

NO DEFENSE FOR THE OIL FIRMS

(By Crosby S. Noyes)

I don't claim to know very much about the economics of the oil industry in this country. But I do know something about public relations, having been on the receiving end of that highly developed business for a good many years. And PR-wise, as they say at the White House, the oil industry is fouling things up in the worst way.

Not that they aren't spending enough money on it. The television shows sponsored by the major oil companies undoubtedly cost them some hundreds of millions of dollars a year. Viewers perhaps are impressed by the commercials explaining what a hell of a job the companies are all doing to solve the energy crisis and make Project Independence into something more than a presidential pipedream.

But there are some things that are hard for a PR man—or an oil company president—to explain. And one of them is the very evident fact that whoever has been hurt by the soaring increases in the price of Arab oil since October, it most certainly has not been the oil companies.

The problem started to get rough last winter when it was learned that profits of the major companies for the nine-month period of 1973 averaged a cool 46 percent above those for the comparable period of the year before. At the time, there was a good deal of angry talk on Capitol Hill about "obscene" profiteering at the public expense, along with threats of price rollbacks and a rewriting of tax breaks that have benefited the industry for many years.

Since then, things have gotten much worse—or much better, depending on the point of view. Figures for the first quarter of this year show profits from the major companies averaging 80 percent above a year ago, and some experts believe the figure may be much higher. In addition, a number of the major companies have withheld from profits substantial reserves as a hedge against possible tax increases or higher costs of Middle East oil later this year.

Making profits, of course, is as American as cherry pie, and what all industries are in business to do. But at a time when the average American is having trouble paying his grocery bills and when the high cost of energy is threatening to wreck the economies of most industrialized nations, there is such a thing as overdoing it.

The oil companies argue persuasively that there are special justifications in their case. Great sums of money will be needed to develop new and more expensive sources for oil, develop a process for extracting oil from shale and tar sands and the gasification of coal, expand refining capacity and lay new pipelines. According to industry estimates, a whopping total of $800 billion will be spent between 1970 and 1985, which is four times the outlay for the previous 15 years.

No doubt there is merit to the argument. But even so, it looks bad from a PR viewpoint when Gulf goes shopping to buy up Ringling Brothers Circus and Mobile offers to buy Marcor, Inc., in what would be one of the biggest business mergers in history. This kind of thing has provoked a number of people, including Rep. Charles Vanik of Ohio. According to Vanik, it "demonstrates that capital accumulation by oil companies is being shifted into buying up the country and creating new sources of profits and power instead of creating more energy for America."

Against this sort of negative image-making, counter-arguments are difficult. It may be true enough that most of the profits have been made in sales outside the United States at no cost to the American consumer. It may also be true that the bonanza—at least at the present astronomical levels—may be temporary, caused in part by increases in the value of inventories on hand before the prices went up. The impression remains that the oil companies, one way or another, are making a very good thing out of what is essentially a bad situation. And that the consumer, one way or another, is going to be handed the bill.

The impression is strengthened by the news that a recent 2 percent rise in royalties charged to the oil companies by the producing nations probably will be passed on to the consumers along with any possible increase of taxes. This is the stuff that the sternest kind of punitive legislation is made of, including the possible breaking up of the major oil companies. As things are going, the companies will be lucky if it doesn't happen to them.

WORKING ON THE SYSTEM WITH THE FREEDOM OF INFORMATION ACT

Mr. KENNEDY. Mr. President, the Freedom of Information Act is fast becoming recognized as a central key for unlocking the too-frequently closed doors of Government in the public's quest to find out more about what Government is doing. A conference committee will soon be considering bills passed by the House and Senate to strengthen the Freedom of Information Act, and I am confident that a final measure will be enacted by the 93d Congress.

The Freedom of Information Act represents more than just a tool which the American people can use to find out more about the activities of Government agencies. The information that this act makes available to the public can itself become a tool for facilitating more effective citizen involvement in the administrative process. But the public must first understand the diverse and complex ground rules of the various agencies before they can in fact affect Government decisionmaking. Each agency operates under its own regulations, and unfortunately many place substantial obstacles in the way of effective citizen participation in their processes.

A few years ago my Subcommittee on Administrative Practice and Procedure surveyed the agencies on the subject of citizen participation and agency responsiveness, in an effort to bring to light the attitudes and observations of officials on, as well as the agency frameworks for, citizen participation in agency proceedings. Since then the subcommittee has continued to conduct investigations and hearings aimed at opening the processes of Government, and there is still much work to be done.

I am pleased to see this theme carried forward in a new book directed at encouraging public involvement in and influence of Government decisionmaking. The volume is appropriately titled "Working on the System." This is an extremely useful and important source of information for any citizen concerned with how our Government operates. It details the basically uncharted terrain of Federal regulatory agencies and, most importantly, shows precisely how the average citizen can have a say in what those agencies do. The book is the result of the experience of Ralph Nader and his associates at the Center for Study of Responsive Law, who have had extensive experience in working on the system for the past several years. This book is basic reading for all those who want their voices heard in Washington.

I was pleased to see that "Working on the System" devotes an entire chapter to the Freedom of Information Act, in-

cluding not only a concise summary of the law but a practical guide on how to use it. The lessons and advice in this chapter should be helpful to those who want to know more about Government and how to use the law that gives them access to the records of Government. I ask unanimous consent that the chapter on the Freedom of Information Act, subtitled "Let My People Know," be printed in the RECORD.

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

WORKING ON THE SYSTEM—THE FREEDOM OF INFORMATION ACT—LET MY PEOPLE KNOW

There is a common bond of bureaucracy that transcends the centuries and the oceans, and the words of Ibsen's fictional nineteenth century mayor would fit neatly in the mouths of many twentieth century civil servants. Part of the bond is the assumption that information which a public agency acquires becomes the property of agency personnel, to be disclosed only to those who can show a good reason for disclosure and who can be trusted not to make a fuss.

It was to combat this attitude and to establish the principle that government information *as a rule* is available to the public that the Freedom of Information Act (FOIA) was passed and signed into law in 1966. Lyndon Johnson chose the Fourth of July as the day for the ceremony, and he signed it "with a deep sense of pride that the United States is an open society in which the people's right to know is cherished and guarded." But so far this guarding of the people's right to know has been done mostly by some of the people themselves, rather than by the agencies subject to the Act, with occasional assistance from the federal courts.

The fundamental principle established by the Act is that information in the possession of federal agencies is to be made available to the public *unless* withholding it is specifically justified under one of the statutory exceptions to this rule of disclosure. It is essential to keep this basic rule in mind, because, in spite of the statute, most officials with whom you will come in contact will act on the assumption that government information is to be kept secret unless there is a specific reason for disclosing it. It is ironic that the law provides penalties for disclosure of trade secret-type information [18 U.S.C. 1905], but provides no penalty of any sort for the withholding of public information. Therefore, the law has created an impetus for the public official to withhold information. In light of this, you should challenge the decisions and actions of government officials and administrators whenever public access is questioned.

The official title of the FOIA is Public Law 89–487, an amendment to the Public Information Section of the Administrative Procedure Act (APA). The FOIA was later incorporated into the U.S. Code (by Public Law 90–23 of 5 June 1967) as Section 552 of Title 5. The Act itself is fairly brief, and the entire text is in Appendix 3-A (p. 60). It covers all federal agencies in the Executive Branch and independent commissions, but it does not apply to Congress, the courts, the District of Columbia and territories, or state and local governments.

Basically, the FOIA requires all federal agencies to make certain material, such as opinions in cases, policy statements, and administrative instructions which affect the public, available for public inspection and copying. "Identifiable records" that are requested are also to be made available unless they fall into one of the exempt categories. There are nine of these categories, which will be discussed later. Remember that these are exceptions to the general rule of disclosure, and even if parts of the records requested are exempt the agencies must make available those portions which are not exempt. Although the Act may *allow* an agency to withhold information in such categories, it does not necessarily require such withholding.

The major problem with the FOIA is that it hasn't been used by the press, citizens, or citizen groups to any appreciable extent. As a result, many administrators maintain the attitude of secrecy that they had prior to its adoption. The FOIA has many shortcomings, but it can be an effective tool if it is used. The more it is used, the more effective it will become.

HOW TO USE THE ACT

The first step in getting information from an agency under the FOIA is to determine as specifically as you can what information you want. One reason for this is the Act's requirement that records requested be "identifiable"; another reason is to aid in determining which agency you will ask, since frequently you will begin in the process with an idea of what information you want, and proceed from that to learning which agency has possession of it. Although the Act was passed to establish a uniform policy for information disclosure through the federal government, regulations which the agencies have adopted to implement it vary widely, and the ways in which they apply vary even more widely.

The FOIA requires every agency to publish its procedures for obtaining information. Since each has separate and sometimes different regulations, the various agencies' regulations should be consulted when you are considering submitting an information request. These regulations are available in the Code of Federal Regulations (C.F.R.) under the title assigned to that agency. The C.F.R. should be available at any library, law library, or most law offices. The citations for each agency's regulations are listed on page 23 of the United States Government Manual 1972–1973, which is available for $3.00 from the Government Printing Office (G.P.O.). This manual is a must for any activity concerning the federal government. If a set of the C.F.R. is not available, write the Public Information Office of the agency and ask for a copy of their Freedom of Information regulations. They usually respond quickly to this type of request.

In 1968 the House Committee on Government Operations compiled all of these regulations and published them in a Committee print entitled *Freedom of Information Act (Compilation and Analysis of Departmental Regulations Implementing 5 U.S.C. 552)*. This is available from the G.P.O. for $1.25 and includes other material interpreting the Act, such as the Attorney General's Memorandum, along with an index to all departmental regulations printed in the C.F.R. However, this publication is seriously out of date and should be used only in conjunction with the current C.F.R.

A booklet which you may find useful in getting information from government sources is *The Damned Information* (Washington Institute for Quality Education, 300 M Street, S.W., Washington, D.C. 20024, $3.75). This contains a sample letter requesting information, similar to the one in Appendix 3–B (p. 64), and a complaint filed in federal court to force an agency to produce records under the FOIA. One warning: If you bring an action, at least consult an attorney; do not depend on the form of court pleadings contained in this otherwise helpful pamphlet. It also includes summaries of state freedom of information statutes, and guidelines on how government statistical information can be used.

Another important source of material for use in getting information from government sources at both the state and federal levels is the Freedom of Information Center (Box 858, Columbia, Missouri 65201, 314–882–4856). Subscribing memberships are $7.50 per year, and include the bimonthly *FoI Digest*, two reports published each month, opinion papers, and periodic newsletters from the Washington representatives. The Center has an extensive supply of papers on specialized subjects in freedom of information, most of which are written by graduate journalism students at the University of Missouri, and you may find one that applies to your specific situation. These include a summary of all cases decided under the FOIA. The Center's orientation is journalistic, rather than legal, and it does not involve itself in litigation under the FOIA.

A more recent and very useful publication on the FOIA is John Shattuck, *You're Entitled to know: Your Rights Under the Freedom of Information Act* (American Civil Liberties Union, 22 E. 40th Street, New York, N.Y. 10016, February 1973, a 25 cent pamphlet).

The House Foreign Operations and Government Information Subcommittee of the Committee on Government Operations has conducted a detailed survey of the practices of federal agencies in applying the Act. Hearings were held in the spring of 1972, and the bound transcript of the hearings is a valuable resource for use in dealing with federal agencies. The bound transcript of the hearings is available from the G.P.O. Ask for *U.S. Government Information Policies and Practices: Problems of Congress in Obtaining Information from the Executive Branch* (Hearings before a Subcommittee of the Committee on Government Operations, House of Representatives, 92nd Congress, 2nd Session, May and June 1972). As a result of those hearings, the subcommittee issued a report on the Administration of the Freedom of Information Act, House Report 92–1419, which provides excellent insight into problems presented with that administration (this report is now out of print and is available only in libraries).

Although you will probably need to refer to the agency's regulations if the information you are seeking is extensive or important, minor inquiries can be handled informally over the telephone. This frequently involves, or at least begins with, a call to the agency's Public Information Office. The information you want may be available in an agency publication, or the Public Information Office may be able to direct you to the department which has the information on file. But don't depend on the agency PIO for the final word on which department has the information, or on whether the agency has it at all. Sometimes it may be more effective to get a copy of the agency telephone directory (see Appendix 2–A, p. 40), determine which department is most likely to have the information, and call that department directly. Some agencies have made specific provisions in their regulations for accepting information requests by telephone [e.g., Civil Aeronautics Board, 14 C.F.R. 310.6(a); Securities and Exchange Commission, 17 C.F.R. 200.80(d)].

But many agencies are unlikely to respond to informal telephone requests, especially if the information is at all significant, and in most cases it will probably be necessary to write at least one letter requesting the information before you get anything. To write that letter, you will need at least a passing acquaintance with the terms and loopholes of the Act, and the way in which they have been applied.

These are the nine exemptions to the Act, and the type of information exempt under each. The FOIA does not apply to matters that are:

1. Specifically required by Executive order to be kept secret in the interest of the national defense or foreign policy. The documents exempt under this section are those,

like the Pentagon Papers, which are classified. Courts are most reluctant to release information if this exemption is at all relevant. This does not necessarily eliminate the availability of information in the possession of the Department of State or the Department of Defense. Material such as results of drug-testing done on GI's returning from overseas is not exempt under this provision.

2. Related solely to the internal personnel rules and practices of an agency. This exemption relates to rules of internal management and covers things such as employee parking and cafeteria regulations, as well as certain manuals that relate to management and organization of particular agencies. Staff manuals instructing inspectors or agents how to perform their job are not exempt.

3. Specifically exempted from disclosure by statute. This exempts documents and information which are exempt from disclosure by other statutes. The most notable among these are those that relate to the Internal Revenue Service (IRS) and Social Security Administration. In those cases, information that relates to individual taxpayers and recipients or applicants under Social Security is exempt. The attempt of the Social Security Administration to exempt from disclosure survey reports compiled on the conditions present in nursing homes under Medicare is presently being challenged in court. Since the information obtained does not relate to applicants or recipients, it is hoped the courts will release the survey reports.

4. Trade secrets and commercial or financial information obtained from a person and privileged or confidential. Under this section it seems clear that confidential information which is not a trade secret and not financial or commercial is disclosable. Thus the agencies may withhold information only if it is either a trade secret or commercial or financial. This exemption applies only to information which is submitted to the government. Government-prepared documents can never be exempted under this section.

5. Inter-agency or intra-agency memoranda or letters which would not be available by law to a party other than an agency in litigation with an agency. This exemption is the one most widely used by the government, and they will attempt to use it in almost every situation. Opinions and policy recommendations are the traditional types of information which are included within this exemption. A memo from a staff person to a supervisor advising that a policy be formulated would be exempt. However, factual reports or analyses of facts are not included. Reports of inspectors or field personnel should not be exempt. This material might contain opinions, but if it can be determined that it is more factual analysis than policy recommendation, then it should be available.

6. Personnel and medical files and similar files the disclosure of which would constitute a clearly unwarranted invasion of personal privacy. This exemption is self-explanatory. It should be pointed out, however, that this is the only exemption that encourages a balancing of interests between disclosure and nondisclosure. If this exemption is related to the information requested, then a brief explanation as to the need for the information should be made so that it can be determined that the disclosure of information would not be a clearly unwarranted invasion of personal privacy.

7. Investigatory files compiled for law enforcement purposes except to the extent available by law to a party other than an agency. Almost any information that a regulatory agency has can be considered an investigatory file. The courts have stated that only where there is an imminent prospect of a law enforcement proceeding being undertaken can the exemption be used. Thus, in cases where it can be shown that a law enforcement action against the particular factory is imminent, the inspection reports are exempt. Also, if the information is transmitted to the people being investigated, the information is no longer exempt.

8 and 9. These are special interest exemptions and are not relevant to most applications of the Act.

The extent to which these exemptions can be used as grounds for refusing public information requests will have to be determined largely by the courts through litigation. But, at a minimum, they offer some guidance as to what is and what is not available under the FOIA.

In writing a letter to the agency, identify the material you are asking for as specifically as possible, and be sure to indicate whether you wish to examine the records, or are asking for copies of the records to be sent to you. Even if you are fairly certain that you want copies, ask the agency to estimate the cost and let you know the amount before they actually copy and send the records. Copy and search fees are sometimes used as a barrier to access. If the agency demands thousands of dollars in search and copying fees, challenge that in court as an agency denial.

The Federal Advisory Committee Act, Public Law 92-463 (which became effective on 5 January 1973), provides "Except where prohibited by contractual agreements entered into prior to the effective date of this Act, agencies and advisory committees shall make available to any person, at actual cost of duplication, copies of transcripts of agency proceedings or advisory committee hearings" [Section 12(a)]. It used to be a common practice that, in order for a person to get transcripts of proceedings, he/she would have to buy them directly from the commercial reporting company that originally prepared them, at $.75 to $1.50 per page. This can no longer occur. Actual cost of duplication should not exceed 10 cents per page. Most of the existing contracts with commercial reporting companies should have expired or be close to expiration by the time this book is published.

The Federal Advisory Committee Act provides for public access to all Advisory Committee meetings, with some limitations. Notices are published in the Federal Register stating the time and place of these meetings. While this is a beneficial law, it has serious shortcomings. Like FOIA, it does not provide for access to any government body which cannot be called an "advisory committee" and it does not provide for the right of access to public officials, i.e., interviews.

Your initial letter of request for information should be drafted in accordance with the agency's procedures for requesting information, referred to earlier. Usually this request should be addressed to the agency's operations head, either by name or title. Include citations to the FOIA and to the departmental regulations. Since delay is frequently used as an informal barrier, it may be useful to request a reply within seven working days. If more time is needed by the agency to process your request, they at least should send you some notice informing you of the date when either the information or a decision on your request will be made available. In your initial request ask for a final determination. However, procedures promulgated by the agencies sometimes include a system of internal agency appeals which you may have to go through if your initial letter is not responded to with a final determination. In order to deal with this system as quickly as possible, your letter should state that, if your request is denied, that denial be substantiated by a statement of the statutory exemption being claimed by the agency, and why it is applicable to your request. The agency should also accompany any refusals of information requests with an outline of the agency's appeal procedure.

While initial information requests will vary according to the agency involved, a general form to follow is set forth in Appendix 3-A (p. 60). If your first letter is rejected, the rejection will at least give some idea of the legal issues which will be involved in your administrative appeal and in possible subsequent litigation in court. In making an administrative appeal you need to be familiar with interpretation of the statutory exemptions, as well as some common tactics used by agencies to avoid disclosure of information.

WHAT THE EXCEPTIONS MEAN: THE ATTORNEY GENERAL'S MEMORANDUM (S)

Following passage of the FOIA, the Department of Justice published a memorandum interpreting the Act for the use of government agencies. This is available in booklet form for 25 cents from the G.P.O., and is also included in the committee print compilation of departmental regulations. The official title is the Attorney General's Memorandum on the Public Information Section of the Administrative Procedure Act. While it is somewhat restrictive and self-serving, and is not binding on courts in interpreting the Act, it serves as a starting point for legal research, and may be useful in persuading agencies to disclose information in some cases. As the Memorandum notes (on p. 27), most cases involving appeals to federal courts from agency refusals to disclose information would be handled by the Civil Division of the Department of Justice, and the official interpretation of the Act by Justice should at least be persuasive to the agencies.

The basic structure of the Memorandum is a comparison of the provisions of the FOIA with the much more restrictive provisions of the Public Information Section of the APA, which it amended. The Memorandum gives a fairly expansive reading to the statutory exemptions from the rule of disclosure. However, faced with the conundrum exempting "trade secrets and commercial or financial information obtained from a person and privileged or confidential," the Memorandum begins by saying, "The scope of this exemption is particularly difficult to determine. The terms used are general and undefined. Moreover, the sentence structure makes it susceptible of several readings, none of which is entirely satisfactory." After reviewing the somewhat contradictory legislative history of this section, the Memorandum reaches the following conclusion, which also falls somewhat short of precision:

It seems obvious from these Committee reports that Congress neither intended to exempt all commercial and financial information on the one hand, nor to require disclosure of all other privileged or confidential information on the other. Agencies should seek to follow the Congressional intention as expressed in the Committee report.

The Justice Department circulated another memorandum on 8 December 1969 which will have a much more practical effect on whether you get your information than all of the complicated statutory interpretations in the earlier memorandum. Basically, the Department told agencies that they should be willing to give in to requests for information, even when they think they can justify withholding it under one of the exemptions, if the disclosure is necessary to avoid the risk of a court ruling against the government. If an agency goes to court and loses, the ruling can be used against other agencies in similar situations. But if the agency relents and allows the information to be made public before a court orders it to do so, only that particular information is lost. As the Memorandum put it:

Although the legal basis for denying a particular request under the Act may seem quite strong to an agency at the time it elects finally to refuse access . . . the justification may appear considerably less strong when later viewed in the context of

adversary litigation, from the detached perspective of a court . . . and a possible adverse judicial decision may well have effects going beyond the operations and programs of the agency involved.

Because of this, the Department asked all agency general counsels to consult the Justice Department before making a final agency refusal that could be appealed to a federal court. This is why a request that may be scoffed at by lower level agency personnel will be treated quite differently at the highest agency level. It is also the reason why you should persist in your administrative appeals to get to the top level of the agency as quickly as possible.

TACTICS OF EVASION AND HOW TO OVERCOME THEM

You should be prepared for some of the common tactics used by agencies to frustrate requests for information. As a matter of practice, most agencies have a two-pronged information policy: one policy toward citizens, and another for the special interest groups that form the agency's regulatory constituency. A pattern of preferential disclosure of information to those regulated industries gives them access to government information and proceedings during the crucial early stages of agency decision making, before the public is officially given notice by publication in the *Federal Register*.

Some of the favorite exemptions used by agency personnel to avoid disclosing information to those who are not part of the agency's regulatory constituency are the exemptions for "internal communicatons," for information "given in confidence," and for material being compiled "for investigatory purposes." One particular tactic is for an agency to open an investigatory file for some possible future action, and to conceal information of all sorts just by dropping it in that file. For example, the Department of Labor has denied access to records of violations of the Walsh-Healey Act which are five, ten, and fifteen years old. That Act sets minimum wages and safety standards for companies doing more than $10,000 worth of business with the federal government, and the only sanction for such violations is a three-year ban from further government contracts. The information was thus withheld under the exemption long after the practical deadline for imposition of any sanctions under the Act.

Another technique is that of "contamination," the mixing of material which should be available to the public with other material which can be withheld under one of the statutory exemptions. The Department of Defense, for instance, has refused to disclose information on the quantity of oil being pumped from the bilges of Navy ships into the water. The justification given for withholding these data is that they would be included in a report containing operational data on military characteristics which would be classified and withheld under the national security exemption.

One tactic for avoiding disclosure is to delay the administrative procedures so that inquisitive citizens are exhausted long before their administrative remedies have run out. Since a citizen is required to go through all of the agency's administrative procedures for appeal before he can go into federal court to secure his right to the information, prolonging the administrative process can hold him off until his need for the information becomes moot, or his financial resources are exhausted. In dealing with this tactic, it is worth remembering that a labor case which did not involve the FOIA, *Deering Milliken, Inc.* v. *Johnston* [295 F.2d. 856, 4th Cir. (1961)], generally supports the position that administrative agencies cannot, in effect, withhold statutory rights by unduly prolonging administrative proceedings. According to the ruling in that case, a citizen may not be required to exhaust all of the administrative remedies available if it would result in "fundamental unfairness," or where the agency clearly has acted beyond the scope of its statutory authority.

But if the information for which you are asking is significant, be prepared for delays followed by delays. For example, Consumer's Union waited for ten months to obtain a final determination on its request for information on hearing aids [Prices of Hearing Aids, Hearing before the Subcommittee on Antitrust and Monopoly of the Senate Committee on the Judiciary, pursuant to S. Res. 258, 87 Cong., 2nd Sess. 257–58 (1958); paragraphs 10–13 of plaintiff's complaint in *Consumer's Union* v. *Veterans Administration*, 301 F. Supp. 796 (S.D.N.Y. 1969)]. A government-sponsored survey at two agencies found that action on some information requests had been pending for several months while the legal basis and policy reasons for possible withholding were studied, and in one case the request had been submitted more than a year before [Donald A. Gianella, Professor of Law, Villanova University, "Uniform Implementation of the Freedom of Information Act," 23 *Administrative Law Review* 217 (May 1971)].

During an interview in the course of that study, one staff member of an agency admitted candidly that requests from prominent national and Washington law firms ordinarily receive faster attention than requests from out-of-town persons unknown to the agency [*Ibid.*, 23]). This admission indicates one possible tactic for prodding agencies into giving faster attenton to requests for information by enlisting the support or at least the interest of people whom the agency pays more attention. An example would be to send copies of your letters requesting information to carefully selected Congressmen and journalists.

Until some schedule is established for handling information requests, either by Congress or by the agencies themselves, such as the ten-day guidelines adopted by the De-Defense Supply Agency [32 C.F.R. 1260.6(b)(3)], it may be useful to set a deadline of your own in your information request, giving a date by which you expect at least an initial reply to your letter. Current regulations of the Department of Transportation allow a person requesting information to get final action on an administrative appeal if the initial decision on his request has been unreasonably delayed [49 C.F.R. 7.71(b)]. Check the agency's regulations closely, and hold them to any self-imposed time period, such as the seven-day period which the Civil Aeronautics Board (CAB) has established for handling appeals on information requests [14 C.F.R. 310.9(d)].

Some other common agency tactics are to insist that the information not be indexed, so it cannot be identified and retrieved from the files (or from the computers), and, if pressed, to resort to exorbitant charges for searching and copying. Remember that the Act provides for *inspection* and copying, and you don't have to pay the photocopy charge just to look at something.

Remember that these barriers are essentially delaying devices, and they will be relied on less by the agency as you go through your administrative appeals and make it clear that you are ready and willing to go to court. Somewhere along the line you will probably be offered a compromise of sorts. This usually involves offering the information, or some of it, as a "favor," and it frequently includes stated or implied conditions. The condition may be for you to concede that you have no right to the information, that you won't tell how you got it, or that you won't use it to embarrass the agency. Often you must choose between getting some of the information as a favor when you need it, and getting the information as a matter of right after fighting your way through the administrative appeals. This dilemma provides one explanation why newspapers, which were thought to be the main beneficiaries of the Act, have been less than ardent about using it. Of the 200 or so suits filed under the statute, only about five have been brought by newspapers, and a survey of Associated Press managing editors in *Editor* and *Publisher* (26 June 1971) indicated that few working journalists even use the threat of the Act to get information. One reason is that most newspaper stories are written on deadlines which don't allow for administrative appeals, let alone litigation. Another is that journalists are often dependent on inside sources, and sources can dry up quickly if they are pushed too far.

GOING TO COURT

If the agency turns down your administrative appeal, don't stop trying. The Act specifically provides—

. . . The district court of the United States in the district in which the complainant resides, or has his principal place of business, or in which the agency records are situated, has jurisdiction to enjoin the agency from withholding agency records, and to order the production of any agency records improperly withheld from the complainant. [5 U.S.C. 552(a)(3)]

So, if you are turned down, you can go straight to court, and in your own district if you don't feel like going to Washington. When you litigate to force the agency to produce information, your case won't be subject to the same delays as are many ordinary civil cases, since the Act also provides—

. . . Except as to causes the court considers of greater importance, proceedings before the district court, as authorized by this paragraph, take precedence on the docket over all other causes and shall be assigned for hearing and trial at the earliest practicable date and expedited in every way.

Some other statutes also can help when you go to court. 28 U.S.C. 1361 authorizes suits in the nature of mandamus (see below) to compel government officials to perform a duty; 5 U.S.C. 555(b) requires an agency "to conclude a matter" before it "within a reasonable time"; and 5 U.S.C. 706(1) authorizes a reviewing court to "compel agency action unlawfully withheld or unreasonably delayed."

"Mandamus" is a court order to a government official to do something which is "ministerial," that is, in which he has no discretion. It is especially appropriate as a remedy for forcing government officials to produce information which clearly should be public. Even if there are some legal questions to be decided in determining whether or not the information qualifies for exemption, it is clear that mandamus can also be used to force an official to exercise his discretion one way or another, rather than delaying it indefinitely [*National Anti-Vivisection Society* v. *FCC*, 234 F. Supp. 696 (N.D. Ill. 1964); *Indiana and Michigan Electric Co.* v. *FPC*, 224 F. Supp. 166 (N.D. Ind. 1963)].

The statutory requirement in 5 U.S.C. 555 (b) that agencies act with "reasonable dispatch" is the current version of the statutory provision which was used in the Deering Milliken case referred to on page 55. In effect, it means that even if the agency has not taken final action, it is possible to get relief from a federal court if the agency's delay is equivalent to a "legal wrong." Along with Section 706(1), this means that an agency cannot keep you standing in the administrative halls forever and remain immune from judicial intervention to force the agency to act.

But don't get involved in any of these legal arguments at lower bureaucratic levels. Until you get to court, your problem won't be what the law says, but what the agency does. Be prepared for delays and evasions,

and don't be diverted by them. Remember that the agency will be much more willing to grant access to the information when you have gone through the administrative appeals and it appears that you are likely to go to court. It is up to the agency to justify withholding under one of the statutory exemptions, so don't commit yourself to a particular legal argument or an interpretation of the exemptions until you have appealed to the top of the agency. That is where the administrative decision on any important information will be made, and your goal should be to get there as quickly as possible once your initial request is refused.

The Center for Study of Responsive Law has established a Freedom of Information Clearinghouse that can provide experienced guidance concerning any of the matters discussed in this chapter. If you need assistance, write a detailed description of your Freedom of Information problem, attach relevant correspondence, and mail it to Freedom of Information Clearinghouse, P.O. Box 19367, Washington, D.C. 20036.

DÉTENTE

Mr. NUNN. Mr. President, I would like to call to the attention of my colleagues a timely and perceptive analysis of the American and Soviet approaches to détente by Robert Conquest, the noted British authority on Soviet and international affairs. Professor Conquest's article was published in the London Times on June 18, 1974.

I ask unanimous consent to print this article, entitled "America's Policy of Détente: Realpolitik or Russian Roulette?" in the RECORD.

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

AMERICA'S POLICY OF DÉTENTE: REALPOLITIK OR RUSSIAN ROULETTE?

(By Robert Conquest)

President Nixon's speech last week at Annapolis, in preparation for his forthcoming visit to Moscow, was a classic statement of the Nixon-Kissinger position on detente. It argued with amenity and ability the case against critics of that position. All the same it largely misrepresented or misunderstood what it is that is widely felt to be wrong with the current American approach.

One would not wish to denigrate the skill with which the President and his Secretary of State have handled many issues: but, however serious in their own way, these issues are minor in comparison with the great central problem of world politics, the relationship with the Soviet Union. And no minor successes can conceivably compensate if a disastrous error is made over that.

The burden of the Annapolis speech was that relations between states should not be conducted on a purely idealistic basis, and that they should involve no interference with the domestic affairs of other countries. In a general sense, such a view will not be disputed. But in the context of relations with the Soviet Union as they are at present, it contains major fallacies.

First is the implication that Senator Jackson (with his celebrated amendment, overwhelmingly supported in the Congress, which makes the granting of Most Favoured Nation treatment dependent upon freedom of emigration), and those European statesmen who have stood for the free movement of ideas and people as essential to any détente, are motivated merely by an impractical idealism. The contrary is true. The attempt to represent Senator Jackson as a sort of hick Woodrow Wilson is anyhow absurd. He is certainly the American statesman with the profoundest knowledge and grasp of international and defence affairs—as was indeed shown when he was approached in turn to serve as Secretary of State and of Defence. He and the European leaders, who have included Herr Brandt and such moderates as the Danish and Dutch representatives in recent negotiations, are moved precisely by a more pragmatic and more profound understanding of the Soviet Union than the American administration has—and of world peace too.

There is, of course, a sense in which the demand for free emigration and for the free movement of people and ideas can be represented as interference in domestic Soviet affairs. Not that the Russians themselves have any right to complain. Suslov or Ponomarev appear at the congresses of Western Communist Parties. Soviet political works, printed in English in Moscow, are sold freely in our countries. And, on a different tack, Soviet arms (shipped via Prague) turn up in the Bogside.

But in any case, such "internal" changes as are necessary in the USSR if détente is to mean anything are not concerned with the political or social system as such. They are concerned with the fact—unavoidably affecting international relations—that the Soviet Union is a siege polity and a siege economy. The right to emigration is by common consent an international one, since it is guaranteed by the United Nations Declaration on Human Rights. And it might, incidentally, be held relevant to Russia's reliability in honouring its signature on international documents that it has subscribed to but not observed these provisions.

But the issue goes deeper even than that. Soviet-United States détente on present terms involves inside the Soviet Union not merely the thorough repression of all Western-style ideas, but a powerful campaign of indoctrination with hatred for all that the West stands for.

It is another major element of Kissingerite doctrine that trade will ease international relations. There is no historical warrant for this. The highest levels of Russian-German trade, for example, were reached in 1913 and 1940 respectively. And in fact, the whole Russian tradition, since Peter the Great and through Stalin, has been to import the technology of the West with the aim of strengthening the military, despotic and general anti-Western systems of rule. In present circumstances, moreover, an even greater absurdity arises. The Russian economy needs Western grain and other products precisely because it is enormously distorted in favour of the war industries—supporting a bigger defence effort than that of the United States with about half the gross national product. With a reasonable allocation of resources, Russia could master her own economic problems. As it is, Western imports are merely a form of subsidizing the weaponry massed against us. And this is to say nothing of the sale on the cheap of, for example, recent computer advances—that is, of making the results of Western research and development available to the Soviet Ministry of Defence.

At Helsinki, the Russians were granted a fair margin of arms superiority over the United States. It was then held that American superiority in technique would compensate. More recent Soviet (Western-assisted) arms development has, for the time being at last, made nonsense of this. Nor can the huge lead in conventional weapons deployed in Europe be taken as particularly sweet fruit of the detente.

And then, of course, there is the Chinese issue. To put it mildly, there has been no detente on that long Asian frontier. Yet detente is (as we were told peace was) indivisible. If the Soviet Union were really able to negotiate a disengagement, however temporary, in the West, and gain a free hand for dealing with China, one can only say that any such easing of the pressures on our flank would be about as much of a contribution to peace as the Nazi-Soviet pact.

Meanwhile, it is worth noting that almost all serious students of the Soviet Union, together with most observers of and participants in the international scene, are in general agreement with Senator Jackson's position. A detente in the sense of a truce may be achieved with a state which refuses to enter into the normal comity of nations, maintains an armed might far in excess of its true economic capacity, and continues to inflame its population against all non-Soviet systems and ideas. But such a truce cannot in any way be thought of as reliable—particularly if the Russians are encouraged to use it to modernize and re-equip themselves, while making no concessions in exchange. A true detente must involve at least a lesser degree of intolerance towards the movement of people and ideas. Only in that direction are there any serious prospects of a really lasting peace.

COMPREHENSIVE TEST BAN: LETTER TO THE PRESIDENT

Mr. KENNEDY. Mr. President, on Wednesday, I joined 36 of my Senate colleagues in writing to President Nixon, concerning his forthcoming summit meeting in Moscow with General Secretary Brezhnev. We wrote to express our support for his efforts, and our particular interest in achieving a ban on nuclear testing.

At the moment 36 Senators are cosponsors of Senate Resolution 67, calling upon the President to propose a mutual moratorium on testing, and to propose a treaty with the Soviet Union totally banning these nuclear tests. The resolution was reported favorably by the Foreign Relations Committee, by a vote of 14 to 1.

In the interests of supporting the efforts of the President, the Senators writing to him have combined the approach of a threshold ban and the approach of a comprehensive ban, as contained in Senate Resolution 67. We called upon him to seek an agreement that would proceed within a limited number of years to a full ban. We will support such a treaty. Yet we expressed "serious reservations about a threshold treaty that is not clearly linked to a reduction of tests to zero in a limited number of years."

This requirement is important, we believe, primarily because of the need to try limiting the spread of nuclear weapons to other countries. An agreement to end testing by the superpowers could have a powerful effect on other countries that might otherwise build the bomb; but a threshold agreement that did not provide for a fairly rapid end to testing would have virtually no effect at all.

All in all, we believe that the approach we have proposed in our letter to President Nixon is the best one to advance our shared objective of helping to bring the arms race under firm control—and to inhibit the spread of nuclear weapons.

Mr. President, I ask unanimous consent that the letter to the President be printed in the RECORD.

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

JUNE 25, 1974.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: As you embark on your important trip to Western Europe and the Soviet Union, we want to assure you of our confidence in your objectives at the sum-

mit meeting with General Secretary Brezhnev. Agreements reached with the Soviet union that are genuinely in the interests of our two countries will receive sympathetic attention in the Senate.

We are particularly concerned about the prospects for an agreement limiting the testing of nuclear weapons underground by the United States and the Soviet Union. We understand that the primary focus of preparatory negotiations during recent weeks has been on a so-called "threshold" treaty.

On more than one occasion—public and private—General Secretary Brezhnev has indicated support for a total end to testing. Most recently, on June 14, he said:

"We are also ready to reach agreement now with the United States on the limitation of underground tests up to their full termination according to a coordinated timetable."

It is our understanding that this statement would also include the signing of a Comprehensive Test Ban during your visit to Moscow. We believe that this would be in our national interest, and that to achieve it should be the focus of our efforts.

We believe that a threshold treaty would raise new problems—such as accurate determination of explosive yields near the threshold itself—and in our judgment is not likely to contribute very much to the critical goal of encouraging restraint on the part of other states that could develop nuclear weapons. The recent test of a nuclear device by India, has increased the urgency of our developing a realistic non-proliferation strategy, of which a comprehensive test-ban should form an important part.

We strongly urge you, therefore, to go beyond a threshold ban, to an agreement that will lead progressively to a total ban on nuclear testing by the United States and the Soviet Union. The way in which this is accomplished is less important than the treaty commitment to eventual cessation of testing, within a limited number of years.

We are prepared to support such a treaty. But at this time, we have serious reservations about a threshold treaty that is not clearly linked to a reduction of tests to zero in a limited number of years.

In his press conference of June 17, Secretary of Defense Schlesinger said:

"What has been under discussion, and Mr. Brezhnev the other day indicated might well be acceptable to the Soviet Union, is a gradual movement in that direction (of a CTB) starting with a reduction of the number of tests—threshold test ban and the like."

We hope that the Secretary's statement reflects a genuine desire on the part of the Administration to reach binding agreement now with the Soviet Union to proceed to a complete test ban at an early date.

Again, Mr. President, be assured of our hopes for the success of your visit to Moscow, and of our support for your efforts to secure a lasting peace,

Sincerely,

Edmund S. Muskie, Philip A. Hart, William Proxmire, Charles McC. Mathias, Mike Gravel, Dick Clark, Hubert Humphrey, Lowell P. Weicker, Jr., James S. Abourezk, Harrison A. Williams, Jr., Abraham Ribicoff, Joseph R. Biden, Jr., Claiborne Pell, Bob Packwood, Vance Hartke, George McGovern, Frank E. Moss, Mark O. Hatfield, Gale W. McGee. Edward M. Kennedy, Alan Cranston, Mike Mansfield, Adlai Stevenson, Clifford P. Case, William D. Hathaway, John V. Tunney, Daniel K. Inouye, Harold E. Hughes, Quentin N. Burdick, Howard M. Metzenbaum, J. W. Fulbright, Jacob K. Javits, Gaylord Nelson, Walter F. Mondale, Lee Metcalf, Warren G. Magnuson, Floyd K. Haskell.

SENATOR NUNN AND NATO

Mr. JACKSON. Mr. President, I want to bring to the attention of my colleagues a well-deserved tribute to the junior Senator from Georgia, SAM NUNN. Stephen S. Rosenfeld, in a column in the Washington Post, highlights Senator NUNN's important leadership role as a member of the Senate Armed Services Committee in developing major legislation to strengthen the Atlantic Alliance and to provide that our NATO allies assume their fair share of the burden of the defense of freedom. We can be proud to have SAM NUNN in the Senate—a devoted and effective public servant.

I ask unanimous consent to have printed in the RECORD the June 21 column by Stephen Rosenfeld.

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

SENATOR NUNN'S NATO MANEUVER

(By Stephen S. Rosenfeld)

Sam Nunn (D-Ga.), 35 years old, not 20 months a United States Senator, saved NATO the other day. His was as solid and deft a parliamentary performance in the national security area as the Congress has seen in years, belying the common notion that a legislator must have seniority or "power" to get something important done.

What Nunn did was to block—and rechannel—a campaign led by Senate Majority Leader Mike Mansfield (D-Mont.) to demobilize 125,000 men out of American ground forces overseas. This was the 1974 model of the now-traditional "Mansfield Amendment" to enact unilateral troop cuts in Europe.

Anticipating this campaign, Armed Services Chairman John C. Stennis (D-Miss.) last February sent the member he has called "last but not least" on his committee, on a study mission to Europe. Nunn, a great-nephew and once a staff aide of the late House Armed Services Chairman Carl Vinson (D-Ga.), occupies the Senate seat—and the Armed Services seat—of the late Richard Russel (D-Ga.). "We have military bases in Georgia," Nunn explains. "People in the South are much more tuned to a military and patriotic spirit than some of the other sections."

A lawyer and four-year state legislator, Nunn recalls putting in 100 hours preparing for his European trip—"getting through the first layer of propaganda." His report, "Policy, Troops and the NATO Alliance," though covering an oft-plowed field, nonetheless startled specialists with its freshness and command.

Nunn thinks the Mansfield Amendment approach could produce results—lowering the nuclear threshold, undermining the force-reduction talks—that the country wouldn't like. He concluded his report with a call for the administration and Congress to find together "a long-range NATO stance that we are willing to live with, politically, economically and militarily."

In pursuit of just such a joint long-term stance, Nunn then wrote three amendments to the basic military procurement bill.

Nunn had already, last year, joined with Sen. Henry Jackson (D-Wash.), an acknowledged expert at legislating policy by amendments, to sponsor an amendment requiring the NATO allies to pick up a greater share of the cost of maintaining U.S. troops in Europe or to face a reduction in U.S. troop commitments. That amendment, almost everyone agrees, has been extremely effective, where years of State Department entreaties had not.

The three new amendments were designed to provide a constructive alternative to Mansfield, one answering to the same world-weariness and the same felt need to update American policy but doing so in a way that would not upset negotiations with the Russians or unduly alarm the Allies.

One amendment makes it the sense of Congress that NATO support units (the Alliance's notoriously long "tail"(be cut by 20 per cent in two years, the mean to be replaced—if the administration chooses—by combat soldiers ("teeth").

The second requires the Pentagon for the first time to justify the numbers and purposes of the outsized and unplanned U.S. forces of 7000 "tactical" nuclear warheads in Europe. Sen. Stuart Symington (D-Mo.) had investigated this matter during the year but it took Nunn with his non-threatening Southern manner to move into it legislatively.

The third amendment compels the Pentagon to report on what it's doing to reduce the costs and the loss of combat effectiveness stemming from failure to standardize NATO equipment.

Politically, these amendments have a broad appeal, promising more military efficiency to defense conservatives and greater civilian control and lower costs to defense liberals. Ideologically, they are neutral. The Armed Services Committee endorse them unanimously, though House conferees' approval remains uncertain.

In the Senate debate on the Mansfield Amendment the other day, Nunn, who is a pleasant-looking soft-spoken fellow with a drawl, stood right up to the Majority Leader. He was well prepared. He had a folksy Georgia story about a preacher ready for a change of pace. Quite firmly, he managed to steer the whole debate away from the controversial ground of *whether* in general the United States should be doing more or less into the smoother area of *how* specifically we ought to proceed. And, in a word, he won.

When I talked with Nunn about this a few days later he was sure, but self-effacing, pleased with his success while intent on saying nothing that could give umbrage to his Senate brethren. He is not one for debates on great issues. He thinks national security debates can and should be waged on the basis of what is "effective and sensible." "You must be armed with a good bit of background to get down to the quick," he added.

What will Nunn be looking into next? His chairman Stennis wants him to get into personnel, he said—it takes 57 per cent, by some counts 67 per cent, of the military budget, I found myself thinking: Go, Sam, we're watching.

QUALITY HEALTH CARE

Mr. KENNEDY. Mr. President, the Health Maintenance Organization Act of 1973 contains many provisions to improve the availability and quality of health care throughout the United States.

One of its most important provisions is section 4, directing the Secretary of the Department of Health, Education, and Welfare to conduct a study analyzing the past, present, and potential future mechanisms and methods for the evaluation of the quality of health care services. The Secretary is directed to perform a single study under contract with a private nonprofit organization of national repute, which possesses a wide range of expertise and competence in a number of disciplines important to the adequate measurement of a complex area of endeavor, the quality of health care.

On May 20, 1974, the Department of

Health, Education, and Welfare asked the Institute of Medicine of the National Academy of Sciences to conduct the study mandated by the Health Maintenance Organization Act.

I would like to note for the record that I am very pleased with the Department's choice of the Institute of Medicine to conduct such a study. My colleagues on the Labor and Public Welfare Committee of the Senate and the Interstate and Foreign Commerce Committee of the House of Representatives and I have transmitted a letter to Secretary Weinberger conveying satisfaction with the Department's choice.

I ask unanimous consent that a letter from the Department to the Institute of Medicine, as well as a letter from ranking members of the Senate Labor and Public Welfare Committee and the House Interstate and Foreign Commerce Committee be printed in the RECORD.

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

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE,
Washington, D.C., May 20, 1974.

Dr. DONALD FREDERICKSON,
President, Institute of Medicine,
National Academy of Sciences,
Washington, D.C.

DEAR DR. FREDERICKSON: The Health Maintenance Organization Act of 1973 (P.L. 93-222) added significantly to this Department's responsibilities for assuring the quality of health care throughout the Nation. In particular, Section 4 of this Act directs the Secretary of Health, Education, and Welfare to contract for a "Health Care Quality Assurance Programs Study."

The comprehensive nature of this study requires the expertise and access to all relevant sectors of the health system which the Institute of Medicine possesses. Therefore, we would like to begin discussions with you about a two-phase contract to undertake this study. As we envision the appropriate process, the first phase would involve consultation with a wide range of groups to bring a truly national perspective to the design of this study; the second phase would be the conduct of the mutually agreeable design for the study. The enormity and complexity of the task, the centrality of the results to many of HEW's health responsibilities, and the intensity of Congressional interest in this activity all require our especially close involvement in the design and progress of this study.

I look forward to discussing this matter with you as soon as possible.

Sincerely yours,
HENRY E. SIMMONS, M.D., M.P.H.,
Deputy Assistant Secretary for Health.

WASHINGTON, D.C.,
June 26, 1974.

HON. CASPAR W. WEINBERGER,
Secretary, Department of Health, Education, and Welfare, Washington, D.C.

DEAR MR. SECRETARY: We would like to commend the Department of Health, Education, and Welfare for initiating discussions with the Institute of Medicine of the National Academy of Science with respect to the study of health care quality assurance programs, as required by Section IV of Public Law 93-222. The selection of the Institute of Medicine to conduct such a study, in accordance with the suggestion contained in the statement of managers accompanying the conference report which led to the enactment of the law is, in our view, a wise one. The Institute has a uniform record of producing objective, high-quality work, and has performed well at the request of Congress in the past.

Despite the long delay in implementing this provision of the law, we are confident that the study will now go forward expeditiously, and contribute to the extremely important ongoing debate with respect to the assurance of high quality health care for all Americans in a valuable and timely fashion.

Sincerely,
JACOB K. JAVITS,
Ranking Minority Member, Committee on Labor and Public Welfare.
EDWARD M. KENNEDY,
Chairman, Senate Health Subcommittee.
RICHARD S. SCHWEIKER,
Ranking Minority Member, Senate Health Subcommittee.
HARRISON A. WILLIAMS, Jr.,
Chairman, Committee on Labor and Public Welfare.
HARLEY O. STAGGERS,
Chairman, Committee on Interstate and Foreign Commerce.
PAUL G. ROGERS,
Chairman, Subcommittee on Public Health and Environment.

THE PRESIDENT'S MIDDLE EAST SUMMITRY

Mr. BENTSEN. Mr. President, as the President begins his second visit abroad in as many weeks, I want to state my reservations about certain aspects of the President's Middle East summitry before we are called upon to judge the results of this Soviet summitry as well.

The President, through the negotiations of Secretary Kissinger, has brought the Middle East closer to peace than at any time since the founding of the Israeli State. It would appear, however, that in order to win a cessation of the conventional hostilities between Israel and her neighbors, we have had to enter into agreements which may sow the seeds of a future nuclear holocaust involving Israel, her neighbors and all the world. I am referring of course to the present U.S. negotiations with Egypt and Israel to arrange for the transfer of nuclear materials and technology. These negotiations are aimed at the delivery of 600-megawatt nuclear reactors which would use enriched uranium and would produce nuclear waste in the form of plutonium.

I question the need for this technology transfer and the risk posed by the proliferation of such dangerous materials. I question whether Egypt or Israel has a genuine need for such nuclear generating facilities and whether either Egypt or Israel is suited to control the use of such nuclear capabilities.

Nuclear power seems to have become intertwined with the mystique of nationhood for many emerging countries. This rush to join the nuclear club seems to be divorced from both the actual economics of nuclear power and the possible results of unlimited nuclear proliferation.

One need look no further than the recent nuclear explosion by India to find an example of this phenomenon. An impoverished nation, pursuing the most expensive technology and research, while producing the least possible benefits in terms of economic development.

Nuclear generating facilities require huge capital investments and become cost effective only when other sources of energy are equally expensive. For Egypt, with the great generating power of the Aswan Dam, there seems to be little need for generating electricity by nuclear power. For Israel, whose economy is already being seriously strained by the cost of war, it would appear that the cost of nuclear power would only be a further burden.

The Middle East is rich with natural energy sources and has myriad problems which would benefit from the scientific research and development necessary for a nuclear research program. Millions of cubic feet of natural gas are burned every day in Saudi Arabia for want of a willing purchaser, and yet, ironically, we are about to send a costly new power source, the atom, to her nearest neighbors.

It is ludicrous for the United States to be sending nuclear reactors for electrical generators to an area of the world that cannot properly clothe, house or feed millions of its people. Rather than "atoms for peace," we should help with agriculture research for improved crops. We should be providing the necessary technology and materials for fertilizer production and for the desalinization of water supplies.

These kinds are the kinds of technological transfers that will raise the standard of living in the Middle East and will feed the hungry children who suffer in that troubled region. We will not solve their problems by introducing the risk of a nuclear conflagration into one of the least stable political areas of the world.

Such a risk is substantial because the secrets of nuclear weaponry are no longer much of a secret. The problem of constructing a nuclear device is no longer a question of acquiring the know-how, but rather of producing the requisite materials. This is the danger that prompted the United States to sign the Non-Proliferation Treaty in 1970, and while a transfer agreement with Egypt and Israel may not violate the letter of that agreement, it certainly strains the spirit of it.

The logic of that treaty in effect was that the fewer countries possessing the tools of nuclear war, the less likely was the occurrence of a nuclear war. Simple in logic but difficult in practice. The Nonproliferation Treaty was a center piece of U.S. foreign policy for three administrations and the difficulty was not in convincing nuclear powers that they should refrain from sharing their plenty, but rather was in convincing less developed nations that they should be content with their want. One disturbing aspect of the proposed U.S. agreement is that it could trigger a competition among nuclear nations to win the favor of nonnuclear countries by meeting their requests for nuclear power and technology.

Such a competition could be disastrous in an area as unstable as the Middle East. The activities of Arab radical groups, for example, have already produced a ghastly chronicle of interna-

tional terrorism. The deployment of nuclear reactors in the Middle East could provide these radical groups new targets for terrorism that would overshadow anything we have experienced in the past. The United States should be fighting the introduction of such materials into the Middle East, not leading the way.

On balance, then, this proposed transfer offers minimal gains and poses substantial risks. The Senate must not allow this agreement to be approved without the most stringent examination of a number of important questions. What are to be the controls, once this program is underway, and what guarantee do we have that the political leaders who promise peaceful use of atomic power today will not be replaced by less well intended leaders tomorrow.

What physical controls can we actually exercise and what recourse do we have if Arab nuclear policy goes the way of Arab oil policy and becomes a tool of political blackmail?

I want to see the President's Middle East initiatives succeed, but I do not believe the road to peace lies through the uncontrolled proliferation of nuclear materials. I will not support this transfer unless I am convinced that absolute controls are possible and that the cause of stability and peace in the Middle East will be served.

FINANCIAL STATEMENT BY SENATOR STEVENSON

Mr. STEVENSON. Mr. President, in keeping with my practice of voluntary disclosure, I ask unanimous consent that a statement of my assets and liabilities as of April 1, 1974 and a statement of income received and taxes paid in the tax year ending December 31, 1973, be printed in the RECORD.

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

Consolidated Financial Statement of Senator and Mrs. Adlai E. Stevenson III, April 1, 1974

(Market value as at 3/31/74)

Real estate:	
Home, Chicago, Ill.	$90,000
Home, Washington, D.C. (cost)	125,000
One-third interest, residence, Beverly, Mass.	30,000
Interest in farm, JoDaviess County, Ill.	67,500
Fractional interest, Fisk Building Amarillo, Tex.	3,200
Fractional interest, 1776 Pennsylvania Avenue, Washington, D.C.	20,000
Fractional interest, 633 Folsom Street, San Francisco, Calif.	12,000
Real Estate—St. Maarten Island	8,000
10 percent undivided interest in real estate, Tiburon, Calif.	66,195
Stocks and bonds:	
12,640 shares, Evergreen Communications, Inc. (publishes Bloomington, Ill. Daily Pantagraph, operates WROK, Rockford, Ill. and WJBC, Bloomington, Ill., owns 10 percent of Bloomington, Ill. CATV)	164,573
3 shares, Bloomington Broadcasting Corp., Class B, non-voting	1,500
533 shares, KBA Townbuilders Group Ltd., Tel Aviv	$550
34.1 shares, R. R. Leaseholds, Inc.	500
State of Israel Bond	500
10,000 Bonds, Baltimore, Md., 6.25 percent 10/15/84	11,050
Commercial Paper	16,000
150 shares Deere & Co.	6,075
300 shares General Electric	16,275
50 shares General Motors	2,487
142 shares Harris Intertype	4,224
200 shares Hesston Corp.	6,500
10 shares Honeywell Inc.	760
83 shares I.B.M.	19,567
300 shares International Harvester	8,250
69 warrants, Lin Broadcasting Corp.	17
100 shares Pfizer, Inc.	3,725
200 shares Spectra Physics, Inc.	4,300
100 shares Westinghouse Elec.	2,050
210 shares Xerox Corp.	24,150
705 shares Rowe Price New Era Fund	8,072
2511 shares Rowe Price New Horizons Fund	18,882
Cash:	
Less current obligations	1,000
Misc.:	
Personal property, including securities of nominal value, furniture, cars, paintings and clothing	50,000
Total	792,902
Debts:	
Mortgage—Perpetual Building Association, Washington, D.C.	76,014
Mortgage—Continental Bank, Chicago, Ill.	15,742
Note payable to Charles J. and Charlotte T. Whalen	1,550
Note payable to Brown Brothers Harriman	20,000
Total	113,306

Statement of Income and Taxes—1973

Income:	
Salary	$42,500
Dividends	91,243
Interest	857
Rents & Royalties	8,426
Honoraria	9,050
Net loss on sale of capital assets	−1,000
Adjustments to income:	
Employee business expense adjustment	3,467
Deductions:	
Medical	150
Taxes:	
Illinois State Income Tax	4,968
Real Estate Taxes	10,170
Other	1,138
Interest	8,017
Charitable Contributions	12,119
Miscellaneous:	
Unreimbursed Senate expenses	9,981
Other business expenses (preparation of returns, investment services, etc.)	6,238
Political contribution	100
Individual exemptions	4,500
Taxable income	90,228
Investment credit (share of investment for Sub-Chapter S Corporation, Evergreen Communications)	2,614
Recomputation from prior year of investment credit	11
Federal tax paid	36,714
The following income was received in 1973 and was not subject to Federal Income Taxes:	
Baltimore, Md., Bond	625
Portion of tax free income attributed to taxpayer from Sub-Chapter S Corporation, Evergreen Communications	3,986
Total Direct Taxes (State and Federal income taxes and property taxes)	51,852

WHAT FUTURE FOR OEO PROGRAMS ON AGING?

Mr. KENNEDY. Mr. President, within a very short time the Congress will determine the fate of the Office of Economic Opportunity and the programs it now operates.

Our decision on the extension of OEO—or of the redistribution of its components—is made necessary by the expiration of present authority for OEO on June 30.

The House of Representatives has already acted and approved overwhelmingly the Community Services Act, H.R. 14449. That bill would transfer many OEO programs to a new Community Action Administration within the Department of Health, Education, and Welfare. Moreover, it would spin off the senior opportunities and services program to the Administration on Aging.

I intend to introduce legislation after the recess—along with the Senator from New York (Mr. JAVITS), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Kansas (Mr. DOLE), and others—which would make major changes and improvements in our Nation's efforts to help break the cycle of poverty for more than 25 million Americans.

Specifically, our proposal would:

Establish a new, independent Community Services and Community Economic Development Administration;

Extend the Economic Opportunity Act for 3 years; and

Transfer the senior opportunities and services program to the Community Services and Community Economic Development Administration.

I believe that the Senate should give very careful attention to these alternatives, especially as they relate to OEO programs which serve older Americans.

As chairman of the Subcommittee on Federal, State, and Community Services of the Senate Special Committee on Aging, I took an active interest in 1965 when the committee conducted its hearings on the war on poverty as it affects older Americans. Because of the recommendations of the committee, the OEO now devotes considerable attention to the special needs of the elderly poor.

Among other actions taken, the OEO established the senior opportunities and services—SOS—program to provide service and employment opportunities specially designed for older persons.

Latest available information indicates that $10,700,000 was allocated for SOS for fiscal year 1973. Another $14 million was secured from other Federal programs to complement SOS funding.

Mr. President, this is no insubstantial amount. But the amount of dollars devoted to a group of programs do not necessarily indicate their true value. Programs may have special importance if they are responsive and innovative, which has certainly been the case with SOS and other OEO programs for the elderly.

To prepare for Senate discussion of OEO extension I asked the staff of the Senate Committee on Aging to prepare a background paper on SOS and to

analyze the desirability of transferring such programs to a successor agency for OEO.

Mr. President, I ask unanimous consent to have the analysis printed in the RECORD.

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

THE OFFICE OF ECONOMIC OPPORTUNITY SENIOR OPPORTUNITY AND SERVICE PROGRAM

Congress, when it established the Office of Economic Opportunity in 1964, mandated that the agency should test and develop new approaches and programs to alleviate—and hopefully eliminate—poverty endured by millions of Americans.

The "charge" to OEO was to break the cycle of poverty. It soon became apparent that a plan to focus most of OEO resources on children and youth and young heads of families left out a large segment of the poor—namely the elderly, whose plight and vulnerability had a special poignance and desperate urgency.

In hearings conducted by the Committee on Aging, witnesses have said of the elderly time and time again, "Their future is now."

That Committee conducted hearings [1] in 1965 and in 1966. Expert witnesses agreed that OEO had a special responsibility for serving the elderly as well as other age groups. Their testimony, and other research by the Committee, led to publication of a report [2] which declared:

One in five of all poor people in the United States was then over age 65, although persons in that age group comprised only one-tenth of the total population.

"Elderly Americans go unnoticed, not only because of decreased mobility and limited opportunities for mingling with other age groups, but also because their problems are not as dramatically visible as those of other age groups."

The Economic Opportunity Act of 1964 had said:

"It is therefore, the policy of the United States to eliminate the paradox of poverty in the midst of plenty in this Nation by opening to *everyone* (emphasis added) the opportunity for education and training, the opportunity to work, and *the opportunity to live in decency and dignity.*" (emphasis added)

OEO had begun several elderly-oriented programs, but they fell far short of need.

Soon after the Committee report was issued, several significant actions on behalf of older Americans occurred.

I. ESTABLISHMENT OF SOS

From its very inception the war on poverty focused primarily on the needs of the young. This attitude was given clearcut expression because of the prevalent feeling that Federal dollars committed to the young would yield a higher return, especially when disadvantaged youths would move off the welfare rolls onto the employment rolls through a comprehensive program of manpower training and other related services.

However, in 1967 the Congress made it clear—with the passage of the Economic Opportunity Act Amendments—that OEO was to focus increased attention on the needs of the elderly poor. An Assistant Director was established to coordinate OEO's efforts to serve, employ, and assist impoverished older Americans.

In April 1967 President Johnson appointed Ms. Genevieve Blatt as Assistant Director. Additionally, an Office on Older Persons Programs was created. Through the efforts of her office and staff—which was later reduced and then abolished—OEO became sensitized in its attitudes and programmatic efforts for the elderly poor.

One of the major innovations of the 1967 Amendments was the establishment of the Senior Opportunities and Services (SOS) program to help assure that other OEO programs (e.g., Emergency Food and Medical Services, Legal Services and others) "serve, employ, and involve" the aged poor to the maximum feasible extent possible.

Since June 1968—when the first 67 SOS programs were funded with a $2.5 million appropriation—OEO's programs for the elderly have increased substantially. Last year, for example, 85 percent of the 900-plus Community Action Agencies (CAAs) operated some type of program for the aged. More than 330 of the CAAs conducted specific programs for the elderly. Moreover, the $10.7 million of SOS funds generated a similar amount of other Federal monies from such agencies as ACTION, the Administration on Aging, the Department of Labor, and the Department of Housing and Urban Development.

Additionally, more than 400 CAAs operated programs for older Americans out of their General Community Funds (Versatile Funds) (Program account 05). The support of these programs through the general CAA administration and community support program amounted to nearly $50 million. (For more detailed information, see Appendix A.)

As a result, SOS succeeded in stimulating new hope, inspiration, and assistance for the elderly poor. To a very large degree, this momentum has been generated by a local groundswell of community support. The net impact is that many CAAs now regard their Older Persons Programs as perhaps their very best local projects. This view has been widely accepted by local governing bodies, and is a major reason that Older Persons Programs have been able to secure local matching funds at a higher percentage than any other OEO-administered program.

During its brief existence, the value and worth of the SOS program has been demonstrated time and time again. For many elderly the wide array of services provided under SOS has meant the difference between living independently in their own home, instead of being institutionalized at a much higher public cost. In 1973 nearly 1 million aged poor received 7.9 million individual services from local SOS programs. (For a more detailed listing of services provided, see Appendix B.) Additionally, the program has succeeded in improving conditions of the elderly in many other ways, including economical, psychological, nutritional, medical and others.

For these reasons, it is urged that the SOS program not only be continued but also expanded.

II. FEASIBILITY OF TRANSFER OF SOS TO A SUCCESSOR AGENCY

Independent evaluation of SOS has consistently established that the program is effective in identifying and meeting the needs of the elderly poor. Major findings [3] from an evaluation by Kirschner Associates, for example, revealed:

SOS programs have a low unit cost per beneficiary.

The program has produced significant improvements in the aged's sense of dignity, as well as their physical and emotional well-being.

SOS projects have been enthusiastically accepted by elderly participants, local governments, and others directly affected.

But with dismantlement a clear and present danger for OEO, fundamental questions now arise concerning how SOS can be continued most effectively. The following analysis is designed to examine two major alternatives from policy, administrative, practical, and legislative feasibility considerations.

a. Retention of the SOS Programs Within OEO or Its Successor Agency (e.g., a Community Action Administration within the Department of HEW or an independent Community Services and Community Economic Development Administration).

1. OEO has a national network of 905 Community Action Agencies (CAAs), covering approximately 90 percent of the U.S. population and from 80 to 85 percent of its area. These programs are now geographically, psychologically, and programmatically closest to the neediest, most isolated, and least identifiable elements of the elderly poor. Moreover, the existing framework has allowed the Older Persons Programs to tap into $80 million of other OEO support monies for fiscal 1973 to bolster efforts on behalf of the aged poor.

2. OEO programs (including SOS) have developed through the years an increasing and unique capability to assist the poor of all ages. Through its annual funding plan, OEO requires a needs assessment and program evaluation of the areas served by CAAs. Each OEO/SOS program component is regularly visited and evaluated by a regional field representative, who carefully reviews the annual funding plan for each CAA and its Older Persons Program. Additionally, each SOS project advisory board periodically reviews the strengths and weaknesses of the local program. Thus, there is local input into the project. Consequently, program emphasis can be adjusted to meet local conditions.

3. H.R. 14449 (Community Services Act)—as passed by the House—would establish within the Department of HEW a new Community Action Administration which would administer many former OEO programs, such as Community Action, Emergency Food and Medical Services, and others. Under the Javits-Kennedy proposal, an independent Community Services and Community Economic Development Administration would be responsible for administering many of these programs, including SOS. From an administrative, funding, and technical standpoint, it makes good sense to keep SOS within this framework and national network of CAAs.

4. As an independent agency within the executive office of the President, OEO has greater versatility in emergencies directly affecting the elderly. This capability would also be applicable in bringing OEO's services under the umbrella of a single agency. Recent disasters (e.g., the flood in Wyoming Valley, Pennsylvania, in 1971 and the tornadoes in Kentucky, Indiana, Illinois, and Ohio in 1973 and 1974) have amply demonstrated the effectiveness of OEO—through its regional offices, local CAAs, and SOS grantees—to supply assistance and relief for the elderly when their housing, food, and medical needs were most acute.

5. OEO/SOS program requirements are representative of the communities as a whole, with representation on CAAs (operating as non-profit government agencies) equally apportioned among the poor, locally elected government officials, and the community-at-large. (It should also be noted that some CAAs are public agencies which are operated by cities, counties, multi-county governments, or state governments under the Green Amendment.)

6. CAAs and SOS projects are mandated by law to employ the poor (in the SOS program the mandate is to employ the elderly poor) whenever and wherever feasible. The aged poor are thus represented on the advisory boards, employed in the program operations, and the beneficiaries of the services.

7. Many CAAs operate as nongovernmental agencies. Consequently, they have greater freedom and latitude to shift funding from one programmatic area to another as needs dictate—since the CAAs would be less sus-

Footnotes at end of article.

ceptible and vulnerable to local and State political pressures.

8. If OEO or a successor agency continues to operate independently, there will be a better opportunity to identify, plan, and meet the needs of the Nation's poor—the old as well as the young.

III. STAFF CONCLUSIONS AND RECOMMENDATIONS

The decisive support (331 to 53) registered for the Community Services Act (H.R. 14449) by the House on May 29 provides an encouraging sign that it may be possible to place OEO programs within a separate unit of an existing department (e.g., a Community Action Administration within the Department of Health, Education, and Welfare) or a new independent agency (e.g., a Community Services and Community Economic Development Administration).

In terms of policy and administrative considerations, the arguments seem to be more compelling for keeping SOS in OEO or a successor agency, as opposed to spinning the program off to the Administration on Aging.

For these reasons, it is recommended that steps be taken immediately to continue SOS within the context of OEO or a successor agency.

FOOTNOTES

[1] "The War on Poverty as it Affects Older Americans," June 16, 17, and July 10, 1965, and January 19, 20, 1966.

[2] *The War on Poverty as it Affects Older Americans*, a report by the U.S. Senate Committee on Aging, June 20, 1966.

[3] "Evaluation of Selected Senior Opportunities and Services Programs," Kirschner Associates, Inc., prepared for Office of Economic Opportunity in February 1970.

APPENDIX A.—OFFICE OF ECONOMIC OPPORTUNITY PROGRAMING FOR THE AGED

[In millions of dollars]

	Fiscal year—						
	1967	1968	1969	1970	1971	1972	1973
Total, all programs	[1] 44.8	[1] 48.9	[1] 61.8	131.1	131.8	119.9	
Job Corps and work and training programs	7.7	8.6	10.5	34.0	27.6	27.7	
JOBS	([2])	([2])	([2])	.0	([3])	([3])	
PSC	([2])	([2])	([2])	1.6	3.3	3.2	
Mainstream	([2])	([2])	8.0	25.8	19.6	19.6	
CEP	([2])	([2])	([2])	5.6	4.7	4.9	
Office of Economic Opportunity	37.1	40.3	51.3	97.1	104.2	92.2	90.1
Program development and demonstration projects	([3])	([3])	1.3	1.3	1.6	1.7	1.5
Housing	([4])	([4])	([4])	.8	.9	.4	.3
Community development	([4])	([4])	([4])	.2	.1	.3	.3
Consumer	([4])	([4])	([4])	.1	.1	.1	.1
Communications	([3])	([3])	([3])	([3])	.1	.3	.2
Rural	([4])	([4])	([4])	2	.4	.6	.5
Community action operations	21.0	27.1	30.6	56.2	55.8	53.6	59.3
Local initiative	21.0	24.6	24.2	49.4	47.8	45.6	48.6
Senior opportunities and services		2.5	6.4	6.8	8.0	8.0	10.7
Health and nutrition	11.6	9.8	12.6	25.9	30.5	21.7	16.6
Emergency food and medical	1.0	3.0	7.4	11.0	10.6	([3])	([3])
Comprehensive health services	10.6	6.8	5.2	14.1	18.8	21.7	16.6
Alcoholic counseling	([3])	([3])	([3])	.8	1.1	([3])	([3])
Special Indian programs	([3])	([3])	([3])	4.6	5.4	4.8	5.2
Special migrant programs	([3])	([3])	([3])	2.5	2.8	2.7	2.9
Legal services	1.9	2.9	3.2	3.3	3.7	3.7	4.6
VISTA	2.6	3.0	3.6	3.4	4.4	4.0	

[1] Do not include all EOA programs. See note below.
[2] Incomplete.
[3] Indicates that the project was not then in existence.
[4] Not available.
[5] Unknown.

Note: Such programs as foster grandparents, rural loans, etc., are not included for any year, although previous reports did include them. The reason for not including them this time is that either they are no longer part of EOA or have no funds requested for them, and thus a parallel base calculation would be difficult to develop. Early migrants and Indians programs are not broken out separately. Beyond 1969, the data vary considerably in consistency.

APPENDIX B

Services or activities provided older persons by SOS program

Senior centers	1499
Civic influence and ACTION	173
Outreach and referral	248
Home health aid service	69
Other health services	127
Homemaker services	89
Housing assistance	180
Home repair services	86
Handyman services	61
Transportation assistance	261
Legal services	115
Employment training or job finding	133
Consumer education	174
Other education	139
Credit unions or buying clubs	46
Feeding programs	204
Home-delivered meals	126
Congregate meals	147
Other	45
Recreation and/or social	214
Handicrafts	218
Friendly visiting service	186
Telephone reassurance	132
Other	96

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

RECESS UNTIL 11:45 A.M.

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate now stand in recess for 1 hour.

The motion was agreed to; and at 10:45 a.m. the Senate took a recess until 11:45 a.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. HUGHES).

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

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

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

COUNCIL ON LEGAL EDUCATION

Mr. MONDALE. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of H.R. 15296, which was reported earlier today.

The PRESIDING OFFICER. The clerk will report the bill by title.

The second assistant legislative clerk read as follows:

To authorize the Commissioner of Education to carry out a program to assist persons from disadvantaged backgrounds to undertake training for the legal profession.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. MONDALE. Mr. President, this is an emergency matter to continue a long-standing and modest program of financial assistance for disadvantaged legal students. What we are asking for is the adoption of a House-passed bill which was unanimously recommended for passage by the Senate Labor and Public Welfare Committee. This has been cleared with the minority members of that committee.

It must pass before the end of this fiscal year, or the program will be seriously and adversely changed. So I am hopeful that the Senate will concur and send this bill to the President. The administration has requested the bill.

Mr. JAVITS. Mr. President, this is a highly desirable measure, and I think it is very desirable that it be continued.

If the Senator from Minnesota has cleared this with the minority, it certainly is agreeable to me. I strongly favor this legislation.

Mr. MONDALE. We have checked it with the minority. The Senator from New York has long supported this measure and has been one of its chief sponsors.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

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

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the bill was passed.

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

The motion to lay on the table was agreed to.

NATIONAL RESEARCH ACT—CONFERENCE REPORT

Mr. KENNEDY. Mr. President, I submit a report of the committee of conference on H.R. 7724, and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated by title.

The second assistant legislative clerk read as follows:

The committee on conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7724) to amend the Public Health Service Act to establish a national program of biomedical research fellowships, traineeships, and training to assure the continued excellence of biomedical research in the United States, and for other purposes having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

The conference report is printed in the House proceedings of the CONGRESSIONAL RECORD of June 25, 1974, at pages 21084–21091.

Mr. KENNEDY. Mr. President, the National Research Service Award and Protection of Human Subjects Act is truly a pioneering piece of health legislation.

Not only does it provide expanded support for the training of the biomedical and behavioral researchers of the future, but it goes a long way to assuring that all such research is carried out in accordance with the highest ethical standards that can be developed. For the first time in this Nation's history a group of national experts will be convened by the Department of Health, Education, and Welfare, first as part of a 2-year commission, and then as part of a permanent council, to focus exclusively on the protection of subjects of biomedical and behavioral research.

This Nation's biomedical research program has always been, and must continue to be preeminent in the world. This conference report, which is very close to the original Senate bill, assures a continuing, vigorous program for the training of the young scientists of the future. It establishes an important precedent—the requirement that each recipient of a service award pay back the Federal support via the route of national service. I am especially pleased at the support the concept of national service has received by the biomedical research community and by my colleagues in the Senate and the House.

This legislation also requires that research service awards be granted on the basis of national need—awards in any given specialty will be titrated against the number of scientists in that specialty and the need for additional scientists.

I believe that the most significant aspect of this legislation is the protection of human subjects component. I need not remind my colleagues of the shocking events which led to the development of this section of the act: the Tuskegee syphilis study; the sterilization of the young Relf girls in Alabama; the disturbing use of psychosurgery without experimental safeguards or adequate peer review; the testing of experimental drugs on prisoners without adequate informed consent; the widespread use of experimental drugs like depoprovera in the routine practice of medicine; the use of depoprovera in institutions for the mentally retarded without adequate informed consent.

The list goes on and on. Testimony before the Health Subcommittee raised serious questions about the adequacy of review of experimental protocols by institutional review boards. It also raised questions about the ability of the Department of Health, Education, and Welfare to adequately protect subjects of biomedical and behavioral research.

This legislation is a major step forward in the development of a nationwide policy for the protection of human research subjects which must be second to none.

The conference report is not as comprehensive as was the original Senate bill, but it is a significant advance over the current situation. The permanent Commission called for in the original Senate bill will be limited to 2 years. But it will be replaced by a permanent National Advisory Council which has the authority to carry on the work of the Commission.

The national Commission, and the permanent Advisory Council will each be comprised of experts representing a wide variety of disciplines.

The enforcement powers of the Commission have been dropped in the conference report. But each recommendation made by the Commission must be published, and the Secretary of HEW must publicly respond to each of them.

It is my hope that this Commission will guide policy development on a wide variety of sensitive issues currently engulfing the research community. For example, reports are required on psychosurgery, fetal research, and research on prisoners, children, and the mentally retarded. In addition the Commission and the subsequent Advisory Council will continually reevaluate existing policies for the protection of human research subjects. As science and biomedical technology continue to advance into new areas, the Council will try to anticipate ethical dilemmas before they become problematical and formulate an approach to deal with them.

Mr. President, many of the issues the Commission will address are highly emotional. They are also complex and in many instances, highly technical. The Commission will focus a variety of disciplines, each represented by a national expert, on these problems. If the Congress eventually determines it must take action in any of the specific areas, it will be better informed and able to do so after receiving the Commission's recommendations.

Mr. President, I believe the enactment of this National Research Act is long overdue. I urge the adoption of the conference report.

Mr. JAVITS. Mr. President, I join with the Senator from Massachusetts (Mr. KENNEDY) in commending this report to the Senate. I participated in great part in the conference. It was a very difficult one, and I think Senator KENNEDY is entitled to great credit and appreciation from the Senate for the way in which he finally brought a conference agreement about, and the signing of the conference report by the managers on the part of the Senate and the House of Representatives.

I have just a few comments. First, it will be noted that the conference report deletes certain interim informed consent provisions relating to human subject experimentation, because the Secretary of HEW had finally issued regulations which we thought adequately achieved the objective of the interim provisions with respect to the protection of human subjects involved in HEW-supported research, development, and related activities. Therefore, there was no need for interim informed consent provisions.

I ask unanimous consent that the press release of the Secretary of HEW dated May 30, 1974, on this subject be printed in the RECORD.

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

HEW NEWS

(For release in a.m. papers, Thursday, May 30, 1974)

Secretary Caspar W. Weinberger today announced final regulations to protect human subjects involved in HEW-supported research, development, and related activities.

The regulations, published in today's *Federal Register*, amplify existing requirements that HEW grantees and contractors establish review mechanisms to govern all Department-supported research in which human subjects are placed at risk. Membership of the review committees must not be limited to employees of the organization or to such professional groups as physicians, psychologists, or sociologists. The regulations give the HEW Secretary broad discretionary authority to evaluate the adequacy of the committees.

Unless the Secretary provides otherwise, all proposals involving human subjects must be approved by such a review committee before submission to HEW. Temporarily, the Secretary has authorized a 30-day grace period following submission of proposals, for completion of organizational review. In no case will the Department complete its consideration of a proposal until such approval has been certified. The Secretary is also authorized to re-review all such proposals.

The committees are required to determine that any risk involved is outweighed by the benefit to the subjects and the importance of the knowledge to be gained. The subject's legally effective informed consent must be obtained in each instance involving exposure to risk.

Informed consent is based on the Nuremberg Code definition: "the knowing consent of an individual or his legally authorized representative, so situated as to be able to exercise free power of choice without undue inducement or any element of force, fraud, deceit, duress, or other form of constraint or coercion." Information necessary to the consent includes:

(1) Explanation of the procedures to be followed, and their purposes, including identification of any procedures which are experimental;

(2) Description of any discomforts and risks, as well as any benefits, that can reasonably be expected;

(3) Disclosure of any alternative procedures that might be advantageous for the subject;

(4) An offer to answer any questions about the procedures; and

(5) An instruction that the person is free to withdraw his consent and to discontinue participation in the project at any time.

The Secretary has authority to specify which research programs, methods, or procedures fall within the scope of the regulations and which can be excluded. He may restrict the use of certain research procedures or the involvement of certain groups, and he may require the use of necessary safeguards or particular informed consent procedures.

The regulations also require that emergent problems involving risk to subjects, including adverse reactions to drugs or medical devices, be promptly reported to the Department.

The regulations represent the latest stage in the evolution of Federal efforts to safeguard the welfare of research subjects. Similar controls were introduced by the National Institutes of Health in 1965 and by the Public Health Service in 1966. Revised in 1969, these controls were incorporated in HEW policy issued in 1971.

Secretary Weinberger emphasized that additional protection measures are now under consideration. He pointed out that a draft of proposed amendments to the new regulations appeared in the *Federal Register* on November 16, 1973.

"Comments on this draft are currently under review at the National Institutes of Health," Mr. Weinberger said. "From this review will come proposed rules providing additional protection for pregnant women, the fetus, children, the mentally retarded, the mentally ill, and prisoners, all of whom may, often in their own immediate interests, serve as subjects of research."

Mr. JAVITS. Second, Mr. President, I wish to call attention to the provisions in the conference report which would authorize special project grants and contracts for medical schools to develop and operate programs which provide increased emphasis on the ethical, social, moral, and legal implications of advances in biomedical research and technology.

Unfortunately, leadership in the reform of practices in the use of human subjects at risk in research procedures has not come from the medical profession per se. In large measure, the response to assure meaningful control to tragic accounts of experiments involving human beings has come from governmental sources. Our medical schools have a proud record of scientific leadership and I am confident that through medical school programs, stimulated by these provisions, their record in ethical, moral, and social innovation can be equally distinguished.

The ideals of the medical profession—set forth in the Hippocratic Oath, and codes such as the Declaration of Helsinki—relate primarily to concern for the individual's good as entrusted to the physician. It is urgent that our medical schools place greater emphasis upon the totality of the physician's consideration for the individual and society of the ethical, moral, and social concerns inherent in scientific inquiry. While the profession highly values research, it must, at the same time, more deeply involve itself in the consideration and implication of the ethics and morality of the enlistment of human subject in such highly valued research.

I believe scientific inquiry must constantly be blended with judgment, compassion, and sympathy, the true synthesis of humaneness and humanity.

I feel very honored to have been responsible for its inclusion in the conference substitute. The provision is identical to a bill I authored and introduced with Senator WILLIAMS, the chairman of the Labor and Public Welfare Committee, and cosponsored by Senator MONDALE.

These provisions will provide the opportunity for our Nation's medical schools to develop the appropriate program curriculums regarding ethical, moral, and social issues to meet that need—the protection of human subjects at risk in medical research and improved understanding of the consequences and implications for the individual and society of the advances in biomedical science—and through their own initiative and leadership construct an appropriate continuing professional institutional activity to safeguard human subjects in research.

As to individual rights, which were much debated in terms of conscience as to some of these matters which we have discussed, the Senator from Massachusetts (Mr. KENNEDY) and my colleague from New York (Mr. BUCKLEY), who has taken such a distinguished role in some of these matters, will be discussing them.

I believe the conference report takes us to about where we can be in terms of the law and the Constitution. They have in mind the possibility of certain other legislation, and I simply wish to affirm that I shall study it and regard it with the greatest openness of mind, and, indeed, sympathy. But for the purposes of this conference, I think that, as Senator KENNEDY will explain, we have done all that we could do within the parameters of bringing about an agreement between the House of Representatives and the Senate as far as this provision in the bill is concerned. I am in accord with this effort and wish to affirm it.

Mr. MANSFIELD. Mr. President, will the Senator yield at that point?

Mr. JAVITS. I yield.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays on the conference report.

The yeas and nays were ordered.

Mr. KENNEDY. Mr. President, first, I want to recognize the very important contribution that the Senator from New York (Mr. JAVITS), the ranking minority member of the Labor and Public Welfare Committee, has made to this legislation, as he has on all the health legislation enacted by the Congress. He is tireless in his pursuit of assuring high quality health care for the American people, and has been enormously sensitive to the whole range of issues which will be developed and considered by the Commission established by this legislation.

There is one particular aspect of the legislation that was passed and that was considered in the conference that I would like to review here on the floor of the Senate for the benefit of the membership. I will also indicate my own particular views on this matter and describe the action I intend to take to deal with it.

The Subcommittee on Health adopted an amendment by the distinguished Senator from Pennsylvania (Mr. SCHWEIKER), which is called the conscience amendment. That included three different provisions. First, it stated that no individual could be forced to perform or assist in performing any service or research project if that service or project was against his religious beliefs or moral convictions; second, it provides that there should be no discrimination in employment or extension of staff privileges to an individual because that individual either performed or refused to perform any services because of religious beliefs or moral convictions.

The third provision was that no entity could be required to make facilities available for performing services or research that are against the entity's religious beliefs or moral convictions.

The House of Representatives had no conscience amendment. The conference agreement adopted the first and second provisions: That no individual could be forced to perform or assist in performing a service or research project if that service or project was against his religious beliefs or moral convictions, and that there could be no discrimination in employment or the extension of staff privileges because an individual either performed or refused to perform a service because of his religious beliefs or moral convictions. The third provision, dealing with the entity, was dropped. This was done on the basis of the views of the House that they had no similar provision in their bill. They accepted only two of the three provisions.

This third provision has basically been included in other health legislation. It was included in Public Law 93–45 which, in fact, included all three of the provisions. I know there is a substantial number of the membership here who are concerned about that third provision. There is some concern, on the part of the groups most interested in this, that pending court cases may be adversely affected by this conference report. Several groups are challenging that particular provision on constitutional grounds—on the basis that many of the facilities being challenged have received some public funding and that apparently raises in some people's minds a constitutional question.

There is some legitimate concern that, somehow, by the conferees dropping the third provision, that some kind of judgment is being made by the Congress on this question, currently pending in the courts. There is some concern that this may have some impact or influence on the judicial process when it reviews the legislative history of this legislation.

But I want to make it extremely clear that that certainly was not at issue during conference consideration of this particular matter. No congressional action on the question has been taken. The House simply had no conscience amendment at all. This was a new issue or question that they were confronting. They had been sensitized to this particular issue on previous legislation of course. I have had the opportunity to talk with the chairman of the House Committee on Interstate and Foreign Commerce, and of reviewing with him at least some of the expressions of concern which I have summarized here. He has indicated that at the first opportunity that this

matter is raised again, the matter being the questions surrounding provision 3, that they will give it consideration in the House and they would be willing to discuss it at considerable length in conference.

I have every intention, after we dispose of this conference report, of introducing legislation which includes points 1, 2, and 3, for myself and for Senators BUCKLEY, BIDEN, and SCHWEIKER—Senators who have been interested and concerned about this. I indicated that so far as I was concerned, we will make an effort, and I think I can give assurances on the basis of our past legislative history, that such a provision will be included in one of the revisions of the Public Health Service Act which will reach the Senate floor in July. By giving the House notice now of our intention, they will hopefully be put on notice, and will have given consideration to this particular issue and will have refined its own thinking on this matter. I am confident we will be able to work out a satisfactory resolution of it. Ultimately the courts may have to rule on the question, but in the meantime it is my intent to move forward on enacting a complete version of the conscience amendment.

It is important to raise this matter and to develop this legislative history because of the pending questions and also to reassure some of the groups who have been concerned about this. Our action today in no way detracts from the existing law—Public Law 93-45. It is on the books. It is the law. There was absolutely no feeling among the conferees that, in reaching this particular decision, we were altering or changing that particular law by any manner or means. As a matter of fact, that idea was not even dwelled on during the course of the conference. The current action was based on the fact that the House had no comparable provision and had not given it study and that before any kind of comprehensive inclusion, they felt that points one and two were all they could accept, pending their further study.

I say, I am satisfied, on the basis of the conversations I had, that this will be a subject matter which will be gone into by the members of the House committee prior to the time we meet in conference. I am hopeful that we will be able to resolve it in a way which will satisfy those who have a strong concern about this.

Finally, Mr. President, there is a sense of urgency about this legislation. It contains authorities which expire June 30, 1974, which will affect the great medical schools in Washington, D.C. I refer to the financial distress provisions which will have expired on June 30. So there is a sense of urgency about it. Obviously, we are in no way trying to suggest that the importance of this conscience amendment is diminished by the time constraints we are facing. But these are some of the hard realities. We do want to provide relief for these schools. We passed this legislation in September of last year and we appointed conferees on September 11. The House did not appoint conferees until March and, therefore, we had to keep one eye on the calendar as this long and difficult conference proceeded.

I think it is extremely important to enact this report. I regret, because of the particular time delays, that we find ourselves in this bind, but I wanted to give the membership at least some understanding of the legislative history, and to make clear my intentions on this. I will introduce a comprehensive conscience amendment immediately after the vote. No conclusions on congressional intent should be drawn on the absence of provision 3 of the conscience amendment in this report.

Mr. MONDALE. Mr. President, will the Senator from Massachusetts yield?

Mr. KENNEDY. I yield.

Mr. MONDALE. I wish to thank the distinguished chairman of the Health Subcommittee for what I think is a superb measure, and particularly to express my appreciation to him regarding the section I have been intimately involved with regarding health ethics studies.

I share with the Senator a great respect for the medical profession but we realize that increasing technology is here, or shortly will be here, which raises grave ethical and moral issues—issues affecting the future of all mankind. Such things as genetic engineering, which could literally vest one generation with the discretion to determine what the next generation would be, how many males or how many females, and all the rest—and raise issues that are truly profound.

There are, of course, great issues in medicine now that continue to raise questions as to who will live and who will die, because for one thing, there are not enough kidney dialysis machines and who will get them. Those who will not get one will die. It is that simple. It is routine these days. There are also many other questions to be considered. We must have the best thinking regarding the continuing sophisticated tools, drawing on the best minds of America and the best disciplines.

This Commission is a terribly important accomplishment in terms of moving that discussion to where it should be. I thank the Senator for his support and his leadership in this field.

Mr. KENNEDY. Mr. President, I want to acknowledge the leadership of the Senator from Minnesota (Mr. MONDALE) in the development of this commission He sponsored the forerunner legislation on it 3 years ago. He has been the one that has followed the development of this Commission for a considerable period of time. He has been enormously interested in its development and in its potential.

I certainly want to recognize the very important contribution that he has made to its development, and I share with him the belief that this Commission may be the most important health development that will pass in this Congress. Hopefully, we will get a health insurance program. But this legislation will have a direct impact on policies which literally affect life and death. It will provide information for those people in positions of public responsibility upon which sound decisions can be taken. The information will come—not just from the medical profession, but from ethicists, the theologians, philosophers and many other disciplines. This Commission will make us better able to meet our responsibilities in developing health policy.

Some might say that this is just another commission and that too often in the past, commissions have been used as a way of sidetracking public discussions of vital issues. But I think we have established procedures within this proposal which will require the Secretary to respond to these various Commission proposals. This was done to insure accountability. And a permanent National Council will continue the work of this Commission. This is not a one-shot deal.

Mr. President, I think this Commission can really make an extraordinary contribution, not only to us, the people trying to deal with health policy, but also in providing some relief and some guidance to parents and friends who are constantly put into positions where they really are unsure as to what decisions to make on many matters that affect the people they love most—their infants who may be deformed or severely retarded—their parents who may be seriously ill with progressive, chronic, disabling, terminal diseases.

Mr. President, I think this measure can make an enormous contribution. I want to again underline the role of the Senator from Minnesota.

Mr. MONDALE. I thank the Senator very much for his support.

Mr. BUCKLEY. Mr. President, I thank the Senator from Massachusetts for yielding.

I share his belief that the legislation at hand is extraordinarily important. It involves defining and clarifying matters of deepest ethical and moral importance in dealing with human lives and human beings.

By the same token, because of its importance, I wish once again to express my sense of frustration at the rules of this body which make it possible to take up a matter within hours of the time that the print is dry on the report. The report on this bill was available only a half hour ago.

The conference, for good or bad reasons, came up with some significant changes from the bill as adopted by the Senate. It seems to me that orderly procedure and the requirements of sound legislating ought to require that matters of this sort be available to the membership for a period longer than a half hour, in order that all Members of this body may be truly informed as to what is involved.

Unfortunately, as only a half dozen Members are present, the vote that will take place shortly will not in any sense be an informed vote.

I was prepared, Mr. President, to move to recommit the conference report with instructions to stand firm on the two key provisions of the Senate bill. But I shall not do so because of the assurances that we have received from the able Senator from Massachusetts.

Mr. President, I speak specifically of the Senator's statement that the fact that the institutional conscience clause was not accepted by the conference does not in any sense reflect a judgment by the conference that the protections and safeguards for religious and other insti-

tutions—hospitals that have been built, supported, managed, and staffed by people who have strong feelings about such things as fetal experimentation and abortion—have been diluted by the action that will be taken by Congress in the passage of this bill; that the omission in the bill as reported by the conference in no way dilutes or weakens the Church amendment that is now part of Public Law 93-45. I am delighted to have these reassurances in the RECORD.

Mr. President, I am also delighted to act as a cosponsor of the bill just submitted by the Senator from Massachusetts, which I understand will have the effect of taking care of this omission in legislation that will be reported to the floor at an early date.

Another area which concerns me is not only the elimination of the institutional conscience clause but also the compromises which were made which affect fetal research. Under the conference report, the Secretary is required to name the members of the Commission within 60 days, and then the legislation requires that that commission submit a report on the matter of fetal experimentation within 4 months of the date of appointment. Even then, that recommendation is only advisory and can in no way compel action on the part of the Secretary.

I am now a member of a commission. I know the length of time it takes for people to meet one another, to start planning their agendas and procedures. I frankly question whether a subject as sensitive, as controversial, and as important as that of fetal research can be coped with, can be adequately analyzed, within the 4-month period within which the commission must make its recommendation.

So, under the circumstances, Mr. President, I intend to vote against this bill.

I also urge that the leadership in the Senate consider a revision in the existing rules that make it possible for conference reports to be dealt with on the floor before the membership has had a chance to analyze their contents.

Aside from the critical remarks I have made today, I do want to commend the Senator from Massachusetts for his leadership in bringing to the forefront the very important matter of refining and developing a better sense of what is and what is not appropriate when one is dealing with human beings, human brains, and unborn human children.

Mr. KENNEDY. Mr. President, I want to acknowledge the interest of the distinguished Senator from New York in this entire area. I would make just a couple of brief comments in response.

On the question of timeliness of consideration of this legislation, I tried to review in my other comments the fact that the Senate was prepared to go ahead on this. After we passed it in September, the House did not appoint the conferees until relatively recently. We are caught now with the squeeze of the ending of the fiscal year. We tried to act at the earliest possible date.

As I understand, the report was available in the document room prior to lunch-time yesterday.

This is an extremely complex, important piece of legislation. Even so, it is a short period of time for the Members to review and digest it, and to be able to participate in a constructive way.

I think that basically, in a review or comparison of the conference report and the bill as passed by the Senate we can see that a great majority of the proposed legislation is similar to the Senate bill.

On the request of the time limit for the commission's review of vital research, we wanted to be sensitive to the sense of urgency of the Senator from New York and others, about the high priority we place on this issue. We wanted the commission to move into this area as a first order of business.

If we had said 1 year or 2 years there might have been those who would say, "That will be too long a period of time and in the meantime, these problems exist." In addition the commission must address many questions in its 2-year life. So we set the 4-month period, and the basis was consultation with some of those who are dealing in this particular subject.

We have only recently commissioned under OTA a study on bioequivalency, which is a subject matter that has been considered by HEW, the Food and Drug Administration, the Pharmaceutical Association for 8 or 10 years. It is one of the most complex and difficult health situations we have to consider. The panel has completed its work in 3 months. It was a first-rate panel, and a first-rate report, which will have extremely profound implications for the entire issue of bioequivalency and for the HEW reimbursement policy which has been announced.

We believe a 4-month period is a minimum period but it is an adequate period. No one believed the OTA report could be completed in 3 months, but it was and it was well done. Basically we set 4 months to underscore the sense of urgency on this issue, as reflected in the discussion on the floor of the Senate at the time we were considering the full legislation, and in the private conversations we have had with other Members.

I did want to indicate how we reached that particular time frame on that part of the conference report.

Mr. President, if no further Senators wish to speak on this matter or discuss it, I am prepared to vote.

Mr. BIDEN. Mr. President, when the Senate passed the Biomedical Research Act last September, I supported that legislation because I felt it made a positive contribution to public health. However, I must now express my dissatisfaction about the biomedical research conference report, which we are considering today.

This legislation, as approved by the House and Senate conferees, contains two serious flaws. First, the powers of the National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research, as contained in the Senate version of the bill, have been so watered down in conference that the commission retains little of its original clout. The commission, intended by the Senate to be permanent, is now only temporary; it no longer can determine and implement policy, but rather it may make recommendations which do not require adherance. The functions of the commission, as revised in conference, seem only nominal.

The second flaw in the biomedical research conference report concerns the removal of the word "entities" from the section of the bill which is designed to protect individual rights. As this legislation was passed by the Senate, no individual or entities shall be required to participate in biomedical research or experimentation if such activities are contrary to the intended participants' religious beliefs or moral convictions. As reported by the conference committee, individuals are protected, but entities are not. This omission constitutes a grave infringement upon civil liberties.

However, despite my displeasure over this legislation, it is not my intention to call for the yeas and nays on final passage, although, should a record vote occur, I would vote "no."

Realistically, it is unlikely that I could prevail in a move to defeat this legislation. But, even if I were successful in such an attempt, I am fully aware that there are schools and other institutions which would stand to lose badly needed grants if this legislation were not passed today. Further, I am also aware that I can take legislative action to correct the problems so evident in this conference report, and I plan to do so.

I will be cosponsoring legislation, with Senator KENNEDY and Senator BUCKLEY, which is virtually identical to the conference report on biomedical research, but which also includes "entities" in the section of that legislation concerning "individual rights." By taking this action, it is my intention that hospitals and other institutions will be accorded the same protections that we so rightly accord individuals.

In this respect, there are those who would say that this action is unnecessary because of a bill, introduced by Senator CHURCH, which would protect hospital personnel from participation in medical procedures when such procedures are counter to their moral or religious beliefs. I should point out that although the biomedical research conference report does not affect, or alter, the Church legislation, biomedical research is not covered by that legislation.

Further, I will be making every effort, through whatever legislative means possible, to restore the power of the Biomedical Commission to the degree provided in the Senate bill.

Finally, it is my conviction that while there is important progress being made in biomedical research—progress which must continue—it is also vitally important that we move to protect the rights of the subjects involved in this research, as well as the rights of those individuals and institutions conducting it.

The vote against the biomedical research conference report, which I am prepared to cast, is a gesture of my displeasure over the conference report. My support for effective biomedical research legislation continues to be firm.

Mr. BEALL. Mr. President, I rise in

support of the conference report on H.R. 7724, the National Research Act.

Biomedical research has served this Nation well. The United States is recognized as being the world leader in this area. The national investment, which exceeds $20 billion since World War II, has returned even greater dividends to the public in terms of lives saved, diseases detected, and disabilities reduced.

These biomedical advances, as well as developments in health technology, have raised some profound legal, ethical, and social issues.

The legislation seeks to foster the development of reasonable guidelines and mechanisms to make certain that we focus on the issues raised by these developments and highlighted by hearings held by the Health Subcommittee.

As many of my colleagues know, I have been concerned about the use or misuse of the medical procedures known collectively as psychosurgery to alter behavior. On March 29, 1973, I introduced Senate Joint Resolution 86 which would have suspended Federal support for projects involving psychosurgery, for 2 years while a complete study was conducted and guidelines established for its use. On September 11, 1973, I offered a modified version of Senate Joint Resolution 86 as an amendment to H.R. 7724, the National Research Service Awards and Protection of Human Subjects Act.

I am pleased that the conference committee has retained language that would require that the National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research conduct a study of the use of psychosurgery in the United States during the 5-year period ending December 31, 1972. The commission will make a determination as to the appropriateness of its use and recommend policies to the Secretary of H.E.W.

Mr. President, the May 1974 issue of Psychology Today contained two articles relative to this subject and I ask unanimous consent that the text of these articles be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. BEALL. Mr. President, one of the reasons for the U.S. excellence in biomedical research is that the Nation, through training and fellowship grants, have been able to attract outstanding young men and women into research.

Notwithstanding our biomedical programs and the importance of the fellowship and training grants to the effort, the administration attempted to end these grants. This and other administration actions prompted me to investigate the morale and conditions at NIH. On March 26, during Senate consideration of the extension of the Cancer Act, I reported the results of my investigation and said the following with reference to the training grant and fellowship program:

The Administration's effort, which has now been modified but not corrected, to end the training grants and fellowship programs, is a threat to the needed flow of bright and talented young scientists.

When the administration attempted to end these programs, I did not hear from a single scientist who backed the administration's position. Yet, the administration persisted, apparently on the advice of their experts whom they could not, or would not, reveal. Both Houses have passed legislation which would move quickly to resolve our differences in conference so as to remove the uncertainty at NIH regarding the status and future of these programs.

This legislation is now before us and the bill's provisions establishing a national program of biomedical research fellowships, traineeships, and training will be reassuring to NIH and the research communities.

At the same time, it addresses some of the problems raised by the administration.

Mr. President, I join in urging the enactment of the conference report.

EXHIBIT 1

[From Psychology Today, May 1974]

THE MOVEMENT TO PULL OUT THE ELECTRODES

In Ken Kesey's *One Flew Over the Cuckoo's Nest*, a lobotomy puts a permanent halt to Randle Patrick McMurphy's heroic struggle against Big Nurse. In Michael Crichton's *Terminal Man*, Harry Benson learns to stop worrying and love the electrical charge he gets from 40 electrodes implanted in his brain. The characters are fictional, but psychosurgery is not. An estimated 500 to 700 people a year undergo brain surgery aimed at controlling their behavior.

Brain surgery of any kind is a serious matter, not only because of the inherent risks involved, but because damage to the brain is irreversible; brain cells, unlike other cells of the body, do not regenerate. So one might expect experimental psychosurgery to come under strict regulation. Not so. At this writing, only one state (Oregon) regulates psychosurgery by law. In most instances a physician intending to practice psychosurgery, whether for research or clinical purposes, encounters no special legal barriers or requirements. The result has been poor control, flimsy follow-up, and a dearth of public information.

The mildest proposal for regulation centers on stepped-up review by peer groups—the physician's peers, not the patient's. This amounts to self-regulation, and up to now the record of the medical profession in that area has been disappointing. Willard Gaylin, President of the prestigious Hastings Institute of Society, Ethics and the Life Sciences, told a Senate subcommittee on health that professional organizations have functioned essentially as protective guilds: "These groups are servants of the professional, and servants do not dictate to their masters."

A somewhat stronger proposal is for mandatory review by boards comprised of both physicians and laymen. Although this is a reasonable enough suggestion (many hospitals already have such boards), its effectiveness ultimately rests on the conscientiousness of board members, and their willingness to accept some of the responsibility now vested in individual doctors. That became dramatically clear last year in the first court case to limit the practice of psychosurgery.

The case involved a criminal sexual psychopath, L.S., who had been charged 18 years earlier with first-degree murder and rape, and had been confined ever since in a Michigan mental hospital. L.S. was to be the first psychosurgery patient in a state-funded experimental program at the Lafayette Clinic, a research facility of the Michigan Department of Mental Health. He was already scheduled for electrode implantation, when a legal-services lawyer, Gabe Kaimowitz, learned about the plan and related his concern to the *Detroit Free Press*. There was a rush of publicity, and Kaimowitz decided to bring suit on his own behalf as a taxpayer and on behalf of other taxpayers.

In the midst of all this pressure, the state withdrew its funds and the two physicians who had proposed the project, Ernst Rodin and Jacques Gottlieb, dropped their plans. But since there was nothing to prevent the Lafayette Clinic from reviving its program later on, and because important questions remained to be resolved, the court decided to hear the case anyway.

According to an American Orthopsychiatric Association (AOA) friend-of-the-court brief, testimony at the trial revealed that although the clinic had a committee that met weekly to discuss research activities, it never heard the psychosurgery proposal. A standing committee on human and animal experimentation did review it, along with another proposal, but in less than an hour and a half. Elliot Luby, Chairman of that committee, testified that he did not know exactly which parts of the brain were being considered for surgery, and said that in approving the project, the committee relied heavily on information from Rodin.

Two ad hoc committees also passed judgment. One, a selection committee, simply reviewed the patient's records to make sure they met certain broad criteria, without judging the appropriateness of psychosurgery in his particular case. A consent committee, composed of a law professor, a clergyman, and a certified public accountant, verified, on the basis of information from the authors of the proposal, that L.S. had freely given consent; they did not make an independent investigation. In fact, in his letter of approval, the accountant pleaded lack of competence to review the matter. The AOA brief quotes him as saying: "As a layman I am unqualified to comment on any of the many technical aspects which are involved in the project. Therefore we must all trust the good intentions and technical competence of the Hospital Medical Committee, psychologists, psychiatrists, neurologists, etc. who have reviewed and evaluated [L.S.'] case."

L.S. gave written consent to the procedures that were to be used on him, but his testimony at the trial indicated that he was influenced by his hopes for release after the operation. (E.G. Yudashkin, Director of the State Department of Mental Health, testified that in any event, L.S. would have been considered for release within six months to a year.) Furthermore, L.S. claimed that at the time he thought he was approving only electrode implantation, not destructive surgery. His parents, who did not talk to any of the doctors before signing the form, were under the same impression.

The plaintiffs argued that an incarcerated person, even more than most patients, is eager to please his doctors. Since L.S. had led a restricted and regimented life for many years, he was understandably flattered by the sudden attention he was receiving. He described his experience for the court:

"We [L. S. and Dr. Yudashkin] discussed this matter. And he let me have my opinions and my discussions about it. And, well, hey, this is neat, because you usually are told—you know—what you are going to do and how you are going to do it and why. And there was very little room for your own real opinions or decisions . . . And I felt very pleased with the fact that I was—you know—that it was left up to me to make the decision about this."

A three-man panel of judges agreed with the plaintiff's argument. Citing the Nuremberg Code, a general guide to medical ethics that grew out of the famous war-crime trials of World War II, they ruled that involuntarily confined patients are unable to give legally adequate consent to an experimental,

high-risk operation like psychosurgery. They also referred to the First Amendment, which guarantees the right to free expression, and by implication, free generation, of ideas. An operation that might blunt emotion, deaden memory, and limit intellect would violate that right, the court noted.

Although this ruling does not extend to voluntarily confined patients, Mental Health Law Project lawyer Charles Halpern, who represented the AOA at the trial, believes the case will serve as a caution to other physicians contemplating similar operations. "If I were a neurosurgeon today," he observes, "I would not do psychosurgery."

The clamor over psychosurgery will not end with the case of L.S. Last December, the mother of a much-publicized psychosurgery patient, "Thomas R." filed a two-million-dollar lawsuit against Vernon Mark, the physician who performed an amygdalotomy on Thomas to treat his alleged violent rage. [See "The Pacification of the Brain," page 59.] The suit also names Frank Ervin, the psychiatrist who worked with Mark on the case. The mother claims that adequately informed consent was not obtained, and the results of the operation severely disabled her son. More suits seem likely.

There is also increasing interest in Washington. Last year, Senator J. Glenn Beall of Maryland introduced legislation that would have imposed a two-year moratorium on Federally funded psychosurgery, and required a thorough HEW study of the whole problem. However, opposition arose on the floor of the Senate. Senator Norris Cotton of New Hampshire told his colleagues that a member of his own family had benefited greatly from a lobotomy. Cotton was concerned that desperate patients would lose the chance to undergo similar operations. The supporters of the bill compromised by dropping the provision for a moratorium. The reduced version, calling for a comprehensive study, passed the Senate as an amendment to a Kennedy bill dealing with the general protection of human subjects. At this writing, that bill is in a joint House-Senate conference committee.

Another pending bill, sponsored in the House by Representative Louis Stokes of Ohio, would go much further, prohibiting psychosurgery altogether in Federally connected health-care facilities. The bill is in a House committee, where it may very well die.

Although the prospects for an immediate Federal ban or moratorium on psychosurgery seem dim, Government agencies have grown wary of supporting psychosurgery research. Last year, NIH turned down a large grant request by Vernon Mark. HEW does not currently fund any psychosurgery experimentation, and the Law Enforcement Assistance Administration recently cut off all funding of programs that seek to alter behavior through brain surgery. Such actions reflect a growing public concern about the ethical, social and legal implications of behavioral technology.—CAROLE WADE OFFIR.

THE PACIFICATION OF THE BRAIN

(By Stephan L. Chorover)

(To suppress violent people, surgeons now burn the brain's fragile centers. A neuroscientist, reviewing the scientific evidence, reports the operation's side-effects on monkeys: they lost their grip on reality, became deranged, and directed their sexual activity toward a wide variety of animate and inanimate objects. By treating antisocial behavior as an individual matter, he says, we ignore the brain at the patient's peril.)

Biologists and behaviorial scientists stand today where nuclear physicists stood alomst 30 years ago. In 1945, developments in nuclear physics led to the atomic bomb, and ushered in a new world of ethical and social problems. During the past few decades, developments in the behavioral sciences have spawned a wide-ranging psychotechnology, a varied arsenal of tools and techniques for predicting and modifying human behavior. Like thermonuclear technology, psychotechnology is complex and controversial. Its development and deployment raise problems that we can no longer afford to ignore.

Psychosurgery is a particularly controversial form of psychotechnology. Also known as "psychiatric neurosurgery," "mental surgery," "functional neurosurgery," and "sedative neurosurgery," it is brain surgery performed to alter thoughts, social behavior patterns, personality characteristics, emotional reactions, or other aspects of subjective experience in human beings. However, it does not encompass brain surgery directed at treating specific kinds of neuropathology (e.g., tumors and strokes) or disorders of movement (e.g., tremors and paralysis).

The proponents of psychosurgery claim that certain mental illnesses, behavior disorders, and emotional disturbances can be treated by surgically destroying particular brain regions. Some of its more outspoken advocates have gone as far as to suggest that psychosurgery ought to be used to control the behavior of criminals and other social deviants. M. Hunter Brown, a California psychosurgeon, has pointed out the supposed cost benefits: "Each violent young criminal incarcerated from 20 years to life costs taxpayers perhaps $100,000. For roughly $6,000, society can provide medical treatment [i.e., psychosurgery] which will transform him into a responsible, well-adjusted citizen."

Instead of summarizing the legal and ethical issues raised by the use of psychosurgery as a treatment for violence, I wish to focus here upon its purported scientific basis. I will examine whether psychosurgery is a therapeutic procedure in which specific benefits for the patient reliably follow the production of brain lesions, or an experimental procedure with consequences that are unpredictable and may be disastrous.

Sick Minds, Sick Brains. Since ancient times, physicians have known that there is a relationship between the brain and the mind, and that brain injury or disease may be accompanied by dramatic and debilitating changes in the afflicted person's mental life.

During the 19th century, the idea took hold that mental disease was synonymous with brain disease, and that the disturbed or disturbing behavior of certain people had its origins in the derangement of specific brain organs. All that remained to prompt the birth of psychosurgery was for someone to get the idea of abolishing troublesome behavior by selectively destroying the offending brain organ.

In the first published account of psychosurgery, in 1891, Gottlieb Burckhardt, supervisor of an insane asylum at Préfargier, Switzerland, justified the destruction of brain tissue in psychotic patients by arguing that ". . . our psychological existence is composed of single elements, which are localized in separate areas of the brain." Burckhardt thought that the excitement and impulsivity of his patients resulted from an excess of neural activity originating in the cerebral cortex; if one removed appropriate parts of the cortex, one would remove the pathological impulses.

Burckhardt operated on six patients, with poor results. One patient died, and although the survivors purportedly were more peaceful and easier to manage on the wards, they continued to exhibit psychotic systems. Burckhardt was not discouraged, and he urged his colleagues to "tread the path of cortical extirpation." But he faced vigorous opposition by a large segment of the medical community, and it was to be almost another half century before another psychosurgeon appeared on the scene to claim he had tread the path with success.

Indifferent Monkeys. In 1935, at the International Congress of Neurology, two American brain researchers, Carlyle F. Jacobsen and John F. Fulton, reported that they had destroyed the prefrontal regions of the brain in monkeys and chimpanzees. The animals showed marked deficits in learning and memory, as well as a host of other drastic behavioral changes. In several cases, bilateral frontal lobe lesions made the animals strikingly indifferent to stimuli that previously had provoked extreme agitation and frustration.

In the audience was a Portuguese neurologist, Antonio Egas Moniz. He rose to ask if it would not be possible to relieve anxiety in man by surgical means. Fulton was shocked by this proposal, but Moniz was undeterred. He returned to Portugal convinced of the similiarity between Jacobsen and Fulton's description of animal behavior and the querulous and agitated state of many chronically hospitalized mental patients. And he became determined to surgically modify the mental life of obsessed and melancholic patients, through the operation that came to be known as prefrontal leucotomy or lobotomy.

In their first operation, Moniz and his colleague Almeida Lima used injections of alcohol to coagulate certain fiber tracts running between the frontal lobes and other parts of the brain. Within a short period of time, however, they abandoned this technique in favor of cutting the fibers with a special knife called a leucotome, which they inserted through a small opening drilled in the skull. During a 10-week period in late 1935, Moniz and Lima performed 20 leucotomies.

Moniz claimed that seven of his patients were "cured" by the surgery, and that another eight, who had previously been violent and agitated, became calm, tractable, and generally easier to manage. He described his cases with a minimum of critical detail and a large measure of selfpraise, hailing the advent of leucotomy as "a great step forward . . . in the study of psychic functions on an organic basis . . . [with] both cures and improvements, but no failures to make us draw back."

Like Burckhardt before him, and like many of his psychosurgical successors, Moniz was anxious to give his procedures the semblance of scientific validity. But the fact remains that from the start, prefrontal lobotomy could be justified only by ignoring the evidence from animal experiments, that the destruction of frontal-lobe tissues led to a wide range of disabling behavioral effects.

Damaged People. As long as prefrontal lobotomies were performed mainly on chronically hospitalized psychotics, untoward side effects were difficult to recognize. Eventually, however, the operation became so popular that it was in use throughout the world, not only on psychotic patients, but also on so-called psychoneurotics, and individuals with psychosomatic complaints. With surgical candidates coming increasingly from less-disturbed segments of the general population, the occurrence of untoward side effects became more apparent. As one might have expected from a careful reading of the original Jacobsen and Fulton report, prefrontal lobotomy, even in the hands of an expert craftsman, often rendered the patient not only calm, but apathetic, irresponsible and asocial. The operation could blunt a patient's intellect, impair judgment, and reduce creativity. In some cases, complex metabolic changes led to wasting of the body, weakness, coma, and finally death.

Some estimates suggest that as many as 70,000 prefrontal lobotomies were performed in the United States and Britain from the mid-'30s to the mid-'50s. The acknowledged dean of American lobotomists, the late Walter Freeman, revealed before his retirement that he personally had performed more than

3,500 lobotomies. But by the end of the 1950s, most of the psychiatric community had lost its enthusiasm for the operation. Mounting concern over bad results, coupled with the growing popularity of alternative treatments (such as drugs and electroshock) brought psychosurgical practice to a virtual halt.

The Modern Era. During the past 20 years, however, a new generation of psychosurgeons has emerged. On the whole, these surgeons are willing to acknowledge that their predecessors exhibited excessive enthusiasm and obtained poor results. But most do not question the validity of a surgical attack upon the mind. On the contrary, they seem no less convinced than their predecessors of the scientific justification and therapeutic efficacy of the entire enterprise. For them, the excesses of the past were due not to faulty reasoning, or failure to heed unfavorable evidence, but rather to technical crudity.

Many psychosurgeons today point with pride to technical developments that allegedly make their operations more powerful and reliable. They claim that with new and more sophisticated methods, they can effect remarkably specific cures, without inducing any disturbing side effects. While psychosurgery may not lead invariably to a worsening of the patient's condition, I believe that improvements are far from assured, despite the resort to new techniques and targets. Moreover, I believe the claims of these psychosurgeons remain grossly exaggerated and at variance with much that we now know about the relations between brain function and behavior. Let us look briefly at the techniques and targets in question.

The relative inaccessibility of structures deep within the brain posed a serious problem for early psychosurgeons. Encased within its solid cranial vault, the brain is relatively impervious to surgical assault. Even when the skull is partially removed, the cerebral hemispheres that lie exposed comprise only a small and superficial portion of the entire brain volume. Hidden beneath them is a vast and incredibly complex system of cells, fibers, blood vessels and neutral networks. One cannot gain direct access to these deeper regions, without mutilating the overlying areas in the process.

New Techniques. To solve this problem, students of animal brain function developed, around the turn of the century, a method that came to be called stereotaxic brain surgery. This method permits a surgeon to identify the location of a particular point within the brain in terms of three coordinates, using anatomical landmarks on the head's surface as reference points. Sets of maps, or stereotaxic brain atlases, are now available for many species, including human beings. After determining the coordinates of a particular brain region from the appropriate atlas, the surgeon positions the subject's head within the working field of a special stereotaxic instrument. He can then direct probes or electrodes comprised of fine insulated wires toward the intended target, through a small hole drilled in the skull. It is possible to leave the probes in place within the brain for extended periods of time, with little discomfort to the subject, by securing the shafts of the probes to the surface of the skull.

Once in place, the electrodes may serve several purposes. First, by using electronic amplifiers and other equipment, one can record the electrical signals arising from the region of the brain near the uninsulated electrode tips. Although one cannot be sure that such signals originate in the immediate vicinity, grossly abnormal patterns of electrical activity often indicate disordered functioning near the electrode tip, or in a brain region functionally related to it.

Second, by passing a weak electric current through the electrode and into the brain, one can stimulate the tissue in the vicinity of the electrode tip. Frequently this seems to produce a particular kind of behavioral response in the patient. Although such behavior may be only remotely related to the response patterns normally associated with the brain region in question, stimulation experiments have figured prominently in recent attempts to learn more about how brain functions are organized.

Third, by passing stronger currents through the implanted electrode, a surgeon can destroy the tissue in the vicinity of the electrode tip. Thus psychosurgeons can produce lesions in parts of the brain that were formerly inaccessible.

Psychosurgeons have recently introduced yet another technique, from the world of modern communications. Miniaturized, wireless telemetry systems make it possible to transmit signals between an electrode implanted in the brain of a freely moving patient, and a stimulating or recording device located some distance away. This means that the person in control of the telemetry system can unobtrusively monitor or manipulate the brain activity and behavior of an otherwise unrestrained individual.

New Targets. The advent of stereotaxic psychosurgery has stimulated interest in new targets within the brain. The major focus of attention has shifted from the frontal lobes to the limbic system. This system includes certain "primitive" portions of the cerebral cortex (the hippocampus, hippocampal gyrus, and cingulate gyrus), and also a number of deeper-lying structures with which they have primary connections (the amygdala, septal nuclei, anterior thalamic nuclei, and hypothalamus). Overlying the limbic system, especially in primates (including man) is the enormous, mushrooming neocortex, with which most brain scientists associate our "higher" cognitive abilities.

Loosely speaking, then, the limbic system occupies an intermediate position between the lower and higher parts of the brain. It seems ideally situated to receive, transform and transmit signals passing between the older brain structures, which are involved in stereotyped behavior and visceral ("gut") and glandular responses, and the newer structures, which involve sensation, perception, thought, language, and other complex social acts. As one long-time student of the brain has put it, in the limbic system lie possible mechanisms by which "the brain transforms the cold light with which we see into the warm light which we feel."

Finally, limbic-system mechanisms seem to contribute to a person's sense of individuality and concepts of reality. They mediate emotional feelings that ultimately guide behavior required for self-preservation and the preservation of the species.

What happens when these critical structures are injured or destroyed? As in the case of prefrontal lobotomy, we find an early and portentious answer in experiments on laboratory animals.

Deranged Monkeys. In 1937, Heinrich Kluver and Paul C. Bucy reported that they had destroyed the temporal lobes and parts of the limbic system in rhesus monkeys. After the operations, they observed striking derangements in the behavior of the monkeys, including difficulty in recognizing objects; increased sexual activity directed toward a wide variety of animate and inanimate objects; and a compulsive orality that caused the monkeys to place both food and nonfood objects repeatedly in their mouths.

There are two other important effects. Although these monkeys had previously been fearful, wild, and difficult to handle, after the operation they became quite tame. They also appeared unable to inhibit responses leading to painful consequences, often exposing themselves to threatening or injurious situations. In a film that Kluver made, an operated monkey placed the lighted end of a cigarette in its mouth, quickly threw it down when he was burned, and then repeated the same painful act several times again in rapid succession.

The "Klüver-Bucy syndrome" demonstrated that temporal lobe structures are involved in a wide range of behavioral activities. Its dramatic features soon induced other investigators to pursue similar studies. For our purposes, the most important subsequent discovery was that in many species, several of the more severe emotional aspects of the syndrome could be produced by lesions restricted to one part of the limbic system, the amygdala.

In one study, Arthur King and several colleagues performed amygdalotomies on monkeys that had been living in a free-ranging colony. In the laboratory, most of the operated animals seemed to become less aggressive, and friendlier toward their human handlers. Of course, this result was exactly what one would predict on the basis of Klüver and Bucy's original findings. But, when the animals rejoined their old troop in the wild, a very different picture began to emerge. Although they had exhibited increased friendliness toward their human captors, they appeared confused and fearful among their former friends and relations. When other troop members approached in a neutral and nonthreatening way, the amygdalotomized animals would usually cower or flee. Conversely, when a dominant member of the troop made a threatening gesture, an altered animal, which would otherwise have adopted a submissive posture, would instead display an unseemly degree of insubordination; it would attempt to attack the dominant animal, and thereby invite a predictable and often terrible beating.

All in all, the amygdalotomized monkeys were incapable of coping with the complexities of social life in their normal environment. This incapacity caused them to become social isolates. Eventually they all died, either from starvation or from attacks by predators.

The results of these animal experiments suggest that no single part of the limbic system is concerned with only a single aspect of behavior. They should make us skeptical about the claim that specific therapeutic effects are attainable by destroying the amygdala or various other parts of the limbic system. Since we have devoted our attention to the effects of amygdalotomy upon behavior in nonhuman primates, let us now focus on destructive lesions in the amygdalas of human beings.

Excising Violence. In a previous PT article I pointed out that some psychosurgeons have suggested the existence of a causal link between brain disease and social violence, and have advocated psychosurgery as a scientifically valid and therapeutically successful treatment for human beings whom they perceive as exhibiting "poor control of violent impulses." In that connection, I referred to a book called *Violence and the Brain*, in which Vernon H. Mark and Frank R. Ervin describe their use of bilateral amygdalotomy with people who were allegedly suffering from episodes of unprovoked and uncontrollable violence due to limbic brain disease. Since that article was not primarily concerned with psychosurgery, I was content to state my conviction that Mark and Ervin's arguments have many logical and scientific shortcomings. Nor did I attempt to substantiate my belief that the book fails to provide the reader with clear and self-critical accounts of the cases reported.

In the book, Mark and Ervin described most of their patients as not only disturbed and impulsively violent, but also as suffering from some form of epilepsy. It is their contention that in most of these cases, the violent behavior was not only irrational and unpro-

voked, but was also directly traceable to brain disease. They assert, furthermore, that in most cases, their patients' behavioral problems were substanially alleviated by an amygdalotomy or other forms of limbic-system psychosurgery.

In attempting to evaluate these claims, it should be noted at the outset that here has long been a popular belief in a connection between epilepsy and violence. The common phrase, "a fit of anger" nicely epitomizes this view. But several clinical studies that have dealt with this question have failed to confirm this belief. A comprehensive review of the question, sponsored by the National Institute of Neurological Diseases and Stroke, concluded that ". . . the best generalization is that violence and aggressive acts do occur in patients with temporal lobe epilepsy but are rare, perhaps no higher than in the general population."

Bearing in mind that the existence of a relationship between epilepsy and violence remains an open question, let us consider closely one of Mark and Ervin's most highly touted cases, "Thomas R."

Courtesy and Rage. Mark and Ervin introduce Thomas as "a brilliant, 34-year-old engineer with several important patents to his credit." They say his manner was ". . . quiet and reserved, and he was both courteous and sympathetic." They say further that "he was an extremely talented, inventive man, but his behavior at times was unpredictable and even frankly psychotic."

In this connection, they allege a prolonged history of violence that includes spells of rage, "sometimes directed at his co-workers, and friends, but . . . mostly expressed toward his wife and children." They report that Thomas was "very paranoid, and harbored grudges which eventually produced an explosion of anger." They say that in a conversation with his wife, "he would seize upon some innocuous remark and interpret it as an insult. At first, he would try to ignore what she had said, but could not help brooding, and the more he thought about it, the surer he felt that his wife no longer loved him and was 'carrying on with a neighbor.' Eventually he would reproach his wife for these faults, and she would hotly deny them. Her denials were enough to set him off into a frenzy of violence." Mark and Ervin say that he also experienced periods of confusion and hallucination, but "Thomas' chief problem was his violent rage."

Mark and Ervin report that prolonged psychiatric treatment had not improved the patient's behavior, and that the referring psychiatrist felt Thomas' spells of rage represented an unusual form of temporal lobe seizure. According to Mark and Ervin, an electroencephalogram revealed electrical brain activity often indicative of epilepsy, and further tests indicated the presence of other brain abnormalities.

What happened next is best described in Mark and Ervin's own words, from a 1968 report:

"After a futile attempt to control his seizures and violence with a wide range of pharmacological agents, chronic temporal lobe electrodes were implanted in his amygdala.

"Over a period of weeks, repeated stimulation and recordings were carried out to find the optimal site for destructive lesions.

"It is of interest that stimulation in the medial portion of the left amygdala nucleus produced a feeling of 'going wild' and 'I'm losing control.' On the other hand, stimulation in the lateral amygdala, three millimeters away, repeatedly produced a sensation of 'hyper-relaxation,' a feeling of 'detachment,' 'just like an injection of Demerol,' 'just the antithesis of my spells.'

"In his usual state, this patient was keenly aware of the slightest personal insult or threat and his response was often sudden or violent. Under the effects of lateral amygdala stimulation, he showed bland acquiescence to the suggestion that the medial portion of his temporal lobe was to be destroyed. This suggestion, under ordinary circumstances, would provoke wild, disordered thinking. Indeed, eight to 10 hours after stimulation had been completed, and coincident with the disappearance of his detached and hyper-relaxed feeling, he became wild and unmanageable and protested vigorously against any destructive lesions in his amygdala." According to Mark and Ervin's account, it took "many weeks of patient explanation, and a near social tragedy (not otherwise explained), before Thomas accepted bilateral amygdala lesions.

In any event, the 1968 report continues: "[The lesions] were carried out sequentially, and he has not suffered a generalized rage attack in the six months following his last amygdala lesion." In *Violence and the Brain*, published two years later, they devoted twice as many sentences to the same point: "Four years have passed since the operation, during which time Thomas has not had a single episode of rage. He continues, however, to have an occasional epileptic seizure with periods of confusion and disordered thinking."

The reader, recalling the original claim that "Thomas' chief problem was his violent rage," might conclude that amygdalotomy has effected a specific cure. The rage allegedly is gone, the other symptoms remain essentially unchanged, and there are no permanent, postoperative side effects. In light of the devastating effects of amygdalotomy in monkeys, Mark and Ervin's reports of success with Thomas seem remarkable indeed. To me, it is especially surprising that the only adverse side effect mentioned in any of the reports I examined is temporary impotence.

Prior to his operation, Thomas was a married man who supported his family through his work as an engineer. Is he still married? Is he employed? What are his present circumstances and future prospects? Unfortunately, Mark and Ervin's brief descriptions are silent on these and many other questions.

Another View. There is, however, some independent information about Thomas now available from other sources. For example, a psychiatrist and well-known critic of psychosurgery, Peter R. Breggin, has conducted his own inquiry and published some of his findings regarding this case. Breggin claims to have interviewed Thomas and his relatives, reviewed the hospital charts, and discussed the case with several involved individuals. In recent months, I have obtained additional information to supplement Breggin's material.

According to Breggin, Thomas was continuously employed through December 1965. That year, he began to have serious marital problems, and visited his wife's psychiatrist. The psychiatrist has told Breggin in a telephone interview that although Thomas' wife was indeed afraid of him, the psychiatrist could remember no actual harm done to her. Breggin says, "[The] psychiatrist remembers that Thomas was depressed, but not sufficiently depressed to warrant electroshock or drugs. His memory is entirely consistent with the hospital records which report no hallucinations, delusions, paranoid ideas, or signs of difficulty with thinking. In the charts, his most serious psychiatric diagnosis is 'personality-pattern disturbance' [a classification] reserved for mild problems with no psychotic symptomatology."

Thomas worked intermittently during the early months of 1966, until the first of his diagnostic hospitalizations at Massachusetts General Hospital, on March 11, 1966. Breggin says that the hospital charts indicate Thomas had never been in trouble at work or elsewhere for aggressive behavior. During his four diagnostic hospitalizations, according to Breggin, Thomas "was never restrained, never forced into a locked ward, or in any way treated as a dangerous man." Breggin says that the first violent reactions he saw in the records were those that occured when Mark and Ervin proposed to make lesions in Thomas' brain.

Apparently Thomas was uneasy about the diagnostic procedures he was undergoing. At one point he referred to the tests as science fiction and wrote to his mother that he would spare her the details. But by October 1966, he had had multiple electrodes implanted, and his mother received a telegram from the hospital informing her that her son was recovering well from the "minor surgical operation" (to implant the electrodes) and was in good condition.

According to Breggin's account, the electrodes remained in place until August 1, 1967. During the nine-month period when the stimulation experiments and brain lesions were being performed, Thomas' wife served divorce papers to him on the ward. She eventually married the neighbor about whom Thomas had been so concerned.

On August 27, 1967, Thomas left the hospital in the care of his mother and moved to her home in California. Within a short time, it became clear that he was socially confused and unable to cope with the complexities of normal life. He was picked up by the police in a nearby city, and on November 20 he entered a Veterans Administration hospital. It was the first psychiatric hospitalization of his life. He was hallucinating, delusional and confused, and he wound up on a locked ward under heavy doses of medication.

During this time the V.A. physicians apparently did not have access to his previous medical records, and thus did not recognize the realistic basis of his delusions. Breggin quotes a passage in the discharge summary of May 22, 1968: "Patient stated that . . . Massachusetts General Hospital were [sic] controlling him by creating lesions in his brain tissue by microwave and that they had placed electrodes in his brain tissue some time before. Stated that they can control him, control his moods and control his actions, they can turn him up or turn him down." Certainly anyone with a story like *that* would appear to be imagining things. The V.A. diagnosis was "schizophrenic reaction, paranoid type."

Only five months after release from the V.A. hospital, Thomas was rehospitalized. Breggin reports that hospital staff notes indicate he had exhibited the first officially recorded episode of public violence in his life. An entry on October 28, 1968 says: "arrested by police—involved in fight, very impulsive." The Veterans Administration declared him to be totally disabled.

Breggin asserts that at the present time, Thomas continues to be confused and delusional; he is unable to work, generally incapable of caring for himself, and has been periodically rehospitalized as assaultive and psychotic. Breggin claims that during a recent confinement Thomas walked about the wards with his head covered by bags, newspapers and rags, fearful that his brain would be further destroyed. He quotes Thomas' mother as saying that since the operation, "The poor guy has been almost a vegetable . . . We know he was destroyed by that operation."

A Visit to Boston. There are other sources of information about Thomas' post-operative troubles. In August 1972, Ernst Rodin, a Detroit neurosurgeon visited Mark's project in Boston. At that time, Rodin was coauthor of a proposal to perform psychosurgery on patients who were in a state hospital because of "severe, uncontrollable, aggressive outbursts." The purpose of his visit, as he described it in a memorandum he wrote shortly thereafter, was "to obtain the most up-to-date information on the results of surgery for aggressive behavior in human beings."

Rodin apparently hoped this new information would strengthen his own proposal,

but he found the results of his interviews "quite disturbing." After questioning Ira Sherwin, a neurologist on the project, Rodin concluded: "The reports on the operated patients do not jive exactly between Dr. Sherwin and Dr. Mark . . . The patient Thomas R., an engineer of high IQ . . . is floridly paranoid and in a V.A. hospital in [a West-Coast city]. I was told that he will never be able to function in society. Of psychological interest, is the fact that Mark and Ervin figure prominently in his delusional system, but the delusions are not aggressively flavored and there is no drive to 'get even' for what they have done to his brain."

Rodin wrote that he and Sherwin had also discussed other patients, including those described in *Violence and the Brain*. Sherwin he said, "was not aware of any genuinely successful cases." As regards the scientific validity of some of Mark and Ervin's results, Rodin wrote: "Sherwin . . . has no faith in the data. But since his Neurosurgical superiors do possess this faith, some of the material may appear in print."

This revealing memorandum is part of the public record; it was an exhibit in a civil action brought on behalf of the first proposed candidate for psychosurgery under Rodin's project. That important case ended in a decision barring experimental brain surgery upon individuals involuntarily confined in Michigan's public institutions (see page 69).

What, then, has happened to Thomas? Late in 1973, a declaration was filed in Massachusetts' Suffolk Superior Court on behalf of the patient known as Thomas R. It charges that as a result of the surgery, "the plaintiff was permanently injured and incapacitated, has suffered . . . great pain of body and mind, has been required . . . to incur substantial expenses for medical care and treatment, and has been permanently deprived of his earning capacity and his ability to work. . . ." At this writing, the matter is still in litigation.

The apparent fate of Thomas R., however pathetic and disturbing, is wholly consistent with our rudimentary understanding of the brain and the complexity of its functions. No brain activity occurs in isolation, without correlated activity in other regions. As the complexity of the behavior increases, so does the extent of interaction in the brain. Yet many psychosurgeons continue to ignore these facts, in favor of a pretentious and extreme doctrine of brain localization.

Operating on Deviance. Proponents of this doctrine sometimes attempt to use it to justify a psychotechnological approach to social conflict. I have already mentioned as a case in point the proposal to perform psychosurgery on prisoners. And, as I have argued elsewhere, there are public officials as well as psychotechnologists for whom the distance is short from brain disease to social disorder, and the passage is swift from the medical control of neurophysiological problems to the social control of deviant individuals and groups.

Psychosurgery has been performed on sexual deviants and drug addicts. A report of 22 such cases from Germany was published in 1973. Operations have also been performed on "hyperactive" children in several countries during the past few years. One psychosurgical team, for example, recently reported results of limbicsystem lesions made in 115 children, including 39 who were under the age of 11. They claimed that lesions of the cingulate gyrus, amygdale, and regions of the hypothalamus, "proved to be useful in the management of patients who previously could not be managed by any other measure." O. J. Andy, a well-known psychosurgeon at the University of Mississippi, has reported operations on a number of children six to 19 years old. In recent testimony before a Senate subcommittee, Andy said he had performed 13 of 14 such operations, and that a majority had produced "good" or "fair" results. He also presented a few "brief case reports." Here is one in its entirety:

"A seven-year-old, mentally retarded child had sudden attacks of screaming, yelling, running and beating the head against the wall. The walls were actually indented by the blows. Following thalamotomy three years ago, the patient did not display the wild, aggressive and screaming behavior. The improved behavior was an enjoyment for both the child and the parents."

Shifting the Emphasis. Although the abusive deployment of psychosurgery might be curbed by legislative or legal means, I think that the most important task before us is to develop alternative ways of perceiving social problems. We must learn to see such things as violence and hyperactivity as something other than individual infirmities. We must understand that they cannot be overcome by merely treating certain people with the most efficient or inexpensive technological methods available. Finally, we must shift the emphasis in our thinking from a preoccupation with controlling individual deviance to the problem of understanding the various systems (social, political, family) of which both deviance and its control are interrelated parts.

Clearly, the age of psychotechnology has arrived, and psychosurgery is merely its cutting edge. We must carefully examine the entire spectrum of psychotechnology, and begin to question the basic ideologies of behavioral prediction, modification and control. To pretend that physical control of the mind is merely a futuristic fantasy is plainly foolish. To believe that it can't happen here is even worse. For to deny the power and political appeal of a repressive psychotechnology is to expedite its encroachment, and to refrain from combating it is to surrender our constitutional freedom and our human dignity.

The PRESIDING OFFICER. The question is on agreeing to the conference report. 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 Idaho (Mr. CHURCH), the Senator from Mississippi (Mr. EASTLAND), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from South Dakota (Mr. McGOVERN), and the Senator from Mississippi (Mr. STENNIS) are necessarily absent.

I also announce that the Senator from Missouri (Mr. SYMINGTON) is absent because of death in family.

Mr. GRIFFIN. I announce that the Senator from Vermont (Mr. AIKEN), the Senator from New Hampshire (Mr. COTTON), the Senator from Colorado (Mr. DOMINICK), the Senator from Arizona (Mr. GOLDWATER), the Senator from Florida (Mr. GURNEY), the Senator from Kansas (Mr. PEARSON), the Senator from Ohio (Mr. TAFT), and the Senator from Texas (Mr. TOWER) are necessarily absent.

I further announce that, if present and voting, the Senator from Ohio (Mr. TAFT) would vote "yea."

The result was announced—yeas 72, nays 14, as follows:

[No. 283 Leg.]

YEAS—72

Abourezk	Bennett	Byrd, Robert C.
Allen	Bentsen	Cannon
Baker	Bible	Case
Bayh	Brock	Chiles
Beall	Brooke	Clark
Bellmon	Burdick	Cook
Cranston	Johnston	Pell
Dole	Kennedy	Percy
Eagleton	Long	Randolph
Ervin	Magnuson	Ribicoff
Fannin	Mansfield	Schweiker
Fong	Mathias	Scott, Hugh
Gravel	McClellan	Scott, William L.
Griffin	McGee	Sparkman
Hart	McIntyre	Stafford
Hartke	Metcalf	Stevens
Haskell	Metzenbaum	Stevenson
Hathaway	Mondale	Talmadge
Hollings	Montoya	Thurmond
Huddleston	Moss	Tunney
Hughes	Muskie	Weicker
Humphrey	Nelson	Williams
Inouye	Nunn	
Jackson	Packwood	
Javits	Pastore	

NAYS—14

Bartlett	Curtis	Hruska
Biden	Domenici	McClure
Buckley	Hansen	Proxmire
Byrd, Harry F., Jr.	Hatfield	Roth
	Helms	Young

NOT VOTING—14

Aiken	Fulbright	Stennis
Church	Goldwater	Symington
Cotton	Gurney	Taft
Dominick	McGovern	Tower
Eastland	Pearson	

So the conference report was agreed to.

Mr. KENNEDY. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

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

The motion to lay on the table was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House had passed the bill (S. 3490) providing that funds apportioned for forest highways under section 202(a), title 23, United States Code, remain available until expended, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to the amendment of the Senate to the 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, with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (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; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. DORN, Mr. TEAGUE, Mr. HALEY, Mr. DULSKI, Mr. HELSTOSKI, Mr. HAMMERSCHMIDT, Mrs. HECKLER of Massachusetts, Mr. ZWACH, and Mr. WYLIE were appointed managers on the part of the House at the conference.

The message also announced that the House had passed a bill (H.R. 13370) to suspend until June 30, 1976, the duty on catalysts of platinum and carbon used in producing caprolactam, in which it requested the concurrence of the Senate.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H.J. Res. 1062) making continuing appropriations for the fiscal year 1975, and for other purposes.

The message also announced that the House had agreed to the concurrent resolution (S. Con. Res. 96) adjourning the Senate from June 27, 1974, until noon July 8, 1974, or until required to reassemble by the Speaker of the House and the President pro tempore of the Senate, which comes earlier, with amendments, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H.R. 13370) to suspend until June 30, 1976—the duty on catalysts of platinum and carbon used in producing caprolactam, was read twice by its title and referred to the Committee on Finance.

THE SENATE GREETS SENATOR LUDER OF ARGENTINA

Mr. McGEE. It is my honor, Mr. President, as the chairman of the Western Hemisphere Subcommittee of the Committee on Foreign Relations to host the presence of a distinguished Senator from Argentina, Senator Luder.

This special occasion is exceptional for a particular reason. For reasons of particular applicability in his country, their Senate has not been in session for a considerable period of time, and it is now being reactivated, and Senator Luder's presence here epitomizes now the new revitalization of the political structure of which he is an integral part.

He comes likewise from a part of the Argentine, and his background in Switzerland before that, that identifies him very closely with the beauteous parts of the State of Wyoming, the Grand Teton Mountains. In fact, we have often proposed that we get a public works project going to transfer Lake Bariloche in the Argentine Andes to the State of Wyoming to further enhance our geographical qualities.

I want to say that it is a significant occasion for the Members of this body for Senator Luder to be here and honor us with his presence today.

2-MINUTE RECESS

Mr. McGEE. Mr. President, I ask unanimous consent that the Senate recess for 2 minutes so that the Members of the body might greet our distinguished guest from the Argentine.

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

Thereupon, the Senate took a recess for 2 minutes.

NUTRITION PROGRAM FOR ELDERLY

Mr. EAGLETON. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on H.R. 11105.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the amendment of the Senate to (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, with an amendment which was on page 3 of the Senate engrossed amendment, strike out all after line 9 down to and including line 21, and insert:

SEC. 4. Section 201 of Public Law 93–113 (87 Stat. 401, October 1, 1973) is amended by inserting the following new subsection (b) after subsection (a) and redesignating the present subsection (b) as subsection (c):

"(b) In no event shall the required proportion of the local contribution (including in-kind contributions) for a grant or contract made under this section be more than 10 per centum in the first year of assistance under this section, 20 per centum in the second such year, 30 per centum in the third such year, 40 per centum in the fourth such year, and 50 per centum in any subsequent such years: *Provided, however,* That the Director may make exceptions in cases of demonstrated need, determined (in accordance with regulations which the Director shall prescribe) on the basis of the financial capability of a particular recipient of assistance under this section, to permit a lesser local contribution proportion than any required contribution proportion established by the Director in generally applicable regulations.".

LOCAL SHARE CONTRIBUTION FOR RSVP PROJECTS

Mr. CRANSTON. Mr. President, as you know, the House has adopted an amendment as a substitute for section 4 which I authored in the Senate amendment to H.R. 11105. The House substitute amendment has the agreement of the sponsors of the original Senate amendment regarding the RSVP local contribution, as well as the general concurrence of the Action Agency which is responsible for administering the RSVP program.

The Senate amendment would have amended section 201(a) of Public Law 93–113, the Domestic Volunteer Service Act of 1973, by establishing percentages for local contributions by project sponsors which could be required by the Action Agency in connection with RSVP grants and contracts. Under the Senate provison, no first year grant could have required a local contribution in excess of 10 percent of the total amount of the grant, and no subsequent grant or contract could have required a local contribution in excess of 40 percent of such total. Further, under the Senate provision, the local share percentage after the first year could not have been increased by more than 50 percent over the percentage of the preceding year.

Although, the House committee was generally supportive of the principles underlying the Senate RSVP amendment, at the same time they felt that the Senate provision was somewhat too restrictive and might lead to inequitable results and maladministration.

As a result, Members of both the House and Senate undertook to work out a compromise which closely parallels the revised RSVP local-share policy set forth in the June 18, 1974, letter from the Action Agency to me, which was included in the RECORD (p. 20007) during the consideration of the Senate amendment. An identical letter was sent to House committee chairman (Mr. PERKINS).

Mr. President, we undertook to work this matter out in consultation with the principals in the other body and with the ACTION Agency. I wish to express my gratitude to the distinguished gentleman from Indiana (Mr. BRADEMAS) and the distinguished gentleman from Minnesota (Mr. QUIE) who have been so helpful and cooperative in this matter, and also to my distinguished colleagues in the Senate, Mr. WILLIAMS, Mr. BEALL, Mr. KENNEDY, Mr. EAGLETON, Mr. JAVITS, and Mr. STAFFORD, who worked so closely with us to reach a satisfactory accommodation of all viewpoints.

Mr. President, in fact I believe that the House substitute amendment has all the strong features of the original Senate amendment. Under the substitute provision, the first year RSVP local-contribution proportion could not be set by the Agency at any more than 10 percent, the second year at any more than 20 percent; the third year at any more than 30 percent, the fourth year at any more than 40 percent; and the local share contributions in subsequent years under subsequent grants or contracts could not exceed 50 percent. In addition, the substitute provides specifically for exceptions to be made by the Agency Director based on demonstrated need, as determined based on particular local financial capability in accordance with Agency regulations, so that amounts lower than the local share standards, which Agency regulations would require, could be permitted by the Agency based specifically on individual project needs.

Mr. President, I am happy to note that the other body is in full accord with the purposes of the Senate amendment to provide for a flexible policy that does not seek to impose arbitrary, rigid guidelines for local contributions.

Mr. President, it should also be clearly understood that the other body supports the intent, as pointed out during debate on the Senate amendment, that the local share amounts in the new statutory provision only limit what the Agency may require from local projects and in no way limit what additional sums project sponsors may voluntarily offer to contribute to the Agency, which, of course, the Agency may accept as a gift pursuant to section 402(5) of Public Law 93–113.

In addition, Mr. President, the Members of the other body yesterday expressed their full agreement with the language in the Senate Committee report (No. 93–932) on page 15, which I will quote, regarding the need for a liberal in-kind contribution policy as well as the need that no arbitrary limit should be imposed on the total dollar amount of Federal funding for a particular project, nor on the increase in total Federal funds from one year to the next:

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.

Finally, Mr. President, we are certainly in agreement with the leaders of the other body regarding this particular provision in Senate amendment that it will be necessary for our respective committees and subcommittees to monitor closely the implementation of the new statutory provision by the ACTION Agency. To assist us in that monitoring activity, we will expect that the Agency will communicate with us specifically in the following respects. First, we expect the Agency to consult with us in advance prior to publishing for public comment in the Federal Register its regulations regarding the RSVP local contribution. Second, Mr. President, we expect the Agency to notify us immediately upon making a RSVP grant or contract in which there is a local contribution in excess of 40 percent of the total cost. Finally, Mr. President, we expect the ACTION Agency to submit to us every 4 months a list of RSVP project grants and contracts, the dollar amounts involved, and the local share amount and percentage—both required or voluntarily contributed—being provided by each project, including a specification of the amount which is an in-kind contribution and the amount which is in cash.

Mr. President, I hope that my colleagues will rapidly concur in this House amendment to the Senate amendment so we can send the bill to the President prior to the July recess. Once more, Mr. President, my thanks to my colleagues on the Labor and Public Welfare Committee and especially the Subcommittee on Aging chairman (Mr. EAGLETON) for their steadfast support throughout this matter.

Mr. EAGLETON. Mr. President, I move that the Senate concur in the amendment of the House to the Senate amendment to H.R. 11105.

The motion was agreed to.

FOREST HIGHWAY FUNDS TO REMAIN AVAILABLE UNTIL EXPENDED

Mr. MANSFIELD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 3490.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 3490) providing that funds apportioned for forest highways under section 202(a), title 23, United States Code, remain available until expended, which was in line 3, strike out "118(b)", and insert: "203".

Mr. MANSFIELD. Mr. President, I move the Senate concur in the amendment of the House.

The motion was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 1062) making continuing appropriations for the fiscal year 1975, and for other purposes.

The message also announced that the House had passed a bill (H.R. 14883) to amend the Public Works and Economic Development Act of 1965 to extend the authorizations for a 2-year period, and for other purposes, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H.R. 14883) to amend the Public Works and Economic Development Act of 1965 to extend the authorizations for a 2-year period, and for other purposes, was read twice by its title and referred to the Committee on Public Works.

CONSIDERATION OF CERTAIN ITEMS OF THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendar No. 933, and the rest of the calendar in sequence, with the exception of Calendar No. 935.

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

SCHOOL FARE SUBSIDY FOR SCHOOLCHILDREN IN THE DISTRICT OF COLUMBIA

The bill (S. 3477) to amend the act of August 9, 1955, relating to school fare subsidy for transportation of schoolchildren within the District of Columbia was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 3477

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2 of the Act entitled "An Act to provide for the regulation of fares for the transportation of schoolchildren in the District of Columbia," approved August 9, 1955 (D.C. Code, sec. 44–214a), as amended by an Act approved October 18, 1968, and by an Act approved August 11, 1971, is further amended by deleting "1974" and substituting "1977".

DISTRICT OF COLUMBIA CRIMINAL JUSTICE ACT

The bill (S. 3703) to authorize in the District of Columbia a plan providing for the representation of defendants who are financially unable to obtain an adequate defense in criminal cases in the courts of the District of Columbia, and for other purposes was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

A bill to authorize in the District of Columbia a plan providing for the representation of defendants who are financially unable to obtain an adequate defense in criminal cases in the courts of the District of Columbia, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "District of Columbia Criminal Justice Act".

SEC. 2. Title 11 of the District of Columbia Code (1973 edition) is amended by adding at the end thereof the following new chapter:

"Chapter 26.—REPRESENTATION OF INDIGENTS IN CRIMINAL CASES

"Sec.

"11–2601. Plan for furnishing representation to indigents in criminal cases.
"11–2602. Appointment of counsel.
"11–2603. Duration and substitution of appointments.
"11–2604. Payment for representation.
"11–2605. Services other than counsel.
"11–2606. Receipt of other payments.
"11–2607. Preparation of budget.
"11–2608. Authorization of appropriations.

"§ 11–2601. Plan for furnishing representation to indigents in criminal cases

"The Joint Committee on Judicial Administration shall place in operation in the District of Columbia a plan for furnishing representation to any person in the District of Columbia who is financially unable to obtain adequate representation—

"(1) who is charged with a felony, or misdemeanor, or other offense for which the sixth amendment to the Constitution requires the appointment of counsel or for whom, in a case which he faces loss of liberty, any law of the District of Columbia requires the appointment of counsel;

"(2) who is under arrest, when such representation is required by law;

"(3) who is charged with violating a condition of probation or parole, in custody as a material witness, or seeking collateral relief, as provided in—

"(A) Section 23–110 of the District of Columbia Code (remedies on motion attacking sentence),

"(B) Chapter 7 of title 23 of the District of Columbia Code (extradition and fugitives from justice),

"(C) Chapter 19 of title 16 of the District of Columbia Code (habeas corpus),

"(D) Section 928 of the Act of March 8, 1901 (D.C. Code, sec. 24–302) (commitment of mentally ill person while serving sentence);

"(4) who is subject to proceedings pursuant to chapter 5, title 21, of the District of Columbia Code (hospitalization of the mentally ill);

"(5) who is a juvenile and alleged to be delinquent or in need of supervision.

Representation under the plan shall include counsel and investigative, expert, and other services necessary for an adequate defense. The plan shall include a provision for private attorneys, attorneys furnished by the Public Defender Service, and attorneys and qualified students participating in clinical programs.

"§ 11–2602. Appointment of counsel

"Counsel furnishing representation under the plan shall in every case be selected from panels of attorneys designated and approved

by the courts. In all cases where a person faces a loss of liberty and the Constitution or any other law requires the appointment of counsel, the court shall advise the defendant or respondent that he has the right to be represented by counsel and that counsel will be appointed to represent him if he is financially unable to obtain counsel. Unless the defendant or respondent waives representation by counsel, the court, if satisfied after appropriate inquiry that the defendant or respondent is financially unable to obtain counsel, shall appoint counsel to represent him. Such appointment may be made retroactive to include any representation furnished pursuant to the plan prior to appointment. The court shall appoint separate counsel for defendants or respondents having interests that cannot properly be represented by the same counsel, or when other good cause is shown. In all cases covered by this Act where the appointment of counsel is discretionary, the defendant or respondent shall be advised that counsel may be appointed to represent him if he is financially unable to obtain counsel, and the court shall in all such cases advise the defendant or respondent of the manner and procedures by which he may request the appointment of counsel.

"§ 11–2603. Duration and substitution of appointments

"A person for whom counsel is appointed shall be represented at every stage of the proceedings from his initial appearance before the court through appeals, including ancillary matters appropriate to the proceedings. If at any time after the appointment of counsel the court finds that the person is financially able to obtain counsel or to make partial payment for the representation, it may terminate the appointment of counsel or authorize payment as provided in section 2606 of this chapter, as the interests of justice may dictate. If at any stage of the proceedings, including an appeal, the court finds that the person is financially unable to pay counsel whom he had retained, it may appoint counsel as provided in section 2602, and authorize payment as provided in section 2604, as the interests of justice may dictate. The court may, in the interest of justice, substitute one appointed counsel for another at any stage of the proceedings.

"§ 11–2604. Payment for representation

"(1) HOURLY RATE.—Any attorney appointed pursuant to this chapter shall, at the conclusion of the representation or any segment thereof, be compensated at a rate fixed by the Joint Committee on Judicial Administration, not to exceed the hourly scale established by the provisions of section 3006A(d)(1) of title 18, United States Code. Such attorney shall be reimbursed for expenses reasonably incurred.

"(2) MAXIMUM AMOUNTS.—For representation of a defendant before the Superior Court or before the District of Columbia Court of Appeals, as the case may be, the compensation to be paid to an attorney shall not exceed the maximum amounts established by section 3006A(d)(2) of title 18, United States Code, in the corresponding kind of case or proceeding.

"(3) WAIVING MAXIMUM AMOUNTS.—Claims for compensation and reimbursement in excess of any maximum amount provided in subsection (2) of this section may be approved for extended or complex representation whenever such payment is necessary to provide fair compensation. Any such request for payment shall be submitted by the attorney for approval by the chief judge of the Superior Court upon recommendation of the presiding judge in the case or, in cases before the District of Columbia Court of Appeals, approval by the chief judge of the Court of Appeals upon recommendation of the presiding judge in the case. A decision shall be made by the appropriate chief judge in the case of every claim filed under this subsection.

"(4) FILING CLAIMS.—A separate claim for compensation and reimbursement shall be made to the Superior Court for representation before that Court, and to the District of Columbia Court of Appeals for representation before that court. Each claim shall be supported by a sworn written statement specifying the time expended, services rendered, and expenses incurred while the case was pending before the court, and the compensation and reimbursement applied for or received in the same case from any other source. The court shall fix the compensation and reimbursement to be paid to the attorney. In cases where representation is furnished other than before the Superior Court or the District of Columbia Court of Appeals, claims shall be submitted to the Superior Court which shall fix the compensation and reimbursement to be paid.

"(5) NEW TRIALS.—For purposes of compensation and other payments authorized by this section, an order by a court granting a new trial shall be deemed to initiate a new case.

"(6) PROCEEDINGS BEFORE APPELLATE COURT.—If a person for whom counsel is appointed under this section appeals to the District of Columbia Court of Appeals, he may do so without prepayment of fees and costs or security therefor and without filing the affidavit required by section 1915(a) of title 28, United States Code.

"§ 11–2605. Services other than counsel

"(1) UPON REQUEST.—Counsel for a person who is financially unable to obtain investigative, expert, or other services necessary for an adequate defense may request them in an ex parte application. Upon finding, after appropriate inquiry in an ex parte proceeding, that the services are necessary and that the person is financially unable to obtain them, the court shall authorize counsel to obtain the services.

"(2) WITHOUT PRIOR REQUEST.—Counsel appointed under this section may obtain, subject to later review, investigative, expert, or other services, excluding the preparation of reporter's transcript, without prior authorization if necessary for an adequate defense. The total cost of services obtained without prior authorization may not exceed $150 or the rate provided by section 3006A(e)(2) of title 18, United States Code, whichever is higher, and expenses reasonably incurred.

"(3) MAXIMUM AMOUNTS.—Compensation to be paid to a person for services rendered by him to a person under this subsection shall not exceed $300, or the rate provided by section 3006(A)(e)(3) of title 18, United States Code, whichever is higher, exclusive of reimbursement for expenses reasonably incurred, unless payment in excess of that limit is certified by the court, as necessary to provide fair compensation for services of an unusual character or duration, and the amount of the excess payment is approved by the presiding judge in the case.

"§ 11–2606. Receipt of other payments

"(a) Whenever the court finds that funds are available for payment from or on behalf of a person furnished representation, it may authorize or direct that such funds be paid to the appointed attorney, or to any person or organization authorized pursuant to section 2605 of this title to render investigative, expert, or other services, or to the court for deposit in the Treasury as a reimbursement to the appropriation, current at the time of payment, to carry out the provisions of this section. Except as so authorized or directed, no such person or organization may request or accept any payment or promise of payment for representing a defendant.

"(b) Any person compensated, or entitled to be compensated, for any services rendered under this chapter who shall seek, ask, demand, receive, or offer to receive, any money, goods, or services in return therefor from or on behalf of a defendant or respondent shall be fined not more than $1,000 or imprisoned not more than one year, or both.

"§ 11–2607. Preparation of Budget

"The joint committee shall prepare and annually submit to the Commissioner of the District of Columbia, in conformity with section 11–1743 of this title, or to his successor in accordance with section 445 of the District of Columbia Self-Goverment and Governmental Reorganization Act, for inclusion in the annual budget, annual estimates of the expenditures and appropriations necessary for furnishing representation by private attorneys to persons entitled to representation in accordance with section 2601 of this title.

"§ 11–2608. Authorization of appropriations

"There are hereby authorized to be appropriated to the District of Columbia such funds as may be necessary for the administration of this chapter for fiscal years 1975 and 1976. When so specified in appropriation Acts, such appropriations shall remain available until expended.

SEC. 3. (a) Paragraph (1) of section 3006A, title 18, United States Code, as amended, is amended to read:

"(1) APPLICABILITY IN THE DISTRICT OF COLUMBIA.—The provisions of this Act, other than subsection (h) of section 1, shall apply in the United States District Court for the District of Columbia and the United States Court of Appeals for the District of Columbia Circuit. The provisions of this Act shall not apply to the Superior Court of the District of Columbia and the District of Columbia Court of Appeals.".

SEC. 4. This Act shall take effect upon the date of its enactment. Any person appointed on or after July 1, 1974, but prior to the commencing date of the plan referred to in section 11–2601 of the District of Columbia Code (as added by section 2 of this Act), by a judge of the Superior Court or the District of Columbia Court of Appeals to furnish to any person in the District of Columbia, who is financially unable to obtain adequate representation, that representation and those services referred to in such section 11–2601, may be compensated and reimbursed for such representation and services rendered, including expenses incurred therewith, upon filing a claim for payment. Payment shall not be allowed in excess of the amounts authorized in accordance with those sections added to the District of Columbia Code by such section 2.

OSCAR H. BARNETT

The Senate proceeded to consider the bill (S. 1193) for the relief of Oscar H. Barnett which had been reported from the Committee on the Judiciary with an amendment in line 5, after the word "consideration", insert "and without warranty of title,".

The amendment was agreed to.

The bill was 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 the Secretary of the Interior is authorized to convey by quitclaim deed or by other appro-

priate instruments, without consideration *and without warranty of title*, to Oscar H. Barnett, all right, title, and interest of the United States in and to the following tract of land located in Leake County, Mississippi:

South half of northwest quarter of northwest quarter, section 25, township 11 north, range 7 east.

MICHAEL D. MANEMANN

The bill (S. 2838), a bill for the relief of Michael D. Manemann, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 2838

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) in accordance with conclusions of the Report of the Review Panel, filed October 10, 1973, pursuant to sections 1492 and 2509 of title 28, United States Code, in Congressional Reference Case Numbered 3–71, before the Chief Commissioner of the Court of Claims, entitled "Michael D. Manemann against The United States," the Secretary is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Michael D. Manemann, a former military dependent, the sum of $27,000, in full satisfaction of all claims (including those for lost earnings, pain and suffering, and residual disability) of the said Michael D. Manemann against the United States resulting from the actions occurring overseas, of medical personnel of the United States Air Force who, it was found, in 1962 negligently failed to diagnose the existence of tuberculosis, at which time X-rays then taken showed a suspicious condition which should have led to further studies and to treatment which would probably have then obviated the need for the surgery which was subsequently undertaken upon the discovery of advanced tuberculosis in 1965.

(b) No part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

LESTER H. KROLL

The bill (H.R. 3534), for the relief of Lester H. Kroll, was considered, ordered to a third reading, read the third time, and passed.

URSULA E. MOORE

The bill (H.R 5266), for the relief of Ursula E. Moore, was considered, ordered to a third reading, read the third time, and passed.

MRS. RITA PETERMANN BROWN

The bill (H.R. 7128) for the relief of Mrs. Rita Petermann Brown was considered, ordered to a third reading, read the third time, and passed.

VIOLA BURROUGHS

The bill (H.R. 7397) for the relief of Viola Burroughs was considered, ordered to a third reading, read the third time, and passed.

JAMES A. WENTZ

The bill (H.R. 8823) for the relief of James A. Wentz was considered, ordered to a third meeting, read the third time, and passed.

INCREASED AUTHORITY TO PAY CERTAIN CLAIMS

The bill (H.R. 9800) to amend sections 2733 and 2734 of title 10, United States Code, and section 715 of title 32, United States Code, to increase the maximum amount of a claim against the United States that may be paid administratively under those sections and to allow increased delegation of authority to settle and pay certain of those claims was considered, ordered to a third reading, read the third time, and passed.

UNANIMOUS-CONSENT AGREEMENT ON S. 3500

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as the bill is called up and made the pending business before the Senate, there be a time limitation on the amateur athletics measure, S. 3500, of 2 hours on the bill, 1 hour on the amendment by Mr. COOK, and one-half hour on any other amendment, debatable motion or appeal; and that the agreement be in the usual form, with the time on the bill divided between and controlled by the Senator from Washington (Mr. MAGNUSON) and the Senator from New Hampshire (Mr. COTTON).

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

Mr. ROBERT C. BYRD. The leadership is cognizant of the desire of Mr. COOK to be present at the time that bill is taken up.

Mr. GRIFFIN. I thank the distinguished majority whip. With that observation I might also cite for the record with the Senator from Kansas (Mr. PEARSON), the Senator from Maryland (Mr. BEALL), and the Senator from Kentucky (Mr. COOK), all of whom have a keen interest in this particular legislation, and the agreement is satisfactory.

Mr. ROBERT C. BYRD. I might also ask the distinguished Republican whip as to whether or not it would be possible at this time to get an agreement on the atomic energy measure, S. 3698. It will be called up on Wednesday, July 10, 1974, following the recess.

Mr. GRIFFIN. I would respond by saying that I think we are pretty close to an agreement, but I am not in a position to say yes at the moment.

Mr. ROBERT C. BYRD. Very well. Then I assume that we will continue in our efforts during the day.

Mr. GRIFFIN. Yes.

Mr. ROBERT C. BYRD. I thank the Senator.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate stand in recess—

Mr. GRIFFIN. Will the majority leader withhold that for a moment?

Mr. MANSFIELD. Yes.

TRIBUTE ON RETIREMENT OF OFFICIAL REPORTERS OF DEBATES

Mr. GRIFFIN. Mr. President, there are a number of silent but indispensable men and women who make it possible for the Senate to do its work. Among them are the Official Reporters who meticulously and accurately record every word of the debates which take place on the Senate floor.

I mention this today because, effective with the close of business today, four of our Official Reporters and an assistant to the Reporters will be retiring. So, for them, today marks the end of their service as a part of the Senate.

Together they have a combined total of nearly 90 years of service in this body.

The Reporters to whom I refer and the approximate number of years of their service are as follows:

Francis J. Attig, 23 years.

Nicholas J. Cinciotta, 21 years.

Jack Romagna, 11 years.

Francis J. McSwiggan, 11 years.

Willard W. Pruett, the assistant, 23 years.

To each of them we owe a deep debt of gratitude for the pleasant and efficient way in which they have performed their assignments.

Day in and day out, in good weather and bad, they are always here working with flying pens as they record for history every word spoken and every action taken on the Senate floor. We who have the privilege of speaking in the Senate Chamber can only marvel at the skill as well as the patience and endurance of these men, our very able associates in the life and work of the Senate.

I know I speak for all of the Senators on both sides of the aisle when I wish for each of the retirees the very best during many happy retirement years.

RECESS UNTIL 1:20 P.M.

Mr. MANSFIELD. Mr. President, it is my understanding that the distinguished chairman of the Committee on Appropriations (Mr. MCCLELLAN) will be ready to take up the continuing resolution at about 1:15.

I ask unanimous consent that the Senate stand in recess until the hour of 1:20.

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

Accordingly, at 12:55 p.m. the Senate took a recess until 1:20 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. JOHNSTON).

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

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

CONTINUING APPROPRIATIONS, 1975—CONFERENCE REPORT

Mr. McCLELLAN. Mr. President, I submit a report of the committee of conference on House Joint Resolution 1062, and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. JOHNSTON). The report will be stated by title.

The second assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H.J. Res. 1062) making continuing appropriations for the fiscal year ending June 30, 1975, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all the conferees.

The PRESIDING OFFICER. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the CONGRESSIONAL RECORD of June 26, 1974, at p. 21214.)

Mr. McCLELLAN. Mr. President, the conference report and the joint explanatory statement of the committee of conference appear in the CONGRESSIONAL RECORD of June 26, 1974—the RECORD we received today—beginning on page 21214. In addition, we also have available the usual printed report.

While the conference report is self-explanatory, I should like to point out the action of the conferees with respect to two of the Senate amendments. First, on amendment No. 8, the Senate provided for an annual rate of $900,000,000 for the continuation of support for South Vietnamese military forces. The conference agreement provides instead an annual rate of $1,000,000,000 under the terms of the continuing resolution, in lieu of the current rate as proposed by the House.

On amendment No. 15, in connection with title I of the Elementary and Secondary Education Act, the conference agreement provides that the distribution of funds should be based upon provisions contained in H.R. 69, as passed by the Senate. Also, the conferees direct that funds for part B of title I shall not be distributed during the period covered by this continuing resolution since this legslation is in conference. The conferees further agreed that this action is without prejudice to the disposition of part B of title I of the authorizing legislation.

Mr. President, the continuing resolution simply represents a stopgap mechanism to provide interim financing authority for essential operation of the Government. It is necessary in order to enable the Government to continue to operate. This resolution extends to September 30 and I am hopeful that we will have all of the appropriation bills enacted by that date. Certainly, most of the bills should be enacted prior to then. I urge that the conference report be agreed to.

I yield to the distinguished Senator from North Dakota.

Mr. YOUNG. Mr. President, I concur and support the remarks of the distinguished chairman of the Appropriations Committee, Senator McCLELLAN, concerning this continuing resolution that is before us. This resolution extends the authority of Government agencies to expend funds so that normal business and activities can be accomplished without disruption.

This week the House has concentrated on passage of a number of appropriations bills, some of which have been sent over to the Senate and, some will be sent over before the close of business tomorrow. Also, it is my understanding, that immediately following the 4th of July recess, the House will act on additional bills and send them to the Senate.

As the chairman has indicated, it is expected that 9 of 13 regular annual appropriations bills for fiscal year 1975 will be passed by the House, and hopefully be passed by the Senate before the expiration of this continuing resolution on September 30, 1974. I would also hope that all 13 regular appropriations bills can be acted upon prior to the expiration of this continuing resolution.

The conferees supported the Senate bill to the maximum extent possible. This was particularly true in the consideration of title I for elementary and secondary education in which the Senate position was approved.

Mr. President, this was a provision in which the distinguished senior Senator from New York was very much interested, and a hard fight was conducted in support of the Senate's position.

The Senate position would not have been maintained if it had not been for the very skillful and persuasive work of the distinguished chairman of the committee. At first the House was adamant and would not accept the provision. They only accepted it after a 1-day delay.

Mr. JAVITS. Mr. President——

The PRESIDING OFFICER. The Senator from New York.

Mr. JAVITS. Mr. President, I have heard with the greatest of interest the statements made by the chairman of the committee and the ranking minority member and I wish to express to them my great appreciation for the consideration which they showed to me on my own problem under title I of the Elementary and Secondary Education Act.

I know from the fact that Senator McCLELLAN and Senator YOUNG talked with me personally how deeply dug in was the House. I have been in a lot of conferences, as they both know, and I know how they can dig in, and they did not disappoint the conferees in this case.

So I am very appreciative, not only of what took place, but the consideration shown for a fellow Senator. I have always tried to do that in conferences, and it is so gratifying when it is reciprocated, as it was in this case.

By way of report to the Senate, I might say that sometime between 8 o'clock last night and 4 o'clock this morning the conferees of the education bill worked out at least a tentative agreement on these items of two bills. So the forecast which is made in this conference report that it should be properly left to us is entirely valid.

Second, I would like to note that as a matter of fact no money could be paid under part B during this short period of time of the continuing resolution, so I was entirely in accord with Senator McCLELLAN in using the word "direct," because it could not happen.

Finally, Mr. President, we are not yet through with the education conference. It continues in about 20 minutes. We have a particular issue which may deadlock us momentarily, but I believe we have gone far enough so that we will be able to join our colleagues on the Appropriations Committee in presenting to the Senate an agreed-upon and highly constructive amalgamation of the House and Senate bills on these formulae and other special provisions which are contained in title I because we are not hung up on that. We have gone by that.

I think when we finally come in with a conference report, the Senate will be gratified at its creativity on this subject, and the confidence which is expressed by the Appropriations Committee in giving us the run of it will have been fully justified.

Again, I would like to thank my colleagues for their consideration.

Mr. McCLELLAN. Mr. President, I wish to thank the distinguished Senator from North Dakota and the Senator from New York for their complimentary references to the chairman of the Appropriations Committee and the work we tried to do.

We had a problem with this conference report, as both Senators, and all Senators know, but by persistence and diligence and working in good faith and being tolerant and understanding, we arrived at the result that we present here today.

Mr. President, I move the adoption of the conference report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

The PRESIDING OFFICER. What is the will of the Senate?

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

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

EXTENSION UNTIL MIDNIGHT, JUNE 30, 1974 TO FILE A REPORT PURSUANT TO SENATE RESOLUTION 327

Mr. ERVIN. Mr. President, on behalf of the Senate Select Committee on Presidential Campaign Activities, I ask unanimous consent that the committee have until not later than midnight June 30,

1974, to file a report pursuant to Senate Resolution 327.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ERVIN. Mr. President, I make this request because it would be impossible to have all the data, with the written material of the report, available before that time and, even then, it will also require an additional period of time to edit and to revise portions thereof before it can be made available for public distribution.

Since there are not copies sufficient for public distribution to the news media, I ask unanimous consent that the report be withheld until after the recess, when a sufficient number of copies of the report can be made available for the use of the news media and the general public.

The PRESIDING OFFICER. Is there objection? The Chairs hears none, and it is so ordered.

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

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

RECESS UNTIL 2:15 P.M.

Mr. MANSFIELD. Mr. President, I move that the Senate stand in recess until the hour of 2:15.

The motion was agreed to; and at 1:49 p.m., the Senate took a recess until 2:15 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. COOK).

THE ECONOMY

Mr. NUNN. Mr. President, our country has a fight on its hands. In one corner, is a young fighter hoping to curb inflation; in the other corner, is the aged veteran determined to protect a growing, productive economy. However, the normal rules of a championship fight do not apply here. In this contest, the referee's problem is keeping these two fighters from knocking each other out. The goal should be for these two opponents to fight together—not against each other. The fight, then, is to retain a productive economy, and, at the same time, curb inflation.

I do not pretend to have the ultimate solutions to this complicated and serious predicament. I do think, however, that there are three essential ingredients which we must deal with effectively if we are to restrain today's runaway inflation and restore economic growth. I do not think we have adequately come to grips with any of the three.

The first ingredient is basic fiscal responsibility. Every housewife and businessman understands this principle. Simply stated, you can not spend all the money you desire and then figure out how much you have available to spend. It should be just the reverse. Unfortunately, this is how Congress has traditionally handled the largest budget in the world.

It would be nice if Congress could rely on the administration to carry the ball for the country, but if the proof of the economic pudding is in the eating, then this administration has produced a constant diet of crow.

The American people have been fed a steady diet of accentuate-the-positive, eliminate-the-negative predictions by Government economists. Admittedly, recent economic effort has produced a number of records—record levels of Federal spending, record rates of inflation and record interest rates that we can do without.

Clearly, Congress has not, in the past, taken on the job of fiscal planning. I am happy to say that with the passage of the budget reform legislation this month, we have finally given ourselves the tools to accomplish the task. With this one act, we have swept away the chaotic approach of the past which separated the annual spending process into 13 or 14 different bills considered independently, and at different times, and which kept consideration of Government expenditures and income unrelated.

Under the new procedures, Congress, for the first time can, and must, come to grips with total Federal spending from the beginning of the appropriations process. Congress must set the overall level of Federal spending and it must put expenditures and income together and decide whether we will have a deficit, surplus or balanced budget. I, for one, prefer a balanced budget. For the first time, the American taxpayer interested in fiscal prudence will have a congressional budgetary process he can focus on to let his opinion be known.

I am confident that this new budgetary process can potentially go far to end the built-in inflationary bias of the present system with its total focus on specific programs and appropriations.

But it will not answer our current problem, because it does not even get underway for 2 years. We cannot postpone fiscal responsibility any longer.

We have a situation in which the administration is continuing to propose Federal spending at record levels and with deficit financing. We are told this is necessary to maintain economic growth and avoid a recession. It has been estimated that Federal spending will increase by 14 percent in 1974, while administration estimates of inflation for the year are 7 percent. This leaves a real increase in Federal spending over inflation of 7 percent. It goes to show why the Federal spending process is a prime contributor to the inflationary cycle.

With the administration apparently prepared to continue sacrificing stable prices to increased economic growth, the independent Federal Reserve System has felt compelled to go the other way. Mr. Burns has turned the screws to fight inflation with tight money and high interest rates. Ask any homebuilder, new homeowner or small businessman what the results have been.

So we have a situation where Nixon is pushing on the accelerator and Burns is pulling on the brakes. The goal is supposed to be renewed growth complete with stable prices. But the result has been just the opposite. Real economic output declined at an annual rate of over 6 percent in the first quarter of this year; housing starts are more than one-third below the year before. Unemployment is over 5 percent and rising, inflation ran at a rate of over 14 percent annually during the first quarter of the year and real earnings for individuals have declined by nearly 6 percent in the last year.

Clearly, the Nixon/Burns tug-of-war is not stabilizing the economy. It is threatening to burn out the engine.

I believe the situation ought to be the other way around. We must have real Federal fiscal responsibility in order to permit more constructive monetary policies. Only fiscal policy can set the basic pattern of the economy. Monetary policy cannot hope to do more than fine tune it. If Congress will take the lead in curtailing Federal expenditures, then perhaps we will begin to see things once again in their right order with private investment stimulating economic growth and Federal fiscal policies promoting economic stability. We may not be able to achieve a balanced budget all at once, but I strongly believe we can and should reduce the deficit for the next fiscal year from the $9 billion proposed to not more than $2 or $3 billion.

We cannot wait until we have the orderly process of the budget reform bill. Congress must act now to curtail unnecessary Federal spending and restore proper balance to the economy.

The second necessary ingredient is increased American productivity. I do not believe that as a nation Americans recognize how serious the problems of our country's productivity have become.

From 1965 to 1970, America had only a 2-percent annual increase in productivity. Japan, however, had an increase of 13.2 percent annually while Germany had an increase of 5.7 percent. American productivity is not gaining but rather losing ground to our free world competitors.

There is another tricky aspect to the productivity question. Many people think of this measure as only applying to the assembly line. That is not true. Productivity now encompasses much more than that. Our work force is divided into two groups—those who produce goods and those who provide services.

Mr. President, when you compare the productivity of the two groups from 1950 to 1972, you see that the goods producers increased productivity 3.5 percent a year while services productivity increased only 2.6 percent a year.

In the services sector—government workers, communications, insurance, real estate, and finance—our Nation is having a harder time coming to grips with the productivity problem than on the assembly line.

What can be done about American productivity? There is no simple answer. First, government, at all levels, must

realize the need for improvement. When you take into account that government is our largest employer, that one out of every six workers is employed by some level of government, you can imagine the vast impact on the economy.

I might add, Mr. President, that in many cases it seems the government has disincentives rather than incentives. Rather than services being the goal of local, State, or Federal Government success is usually measured by how many people work in a certain department. The departments keep increasing while the services do not keep pace.

Inflation has many causes, but one cause is the increased taxes necessary to support government at every level. We simply are not getting the kind of efficiency and productivity we need throughout the governmental bureaucracy.

Mr. President, to further answer the productivity question technology must be applied. Economic incentives must be developed. Better management at every level—especially in government—must occur. Investment capital must accelerate in this country for our capital replacement in new plants and equipment is not nearly as much as our competition in Western Europe and Japan. The Congress can play an immediate role in freeing investment capital by reducing the Federal deficit and the deficit financing that cuts so deeply into the capital available for private economic expansion.

A way must be found to deal with the workers displaced by technology. You cannot expect working people to cheer for technology when their jobs are going out the window. Our country should develop educational systems that do not end when a person graduates from high school. Our educational system must retrain people who are displaced by the very technology that is essential to increased productivity.

Basically, labor, management and government must begin to think of themselves as partners for the betterment of America instead of as competing forces.

This brings me to the third ingredient in the fight for a growing economy—the crude oil situation. Now that there are no long lines for gasoline, many Americans do not realize the incredible impact the great jump in the world price of crude oil has had.

For example, if you count all the investments of American businessmen in foreign plants and equipment over the 30 years from 1945 to 1974, the total is just under $100 billion dollars. In contrast to this, in the next 2 years alone, it is estimated that the oil rich nations of the Persian Gulf nations will earn about $100 billion dollars more than they can spend or invest at home.

So this means, very simply, that the Persian Gulf nations will have a surplus for investment purposes in the next 2 years which will equal the total American investment abroad for the last 30 years, from 1945 to 1974.

Project this trend over 5 or 10 years and you come up with a mind boggling total of surplus investment capital.

Where are the oil rich nations going to invest this money? If a sizeable amount does not flow back into this country, the dollar will be worth less and less as we continue to pay out more and more for overseas oil. This, in turn, would cause more inflation. But if sizeable oil capital does return to the United States, unchannelled and uncontrolled, we may well see vital industries and activities come under foreign domination.

Americans have generally scoffed at the fears of other countries at the "Dirty Yankee" investor threatening to take control of their resources. Now that the shoe is on the other foot, we are beginning to realize it squeezes. Our country has not even begun to cope with this issue.

If anyone questions why President Nixon and Secretary Kissinger are paying so much attention to the Middle East, the implications of the world price of crude oil should be the answer. Saudi Arabia and the other oil rich Arab States have emphasized that the price and available amounts of crude oil will be directly related to what the United States does to assist the stability of that region. We can be pleased with the progress the President and Secretary Kissinger have already made in restoring peace to the Middle East. Though some may think we are meddling in affairs which are none of our business, the oil situation should make clear to all that we have a vital stake of our own in the stability of the area. Saudi Arabia alone can drive down the price of crude oil. If America could influence the price to come down just 50 cents per barrel on the world market, this would translate into a $1 billion savings to the American people annually. If the price dropped from $10 to $7 per barrel, Americans would save $6 billion a year.

Although the situation is serious for America, it is really grave for the other industrialized countries which are much more dependent on oil imports and it is desperate indeed for the developing countries whose prospects for progress have simply been wiped out by the threefold price increase. In my opinion, unless the price of crude oil does come down in the near future, there is a grave danger of a world recession within the next 24 months to 3 years—perhaps even sooner.

These are the facts as I understand them. America cannot survive as an island of prosperity while Western Europe, Japan and the developing nations are experiencing a very severe recession. All Americans must be conscious of this. The many faces of the oil problem must be discussed and debated widely and candidly throughout America. Again, the Congress is ideally situated to lead this debate. All of us must share this responsibility.

It is not simply an executive responsibility; it is a governmental responsibility.

The critical economic problems of today call for prompt and decisive action and for determined and effective congressional leadership. We cannot afford to drift along as prices stay up and production down. We must act now to establish fiscal responsibility, to stimulate productivity and to bring overseas oil prices under better control to the extent of our ability.

But even if we do manage to act wisely and well in starting to put out these fires, that will not be enough. We cannot expect to get the economy running by kneejerk reactions. How many wheat, oil, fertilizer, and steel crises do we need to drive home this lesson.

America no longer has the margin for error or omission that we could afford in decades past. The world of today is complex, competitive and interdependent as never before. And as never before, long range planning and coordination, at home and abroad, is indispensible if we are to put America firmly back on the path of economic stability and progress.

The budget reform bill is a giant step in the right direction. But it still treats our problems as if each year could be separated from the others. We in Congress must begin to think and plan in longer terms. We, in the Congress, must develop the processes and mechanisms and the climate of popular support to allow us to look beyond the current budget to long term solutions for building up our fundamental strengths.

Our forefathers had the foresight and dedication to establish a system of government which has kept America prosperous for 200 years and made us the paramount power in the world politically, militarily, and economically. Our place in the world and our very system of government is challenged today perhaps as never before. I believe that we in America can meet the challenges of today just as our forefathers met theirs in a distant time and a different age.

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

Mr. NUNN. I am glad to yield to the Senator from New Mexico.

Mr. DOMENICI. Mr. President, I just want to recall with the Senator from Georgia (Mr. NUNN) the first 4 or 5 months of our first year in the Senate. I think it is appropriate as a part of the Senator's concern today about budget reform and the economic situation in our country, that we recall that the Senator from Georgia and the Senator from New Mexico brought together the freshman Senators early in the first year of this Congress; that all of them joined with the Senator and me in a letter to our leadership in the Senate; and we said to them basically that we, as freshman Senators, are amazed at the lack of a budget procedure in Congress, and that it is absolutely unbelievable that we do not know what we are spending or what we are spending it on.

We did not believe the situation funding was unrelated to authorization bills. One spending measure was unrelated to another. We asked that before any appropriations came to the floor of the Senate that a new budget reform bill be adopted.

I think this had some effect and I compliment the distinguished Senator from Georgia for his efforts in that regard. We did not get our way, but before the Congress that precipitated our letter has come to an end we will have before us a new budget reform bill which most certainly will be signed by the

President of the United States. In that regard I compliment the Senator from Georgia, as a freshman Senator, for his efforts on that bill and on that subject.

I think the Senator shares with me concern for the intervening time, the time between today's economic problems and the appropriation process that is going on, and that point in time when the new budget bill will really become effective.

I think the Senator would also agree with me that even when we get the 15-member Senate Budget Committee there is going to have to be a will on the part of the people of this country and the Senators in this distinguished hall to live up to some basic ideas about budgeting and the entire process.

Mr. NUNN. Mr. President, will the Senator yield at that point?

Mr. DOMENICI. I yield.

Mr. NUNN. Mr. President, I think the Senator is exactly correct. There is nothing in that regard in the new budget procedure we have. It does not guarantee that we will have discipline in this body or that we will have discipline in Congress. But it does, for the first time, as the Senator so well pointed out, provide a focal point for those Americans who believe in fiscal responsibility, and those Americans who are tired of inflation, caused in large part by continuing deficits, will have an opportunity each year at the beginning of the appropriation process to write to their Representatives and Senators, to call them, to send them telegrams and to say, "We are looking at your vote and if you vote for a deficit, we are going to know about it for a change."

We are not going to be able to go back home and say we voted against all military bills and that, therefore, we are fiscally responsible. We will not be able to go back home and say that we are fiscally responsible because we voted against all HEW appropriations. That is not going to be acceptable once we have this procedure. I believe it will focus the spotlight on fiscal responsibility for the first time in my lifetime, and I assume in the lifetime of the Senator from New Mexico.

I do very well recall the Senator's efforts at the very beginning of the 93d Congress, shortly after being elected, to find out, first of all, what was wrong with the budgetary process, and then starting out in the most responsible way to correct it. I believe that his efforts, along with my efforts, and the efforts of other freshmen Senators and other Senators in this body, stimulated Congress and the Senate to make a rather dramatic change in the rather archaic way we do it here. I commend the Senator from New Mexico. I know his constituents back home appreciate his efforts in this regard. I think they will appreciate the responsible position he has taken in setting out a constructive and responsible method to correct the process.

Mr. DOMENICI. Mr. President, the Senator from Georgia has spoken of the need for some kind of discipline in this body and he also indicated that this new bill provides the operational mechanism for Congress and the people back home to know precisely who voted for more spending and it will be difficult to hide it in the multiplicity of bills and of people having the ability to be on all sides of all issues of spending.

I wish to add another point. It may bring discipline, when necessary to some of the American people, the special interest groups, because I am sure the Senator gets letters from home, as I do, which basically say, "Senator, we are for fiscal responsibility. We don't want you spending so much money. Very truly yours, Your Friend."

"P.S., When are you going to get the funding for the $3 million project in my city?"

Or, one group that needs some kind of new approach to funding will be saying: "We sure hope you don't vote for this new program in food stamps, it is an absolute waste. Your Good Constituent.

"P.S., When are you going to increase our veterans benefits by the 24 percent we are entitled to?"

Now, it seems to me that if this is the understanding—that without a strong American economy we will not have a strong military, we will not be a strong nation in the world, we will not be able to dream or accomplish our dreams for our people, or for anyone—if it is our basic belief that the economy of the United States is at the backbone of our strength, then the American people and the Congress that represents them had better be willing to take some forthright, stern, strong measures to get this economy back where it is productive, where it is predictable, where it is abundant, and get rid of the kind of chaos that besets us now.

We are not going to solve inflation so long as everyone wants all of their problems solved right now. We are not going to meet the dreams of those who are asking, not for now, but for the future, if the economy of the United States does not get back into the kind of orderly, predictable strong economy upon which both the present and future can rely.

I commend the Senator for going from budget reform to the economy and tying them together. They are tied together. They are not separate. Inflation and the economy are bigger than budget reform.

This Nation has no policy on its mineral resources. It has no policy on energy. It has no policy on inflation. So the first step is ours. We have budget reform going and if we cut the budget this year, indeed that will be a first step.

But it is time that we understand the full capacity of this country to think, to dream, and to understand. We should focus in on the domestic economy of the United States, all the needs of its people, all the needs of its industry, its need to remain a world economic power. If it is to remain a world military power, the need for a strong economy, so it can be a world leader, is uppermost and paramount to all others.

I commend the distinguished Senator from Georgia for bringing this into focus today. I am delighted to join him this morning on the floor.

Mr. NUNN. I thank my good friend and colleague from New Mexico.

On the point about the economy being the single most important ingredient, and everything else, I know the Senator from New Mexico recalls the conversation and the dialogue we had last night at a meeting with the Secretary of Defense, where it was pointed out on several occasions that the military strength and the national security effort we have in this country is really the cutting edge of our economy; that is to say, we cannot have national security and adequate military strength if at the same time our economy is collapsing around us.

I think that point needs to be realized by all those involved in the military and all those who do such a good job of protecting our Nation.

Our economic vitality is absolutely essential if we are going to continue the kind of national security effort that is indispensible to our own security and to the stability and peace in the world.

I do thank my colleague very much for his comments and I do commend him for his continuous efforts toward doing something about these problems that do exist.

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. 15572) making appropriations for the Department of Housing and Urban Development; for space, science, veterans, and certain other independent executive agencies, boards, commissions, corporations, and offices for the fiscal year ending June 30, 1975, and for other purposes, in which it requested the concurrence of the Senate.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 14833) to extend the Renegotiation Act of 1951 for 18 months; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MILLS, Mr. ULLMAN, Mr. BURKE of Massachusetts, Mrs. GRIFFITHS, Mr. SCHNEEBELI, Mr. COLLIER, and Mr. BROYHILL of Virginia were appointed managers on the part of the House at the conference.

HOUSE BILL REFERRED

The bill (H.R. 15572) making appropriations for the Department of Housing and Urban Development; for space, science, veterans, and certain other independent executive agencies, boards, commissions, corporations, and offices 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.

ORDER OF BUSINESS FOR MONDAY, JULY 8, 1974

Mr. ROBERT C. BYRD. Mr. President, the order has been entered for the consideration of S. 424, a bill to provide for the management, protection, and development of natural resource lands, and for other purposes, upon the conclusion of routine morning business on the re-

turn of the Senate following the reconvening of the Senate following the recess on Monday, July 8.

Mr. President, I ask unanimous consent that upon the disposition of S. 424, on which there is a time limitation, the Senate proceed to the consideration of S. 3500, a bill to promote and coordinate amateur athletic activity in the United States, on which there is a time limitation; that, upon the disposition of that measure, the Senate will proceed to the consideration of S. 3355, a bill to amend the Comprehensive Drug Abuse Prevention and Control Act of 1970; that, upon the disposition of that bill, the Senate proceed to the consideration of S. 2619, a bill to provide for access to all duly licensed psychologists and optometrists; that upon the disposition of that bill, the Senate take up H.R. 11537, an act to extend and expand the authority for carrying out conservation and rehabilitation programs; that upon the disposition of that bill, the Senate proceed to the consideration of S. 3164, a bill to provide for greater disclosure of the nature and costs of real estate settlement services, to eliminate the payment of kickbacks and unearned fees; and that it be in order at any time for the majority leader, with the concurrence of the minority leader, to call up S. 3698, a bill to amend the Atomic Energy Act of 1954.

I have discussed with the assistant Republican leader and other Senators this chronology of measures to be taken up following the recess, and in order that all Senators may be notified well in advance of the scheduling of these various measures, it was thought by the joint leadership that we should proceed at this time to clock the measures in by objection, it is so ordered.

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

AUTHORIZATION FOR CERTAIN ACTION TO BE TAKEN DURING HOLIDAY ADJOURNMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during the recess of the Senate over to Monday, July 8 at 12 o'clock noon, the Secretary of the Senate be authorized to receive messages from the House of Representatives and the President of the United States; and that the Vice President, the President of the Senate pro tempore, and the Acting President of the Senate pro tempore be authorized to sign all duly enrolled bills and joint resolutions.

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

RECESS AT 4 O'CLOCK P.M.

Mr. ROBERT C. BYRD. Mr. President, while the Senate is awaiting action by the other body on the renegotiation measure, the Senate might very well stand in recess at this time, if no Senator wishes recognition.

I move that the Senate stand in recess, if no Senator wishes to seek recognition at this time, until the hour of 4 'oclock p.m. today.

The motion was agreed to; and, at 2:47 p.m., the Senate took a recess until 4 p.m.; whereupon, the Senate resumed when called to order by the Presiding Officer (Mr. ALLEN).

SENATE JOINT RESOLUTION 223— SMALL BUSINESS ADMINISTRATION AUTHORIZATION

Mr. ROBERT C. BYRD. Mr. President, on behalf of the distinguished Senator from California (Mr. CRANSTON), I introduce a joint resolution to extend the authorization of the Small Business Administration from June 30, 1974, to August 16, 1974, pending House action on the small business authorization bill, S. 3331, and I ask for its immediate consideration, this having been cleared, as I am advised, on both sides.

The PRESIDING OFFICER. The resolution will be stated.

The assistant legislative clerk read as follows:

S.J. RES. 223

Joint resolution extending the authority of the Small Business Administration

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the last sentence of section 1 of the Act entitled "An Act to amend the Small Business Act" (Public Law 93-237) is amended by striking out "June 30, 1974" and inserting in lieu thereof "August 16, 1974".

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia?

There being no objection, the Senate proceeded to consider the joint resolution Senate Joint Resolution 223 which was read the first time by its title and the second time at length.

The joint resolution (S.J. Res. 223) was ordered to a third reading, was read the third time, and passed.

AMENDMENT OF ANADROMOUS FISH CONSERVATION ACT

Mr. ROBERT C. BYRD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on H.R. 11295.

The PRESIDING OFFICER (Mr. DOMENICI) laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H.R. 11295) to amend the Anadromous Fish Conservation Act in order to extend the authorization for appropriations to carry out such act, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. ROBERT C. BYRD. On behalf of the Senator from Washington (Mr. MAGNUSON), I move that the Senate insist upon its amendment and agree to the request of the House for a conference on the disagreeing votes of the two Houses thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer (Mr. DOMENICI) appointed Mr. MAGNUSON, Mr. HOLLINGS, and Mr. STEVENS conferees on the part of the Senate.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. 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 PRESIDING OFFICER. The nominations on the executive calendar will be stated.

DEPARTMENT OF STATE

The assistant legislative clerk read the nominations in the Department of State as follows:

Robert Stephen Ingersoll, of Illinois, to be Deputy Secretary of State.

Carlyle E. Maw, of New York, to be Under Secretary of State for Coordinating Security Assistance Programs.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed en bloc.

NATIONAL RAILROAD PASSENGER CORPORATION

The assistant legislative clerk proceeded to read sundry nominations in the National Railroad Passenger Corporation.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed en bloc.

U.S. RAILWAY ASSOCIATION

The assistant legislative clerk proceeded to read sundry nominations in the U.S. Railway Association.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that these nominations be considered en bloc, with the exception of the nomination of Arthur D. Lewis, of Connecticut, to be Chairman of the Board of Directors of the U.S. Railway Association for a term of 6 years.

The PRESIDING OFFICER. Without objection, with the exception of the nomination of Arthur D. Lewis, of Connecticut, to be Chairman of the Board of Directors of the U.S. Railway Association for a term of 6 years, the nominations are considered and confirmed en bloc.

FEDERAL HOME LOAN BANK BOARD

The assistant legislative clerk read the nomination of Thomas R. Bomar, of Virginia, to be a member of the Federal Home Loan Bank Board.

Mr. ROBERT C. BYRD. Mr. President, there is a hold on that nomination for the time being.

The PRESIDING OFFICER. The clerk will state the next nomination.

FEDERAL COMMUNICATIONS COMMISSION

The assistant legislative clerk proceeded to read sundry nominations in the Federal Communications Commission.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed en bloc.

NOMINATION ON THE SECRETARY'S DESK

The assistant legislative clerk proceeded to read sundry nominations in the National Oceanic and Atmospheric Administration, which had been placed on the Secretary's desk.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed en bloc.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that the President be notified of the confirmation of these nominations.

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

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on the nominations which were considered and confirmed on yesterday, concerning which I believe the President has not been notified, the President be so notified of the confirmation of those nominations.

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

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. 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.

SENATE RESOLUTION 354—TO AUTHORIZE SENATOR JAMES O. EASTLAND AS CHAIRMAN OF THE COMMITTEE ON THE JUDICIARY, TO PROVIDE COPIES OF CERTAIN MATERIALS OF THE COMMITTEE WITH RESPECT TO THE CASE OF UNITED STATES AGAINST REINECKE

Mr. ROBERT C. BYRD. Mr. President, at the request of the distinguished Senator from Mississippi (Mr. EASTLAND), the chairman of the Committee on the Judiciary, I submit an original resolution from the Committee on the Judiciary authorizing him, as chairman of the committee, as a result of a request made by Mr. Leon Jaworski, Special Prosecutor for the United States, in the case of the *United States* v. *Howard Edwin Reinecke* (Criminal No. 74-155), to furnish to the Special Prosecutor copies of the following materials:

First, minutes of the executive session of the Committee on the Judiciary held on January 26, 1972;

Second, minutes of the executive session of the Committee on the Judiciary at which the committee adopted the rules published in the CONGRESSIONAL RECORD on May 2, 1974; and

Third, any resolution of the Committee on the Judiciary relating to the holding and scope of the hearings on the nomination of Richard Kleindienst to be Attorney General of the United States.

On June 12, 1974, Senator EASTLAND reported an original resolution to the Senate at the request of the Special Prosecutor, authorizing Peter Stockett, Jr., chief counsel and staff director of the Committee on the Judiciary to provide an affidavit with respect to the Reinecke case. The Senate adopted this resolution on June 12 as Senate Resolution 338.

Pursuant to Senate Resolution 338, Mr. Stockett submitted an affidavit relating to the adoption of a rule by the Committee on the Judiciary on January 26, 1972, providing that for purposes of taking sworn testimony, one member of the committee shall constitute a quorum.

Mr. Jaworski has written Senator EASTLAND a letter dated June 24, requesting that the committee furnish additional materials relating to the trial of that case.

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

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

JUNE 24, 1974.

Hon. JAMES O. EASTLAND,
Chairman, Committee on the Judiciary, U.S. Senate, Washington, D.C.

DEAR CHAIRMAN EASTLAND: In connection with the case against Howard Edwin Reinecke, Criminal No. 74-155, the Judge has scheduled a hearing for July 1, 1974 to hear further arguments and evidence concerning the defendant's motion to dismiss the indictment. The principal issues are whether the Judiciary Committee validly adopted a one-Senator quorum rule and whether the Committee was acting within the scope of its authority when it questioned Mr. Reinecke.

While Peter Stockett has already submitted an affidavit relating to some of these issues, defense counsel has now raised certain additional matters which they would like him to clarify. Because the Court is hopeful of resolving these issues prior to trial, he has agreed to a defense request that Mr. Stockett be asked to testify at the July 1st hearing. At your suggestion, however, we have requested that defense counsel agree to stipulate as to any matter about which Mr. Stockett might testify. They have agreed to do so, if they are allowed access to the following materials in lieu of that testimony:

1. The minutes of the full executive session meeting of the Committee on the Judiciary held on January 26, 1972 at which the one-Senator quorum role was adopted;

2. The minutes of the executive session meeting of the Committee on the Jundiciary where the Committee adopted the rules published in the Congressional Record on May 2, 1974;

3. Any resolutions of the Committee on the Judiciary relating to the holding and scope of the hearings on the nomination of Richard G. Kleindienst to be Attorney General of the United States;

4. The minutes of any executive session meeting of the Committee on the Judiciary where the scope of the inquiry relating to the Kleindienst nomination was discussed. We have also agreed to stipulate that Mr. Stockett would testify that the one-Senator quorum rule adopted on January 26, 1972 was not recorded by the Committee in any other record and was not published in the Congressional Record.

We are thus hopeful that we can avoid having to call Mr. Stockett at the July 1, 1974 hearing. We have also requested that defense counsel stipulate to any testimony Mr. Stockett might be asked to give at the trial scheduled for July 15, 1974. We are hopeful that they will agree to do so, and will keep you informed about this matter.

Thanking you for your cooperation in this matter, I am,

Sincerely yours,

LEON JAWORSKI,
Special Prosecutor.

Mr. ROBERT C. BYRD. Mr. President, Mr. Jaworski has advised the distinguished Senator from Mississippi (Mr. EASTLAND) that with respect to the material requested in the fourth category of materials, being the minutes of any executive session meeting of the Committee on the Judiciary where the scope of the inquiry relating to the Kleindienst nomination was discussed, the attorneys representing the prosecution and defense have agreed to discuss this matter with the judge of the U.S. District Court hearing the case at a hearing to be held on July 1, 1974, and that the request for this material is temporarily deferred.

Mr. President, by the privilege of the Senate and rule XXX thereof, no Member or Senate employee is authorized to produce Senate documents except by order of the Senate, and information secured by Senate staff employees pursuant to their official duties as employees of the Senate may not be revealed without the consent of the Senate.

This resolution would authorize Senator EASTLAND, as chairman of the Committee on the Judiciary, to furnish to the Special Prosecutor copies of the following materials:

First, minutes of the executive session of the Committee on the Judiciary held on January 26, 1972;

Second, minutes of the executive session of the Committee on the Judiciary at which the committee adopted the rules published in the CONGRESSIONAL RECORD on May 2, 1974; and

Third, any resolution of the Committee on the Judiciary relating to the holding and scope of the hearings on the nomination of Richard Kleindienst to be Attorney General of the United States.

Mr. President, at the request of the chairman of the committee, and as a member of the committee, I, acting on behalf of the chairman, Senator EASTLAND, offer this resolution.

May I state to the Senate that this has been cleared with the ranking member of the Judiciary Committee, the distinguished Senator from Nebraska (Mr. HRUSKA).

I ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated.

The assistant legislative clerk read as follows:

S. RES. 354

Resolution to authorize Senator James O. Eastland as Chairman of the Committee on the Judiciary, to provide copies of certain materials of the Committee with respect to the case of United States against Reinecke

Whereas, in the case of United States v. Howard Edwin Reinecke (Criminal No. 74-

155), pending in the United States District Court for the District of Columbia, Senator James O. Eastland, as Chairman of the Committee on the Judiciary, has been requested to furnish copies of certain materials of the Committee: Now, therefore, be it

Resolved, That by the privileges of the Senate of the United States no evidence under the control and in the possession of the Senate of the United States can, by the mandate of process of the ordinary courts of justice, be taken from such control or possession, but by its permission.

SEC. 2. By the privilege of the Senate and by rule XXX thereof, no Member or Senate employee is authorized to produce Senate documents but by order of the Senate.

SEC. 3. Senator James O. Eastland, as Chairman of the Committee on the Judiciary, is authorized, as a result of a request made by the Special Prosecutor for the United States in the case of the United States v. Howard Edwin Reinecke (Criminal No. 74–155), to furnish to the Special Prosecutor copies of the following materials:

(1) minutes of the executive session of the Committee on the Judiciary held on January 26, 1972;

(2) minutes of the executive session of the Committee on the Judiciary at which the Committee adopted the rules published in the Congressional Record on May 2, 1974; and

(3) any resolution of the Committee on the Judiciary relating to the holding and scope of the hearings on the nomination of Richard G. Kleindienst to be Attorney General of the United States.

SEC. 4. A copy of this resolution shall be transmitted to the Special Prosecutor as an answer to his request.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. GRIFFIN. Mr. President, I shall not object, of course, to this resolution. But it might be useful to focus again on a point that I sought to make several days ago when I inserted in the RECORD that letter from the President of the United States in which he declined to provide to the House Judiciary Committee, in response to a subpena, certain documents under the claim of Executive privilege.

It is often said by some in Congress and some in the press, that there is no such thing as Executive privilege; that the President has no right to withhold anything from the scrutiny and examination of Congress.

As we move to adopt this particular resolution, I suggest it is noteworthy that the legislative branch of Government, the Senate in this case, claims a privilege as against the other branches with respect to the documents under control of the Senate, the minutes of a meeting of a committee of the Senate, for example.

Rule XXX of the Senate, to which the distinguished majority whip has referred, stakes out a claim of privilege on the part of Senate and specifically prohibits any Member or employee of the Senate from producing any Senate documents except by consent of the Senate.

I do not believe it is timely or appropriate to make any judgment at this time with respect to the existence or scope of executive privilege. But it is appropriate, I suggest, to take note of the fact that the legislative branch, as well as the executive branch, now and over the years, has asserted the claim of privilege.

The resolution we are about to adopt makes it very precise that no court, no ordinary court, can require the Senate to produce evidence or documents except by the consent of the Senate. Ordinarily, the Senate does give that consent, but there have been occasions when the Senate has not.

The judicial branch also maintains a privilege concerning its own deliberations. Before the Supreme Court decides cases, it has secret meetings of its members and discusses privately and candidly, among the members, how they will decide the case. The minutes and the proceedings of those secret meetings of the Justices of the Supreme Court are available to no one.

If the House Judiciary Committee were ever to investigate, for purposes of impeachment, a Justice of the Supreme Court and sought to subpena the minutes or proceedings of those secret deliberations of the Justices of the Supreme Court, I wonder what the response of that coequal branch of the Government would be.

Mr. ROBERT C. BYRD. Mr. President, I should like to add my own footnote to what the distinguished assistant Republican leader has said.

The point we should keep in mind in all this discussion concerning the executive branch is this: Is there privilege? Does the Executive, does the legislative branch, does the judicial branch have authority, under the Constitution, to claim privilege when it comes to withholding evidence that bears upon the possible commission of a crime?

I have never doubted that some form of executive privilege exists. But where there is evidence bearing upon possible criminality, I seriously doubt that the doctrine of executive privilege can be invoked by any body of the Government. So long as that evidence is relevant, so long as it bears upon the commission of a crime, so long as it does not involve the vital national security interests of this country, I doubt that any claim of executive privilege can validly be made by any branch of the Government.

Second, I also want to call attention to the fact that the House Judiciary Committee, in conducting an impeachment inquiry, is engaged in carrying out one of the highest constitutional functions mandated by the Constitution and incumbent upon any branch of the Government. It is the constitutional duty of that committee to seek all relevant evidence bearing upon possible impeachable offenses.

I think it is the duty of the President of the United States—as the Chief Executive of this country and as the officer who has the responsibility, under the Constitution, to take care that the laws are faithfully executed—to respond to the House Judiciary Committee's legitimate requests for any relevant evidence bearing upon the possible commission of a crime or bearing upon any possible impeachable offenses. If the doctrine of executive privilege can validly be invoked against the House Judiciary Committee in its legitimate and constitutional function of seekng all information so that it can make an objective and fair and reasoned judgment as to whether or not impeachable offenses exist, then indeed any President, by simply invoking the so-called doctrine of executive privilege, can stop all such inquiry and bring it to a halt. In that way, he could nullify or negate the clause of the Constitution which provides for impeachment of the Chief Executive of this country.

While I do not at this moment attempt to take any position with respect to specific requests on the part of the House Judiciary Committee, I do not think that a parallel can be drawn in respect to the House Judiciary Committee's constitutional function in this regard as against the rule that governs the submission of documents, and so forth, and the requiring of information on the part of Senate employees such as that embraced in the resolution I have submitted on behalf of Mr. EASTLAND. Nor would I, as a Senator, ever defend the Senate, nor do I think any Senator would defend the Senate, nor do I think the Senate as an institution would interpose the Senate rule, in resistance to the submission of valid, relevant evidence in the possession of the Senate, if that evidence bore upon the possible commission of a crime.

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

Mr. ROBERT C. BYRD. I yield.

Mr. PROXMIRE. Mr. President, I commend the distinguished Senator from West Virginia. He has given the Senate very helpful leadership in this regard. He is absolutely 100 percent right with respect to executive privilege.

I have in my hand a copy of the Constitution of the United States, and there is not one word in the Constitution about executive privilege. Indeed, one eminent historian has said that it was 1958 before the term was ever used. Raoul Berger, who is probably the most eminent expert in the world in this field, has argued that executive privilege is simply a matter of expedience. That makes sense.

The Senator from Michigan has made a good point. We should not be able to take from the President of the United States any papers that may disclose national security matters of secrets of that kind. But this is a matter of convenience, a matter of commonsense, a matter of logic, not of absolute constitutional right.

On the other hand, the House of Representatives has a constitutional responsibility with respect to impeachment. It is very clear in the Constitution. So for us to permit the Executive to interpose some new motion of executive privilege to frustrate the proper role of Congress to investigate, as we must do in order to fulfill our obligations, seems to me to be unconstitutional, unwise, and improper.

Mr. President, one of the most vital functions that the Senate and the House have is the function of investigation, and by the President using this notion of executive privilege, that function has been frustrated and frustrated badly.

I rise now because I am particularly indignant about the fact that the man who is the top economic adviser in our Government and who has great discretion with respect to our economic policies, and who has been given specific authority with respect to foreign economic policies, Mr. Kenneth Rush, agreed to come before the Joint Economic Committee, and then canceled his appearance and alibied his copout as justified by executive privilege, and on the far out notion that he is also adviser of the President.

The last thing we want to do is to inquire into his conferences and confidences with the President of the United States.

But our Economic Committee cannot function and is of no use if the top economic policymaker in the Government can take that position. Analyzing and investigating our economic policies is the responsibility of the Joint Economic Committee. That is why I rise to support the distinguished majority whip for taking the logical position he takes that the House should not be frustrated in acquiring whatever information it needs to prosecute criminal actions under the Constitution. I am delighted to support him.

Mr. GRIFFIN. Mr. President, if the majority whip will allow me to add a few more words, I wish to say that, of course, I have not suggested that we should debate or try to decide this very fundamental question which goes right to the heart of the doctrine of separation of powers.

I merely wish to point out, in passing—because it happens to be a convenient time to do so—that the legislative branch as well as the executive branch claims a privilege against producing evidence under its control. I would say to the distinguished Senator from Wisconsin that I do not think he can point to any provision in the Constitution which specifically gives the legislative branch the authority to invoke a legislative privilege.

I would say to the Senator from West Virginia that while I am sure he would not invoke rule XXX to prevent the Senate from granting its consent, the point is that the Senate must consent; that the Senate recognizes no right on the part of the judiciary to subpena or require delivery of Senate committee documents, minutes, or anything else—without the consent of the Senate. In most cases in which such evidence is sought, particularly in criminal proceedings, the consent is granted by the Senate by adopting a resolution such as this one.

There merely offers convenient opportunity to point out that there are three coequal branches of Government, and the Senate is just as jealous of its prerogatives as is the executive.

Mr. ROBERT C. BYRD. Mr. President, the Senator initiated the discussion; I did not initiate the discussion. I think he draws conclusions which are not legitimate, because I do not think the two situations are parallel at all.

The Senate is not obligated under the Constitution to "take care that the laws be faithfully executed." The President of the United States has that plain and unavoidable duty, and where the President of the United States is in possession of evidence that bears upon the possible commission of a crime, or evidence that bears upon possible impeachable offenses committed by the President—possible, I say—I think he has a duty as the President of the United States to cooperate with the House Judiciary Committee, to cooperate with the Special Prosecutor, whom he appointed; and to cooperate with the courts in providing such evidence. Otherwise, the laws will not be faithfully executed, and the constitutional oath will have been violated.

In cooperating or in failing to cooperate with the Special Prosecutor of the United States, may I say, he cooperates—or fails to cooperate—in fact with a Federal grand jury, because whatever information the Special Prosecutor seeks, he intends its use before a grand jury—which, by the way, is not made up of politicians, Democrats, Republicans, biased Members of Congress or biased members of the press. A grand jury is made up of Americans from all walks of life—private citizens who have no political ax to grind.

I do not see any similarity in the two examples the Senator set forth. I am not competent to pass judgment on the specific requests of the House Judiciary Committee. The votes on that committee have been, by and large, almost unanimous in the effort to seek further information from the President. In some instances there might have been four or five Members voting against, and in some instances some of the votes may have been closer, but in any event I am not trying to pass judgment on the actions and decisions of that committee. I think the less we say in the Senate about the House Judiciary Committee as it attempts to carry out its constitutional duty under the impeachment process, and the less we have to say regarding our viewpoints in passing judgment on the other body, we will comport ourselves all the more in conformity with our duties under the Constitution as a body which eventually may have to sit in judgment at a trial. It will be up to us when the time comes to weigh the evidence, if a trial does come, and I hope a trial will not come. I would look with dread upon any trial of impeachment of the President of the United States but while I would look with dread upon it, I would also not flinch nor would any other Senator flinch in meeting that responsibility, if meet it we must.

At that time I will form my own judgment based on the charges. I do not now know what the charges will be. At that time, I will base my judgment on the evidence—not on the weight of the mail, but on the weight of the evidence. At that time, I will reach my own conclusion and not be guided by someone else's as to how the impeachment clause is to be construed, but my judgment will be reached thoughtfully—as thoughtfully and fairly and as impartially as I can make it.

At that time, I would only say to the distinguished Republican leader, that, if the Senate requires additional evidence in its desire to reach an objective, fair, and just decision, if the Senate requests additional evidence from the President, which in the judgment of the Senate is needed in order to arrive at its decision—then, as far as this one Senator who has not made up his mind, as far as this Senator is concerned—who has not reached any premature judgment and who does not intend to reach any premature judgment, one Senator who does not intend for one moment to criticize the House Judiciary Committee in its work—as far as I am concerned, if such evidence is needed, I do not intend to see the Senate frustrated, in its legitimate attempts to secure it, by virtue of claims of executive privilege.

I am not a member of the House Judiciary Committee and I am not a Member of the other body. I am going to leave that body entirely alone until it reaches a decision. If it sees fit not to bring in articles of impeachment, I am not going to criticize it. But if it sees fit to bring in articles of impeachment, I am going to do my duty as a Senator. I know every other Senator will also. But here is one Senator who will not take lightly the refusal of any officer of this Government to produce whatever evidence the Senate may require in order to reach its final decision on a trial of impeachment, if articles of impeachment are brought to the bar of this Senate by the managers of the other body.

What the other body wants to do about refusal of the President to cooperate is its business, but here is 1 vote out of 100 Senators that may be swayed by any such refusal to produce requested, relevant evidence. I am not going to anticipate the refusal. We have seen resistance to subpenas issued by the other body, and that same resistance may be offered to subpenas for evidence if the Senate issues such subpenas in a future trial, but if the Senate meets with such resistance, if there is refusal to submit the kind of evidence this body may require, that fact in itself may be the determining factor for the junior Senator from West Virginia as to how he will come down on the final question of conviction or acquittal. In reaching my judgment, such a spurious claim of executive privilege would be perilous to the person impeached.

Mr. GRIFFIN. I would like to say that I wholeheartedly agree with the Senator from West Virginia. This is not the time, and certainly it would be not appropriate, to criticize the House Judiciary Committee. I do not believe, and I certainly did not intend, that any of my remarks were critical of the House Judicial Committee.

Mr. ROBERT C. BYRD. No. If I left that impression, I want to put the distinguished Senator at ease.

Mr. GRIFFIN. I am conscious, as I think most Senators are, that if there should be a bill of impeachment voted by the House and if it should come over to the Senate, the question of the scope and the existence of executive privilege might well be the crucial and most important issue to be decided. Like the

Senator from West Virginia, I am not ready to make my decision on that point.

At this time, I am merely suggesting; in passing, that notice be taken of the fact that there is such a thing as legislative privilege.

Let me read from the resolution that we are about to adopt:

That by the privileges of the Senate of the United States no evidence under the control and in the possession of the Senate of the United States can, by the mandate of process of the ordinary courts of justice, be taken from such control or possession, but by its permission.

I repeat—"but by its permission."

Similar language is contained in every resolution that we pass of this sort. This resolution pertains to a criminal proceeding. But as the resolution recites, the Senate recognizes no right of the judiciary to secure this evidence except by consent of the Senate.

I am suggesting only that we take notice of this fact as we prepare to pass judgment on the President and the executive branch of Government. That is my only point. I am not saying anything else.

Mr. ROBERT C. BYRD. Let us also recognize, Mr. President, that the Senate cannot invoke executive privilege to prevent the production of evidence bearing upon the possible commission of a crime by any Member of this body. And I repeat that the Senate is not, under the Constitution of the United States, required to take care that the laws be faithfully executed.

The Senator may say as many times as he wishes that he would like us to take recognition of this resolution, but we can take recognition of apples and we can take recognition of oranges. I am saying that the two are not really parallel on all fours.

Mr. GRIFFIN. If the Senator from West Virginia is saying that a Member of the Senate is subject to being indicted and prosecuted on a criminal charge, certainly that is true. But if, in attempting to prove that charge, another branch of the Government should seek to obtain from the Senate a transcript of the minutes of an executive session of a committee, for example, does the Senator not agree that it would take, under rule XXX and in view of the privilege claimed by the Senate, an action by the Senate indicating its consent before those minutes would be delivered?

Mr. ROBERT C. BYRD. I am saying, No. 1, that I cannot envision the Senate refusing evidence of criminality——

Mr. GRIFFIN. I do not think that is the point.

Mr. ROBERT C. BYRD. On the part of any of its Members.

No. 2, I am saying that the Senate is not the chief law enforcement officer of this Nation. I regard President Nixon as such, although we often have heard that the Attorney General is the chief law enforcement officer.

The President is bound, under the Constitution, to take care that the laws be properly executed. How can he take care that the laws are properly executed if the President withholds evidence in his possession bearing upon the possible commission of a crime?

And, third, no Member of this body can be impeached. A Senator can be expelled, but he cannot be impeached, or, at least, the precedents would appear to point in that direction. But the Constitution clearly subjects the President of the United States to the process of impeachment, and if he, by virtue of some vague, nebulous claim of executive privilege, can frustrate the House in its attempts to secure possible evidence of impeachable offenses, then he nullifies the Constitution, he negates it, he amends it without going through the amendatory process that is set forth in article V of the Constitution.

I do not see the two parallels at all, may I say to my friend.

Mr. GRIFFIN. Well, I do not imagine we are going to settle this issue today. Perhaps our discussion will contribute to the dialog on this subject.

Mr. ROBERT C. BYRD. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the House receded from its disagreement to the amendment of the Senate numbered 3 of the bill (H.R. 14833) to extend the Renegotiation Act of 1951 for 18 months, and concurred therein, with an amendment, in which it requested the concurrence of the Senate; that the House insisted upon its disagreement to the amendments of the Senate numbered 1, 2, 4, 5, 6, 7, 8, and 9 to the bill; and that the House insisted upon its disagreement to the amendment of the Senate to the title of the bill.

ORDER OF BUSINESS

The PRESIDING OFFICER. What is the will of the Senate?

Mr. ROBERT C. BYRD. Mr. President, may I ask the distinguished Senator from Wisconsin if he would be willing at this time to have the Senate proceed to the consideration of a nomination which was passed over earlier, namely, that of Mr. Thomas R. Bomar to be a member of the Federal Home Loan Bank Board?

Mr. PROXMIRE. Yes. Mr. President, I have been very reluctant to proceed to this nomination because I am concerned about it. I wanted to hold it up for some time, but I understand—my staff has been in touch with the Agency—and they tell us that if we hold up the nomination until after today, say hold it up until July 8, Mr. Bomar will be out of a job. His salary will stop. The Agency will function, but it will function without him as chairman.

I certainly do not want to accomplish that, but I would want the opportunity to talk on it if I can have a few minutes to discuss it and express my reluctance about it.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the nomination of Thomas R. Bomar, of Virginia, to be a member of the Federal Home Loan Bank Board for the term expiring June 30, 1978.

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

FEDERAL HOME LOAN BANK BOARD

The PRESIDING OFFICER. The clerk will state the nomination.

The assistant legislative clerk read the nomination of Thomas R. Bomar, of Virginia, to be a member of the Federal Home Loan Bank Board.

RELUCTANT AGREEMENT TO THE BOMAR NOMINATION TODAY

Mr. PROXMIRE. I am reluctantly agreeing to the nomination of Mr. Bomar to a new term at the Federal Home Loan Bank Board today. Let me say why.

This nomination was not sent to the Senate until last Friday, June 21. The Banking, Housing, and Urban Development Committee did not receive it until Monday the 24th of June. The chairman held an expeditious hearing on Wednesday the 26th of June at which time I questioned the nominee extensively. Now we are told that unless we pass on this nomination today that Mr. Bomar's term will end on June 30 and that he will be out of a job until the Senate comes back into session and he is confirmed about July 8.

POWER TO ADVISE AND CONSENT HAS ATROPHIED

It was my intention to speak on this nomination. My view is that in far too many circumstances the Senate has allowed its power to advise and consent, granted to it by article 2, section 2 of the Constitution to atrophy.

The Congress and the Senate continue to lose power to the Executive. Sometimes that power is usurped, as in the declaration of war and the exercise of foreign aid.

Other times that power is lost because a single determined executive can have his way over a divided 435 Members of the House and 100 Members of the Senate.

But at other times that power has atrophied because the Senate has simply refused to exercise it. In my judgement that has happened to the right to advise and consent on nomination in far too many cases.

OLD BOYS CLUB

This power should be used by Congress as a means of reviewing the actions of members of the executive branch when their terms are renewed. Their competence should be examined. They should be examined for any possible conflicts of interest. Congress should use such occasions to express its will and to impress it view on the executive branch.

We should determine what kind of job they are doing, and if the job is inadequate, we should consider whether to approve the nomination or reject it. I think if we rejected some of these nominations, instead of approving them automatically, we would get better perform-

ance in the future and a far better accountability and respect for the Congress, and particularly of the Senate.

But instead, most of the time nominations are treated perfunctorily. The nominee, first of all, is brought around to the Senator's office where pleasantries are exchanged. It is usually not regarded as sporting or friendly to engage in adverse cross-examination of a man when you are conversing with him in the inner recesses of your private office upon first meeting. And, if it were, it would be doing the public business in private, with the public excluded.

At any rate, far too often with far too many Members, support for the nominee is asked and given at the end of such a meeting without the nominee ever having been examined either for his views or his possible conflicts of interest or for the performance for which he had been responsible on the job, if he were being reappointed in this case. In public session then it becomes perfunctory.

It becomes an old boys' club instead of the Senate of the United States.

HOME OWNERSHIP

The basic function of the Home Loan Bank Board of which Mr. Bomar is the head—according to its own statement in the Government Organization Manual ". . . to encourage thrift and economical home ownership."

The Federal Home Loan Bank Board is one of only two major agencies in the Government with such a charter. The other is the Department of Housing and Urban Development. And the FHLBB often serves in a tandem capacity with HUD in determining housing policy.

The fact is the FHLBB has failed, and failed miserably, in that function.

Since Mr. Bomar has been chairman, conventional housing starts in the United States have dropped from over 2 million a year to the 1.4 million annual level.

Since Mr. Bomar has been chairman, subsidized housing units started in this country have numbered only about 130,000 units, and most of those were carryover units from the programs frozen under the moratorium.

We have housing goals, Mr. President, that were set forth in the 1968 act, set forth after hearings, set forth after considering what we need in this country to provide the kind of housing that our Nation demands.

Instead of building 2.6 million units a year, as the housing goals call for, this year we are building about 1.4 million conventional and 130,000 subsidized units for something less than 1.6 million units. We are falling 1 million housing units short of our housing goals.

The trouble with this kind of a situation is that nobody seems responsible. They say, "Well, we are meeting our goals. It is too bad. There is nothing we can do about it."

Well, there is plenty to do about it. We could take action to meet these problems that the people responsible would take these actions. Mr. Bomar is one of the two persons most responsible for our housing programs.

And yet, due to the very late date at which this nomination was sent to the Senate by the President, we are being implored to agree to this nomination today instead of using the occasion of the nomination, as I say, of one of the two or three men in the Government whose job is most vital to the success of housing programs, for a major debate on housing policy and the lack of housing construction.

Now I do not say the lack of housing construction is entirely Mr. Bomar's fault. But I did ask him what he had done and what he had said about it. And I find from the result of the hearing on Wednesday that he has said nothing about it publicly and has done very little privately. It is true he has served only 13 months. But I think that on this occasion we should send him and the FHLBB and the Department of Housing a message, "Congress is unhappy that the housing goals are not being met." And the public is suffering greatly from that fact. We find now that over 65 percent—think of it, Mr. President, two-thirds of the families in America cannot afford to buy a house, cannot afford to buy a home. That is based on the median income and the income of the bottom two-thirds of our people with respect to income, and the cost, the average cost of buying a home and the minimum cost of building a new home. They simply cannot afford the costs, especially the interest rates and carrying charges.

CONVERSIONS

A second issue is the conversions of mutual savings and loan institutions into stock institutions. In the past, this has been a great ripoff. Insiders have essentially stolen the equity built up over years and years by the savers.

This is a tragedy and now the Board is proposing to allow at least one conversion per State as an experiment. Since they have found no way to protect the equity of the older shareholders, there is no reason why this should be done at all.

Once we start down this path, Mr. President, it is going to be extremely hard to stop it. I have talked to a number of savings and loan executives, and they tell me that, once the Congress authorizes this number of conversions, the pressure on them to convert on their stockholders is going to be almost irresistible.

OTHER ISSUES

There are other issues, too. There is the question of conflicts of interest in institutions regarding their insurance. There is the issue of escrow accounts and who should get the earnings from the funds. There is the issue of why branching policy should be in charge of the 12 regional boards who, since their head officers are elected by the local institutions, cannot resist, or find it very difficult to resist, efforts to branch, no matter whether they are good or bad.

These are the issues needing to be discussed and debated. But we are prevented from doing that adequately due to the late date on which the executive branch sent this nomination to the Senate.

SERVE NOTICE

Mr. President, let this Senator serve notice that in the future he intends to exercise the congressional right to advise and consent and let him serve notice on the President and the White House that in the future their nominations should be timely if they expect to have them voted on before the terms of officers have ended.

As I say, I have respect for Mr. Bomar's intelligence and his sincerity, but there is considerable question as to the job that his board is doing, and only because it probably would be unfair to hold up this nomination at the last minute under these circumstances do I make an exception in this case. But, as I say, in the future it seems to me that it would be incumbent upon me, where the nomination falls within the juridiction of our committee, to raise an objection and to do what I can to stop the nomination until the Senate has had an opportunity to consider it fully.

At any rate, Mr. President, I conclude by asking unanimous consent that the hearing record where I questioned Mr. Bomar be printed in full at this point in the RECORD.

I yield the floor.

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

HEARING ON THOMAS R. BOMAR OF VIRGINIA TO BE A MEMBER OF THE FEDERAL HOME LOAN BANK BOARD

The Committee met at 10:05 a.m. in Room 5302, Dirksen Senate Office Building, the Honorable John Sparkman, Chairman of the Committee, presiding.

Present: Senators John Sparkman, Proxmire, and Hathaway.

The CHAIRMAN. Let the Committee come to order, please.

The purpose of the meeting this morning is to consider the reappointment of Mr. Thomas R. Bomar of Virginia to be a member of the Federal Home Loan Bank Board for the term expiring June 30, 1978.

Mr. Bomar, we are very glad to have you here, and of course—how long have you been on the Board?

Mr. BOMAR. Just about 13 months, Mr. Chairman.

The CHAIRMAN. Thirteen months?

Mr. BOMAR. Yes, sir.

The CHAIRMAN. You went on to fill out an unexpired term of another member?

Mr. BOMAR. Yes, sir, that is correct.

The CHAIRMAN. That was the man from Atlanta, was it?

Mr. BOMAR. No, Preston Martin from California was the Chairman. Hal Clark from Atlanta was replaced by Grady Perry.

The CHAIRMAN. Oh, yes. We are very glad to have you. As I say, you have been before us previously. We have a copy of your biographical sketch. That will be placed in the record.

(The biographical sketch follows:)

The CHAIRMAN. We have some formal questions that we always propound, as you know.

Mr. BOMAR. Yes, sir.

The CHAIRMAN. I should like to put them to you at this time.

You have filed a financial statement, we have it here. And, as you know, this statement is available to all members of the Committee here in the Committee room. Then it will be sealed, put in our safe, and kept there during the tenure of your office and for one year thereafter.

I see you have a letter from the General Counsel saying that you have no conflict of interest. And you tell us that you have no holdings or interests that would constitute a conflict of interest, should you be confirmed for reappointment?

Mr. BOMAR. Yes, sir, I am not aware of any holdings that I have that would constitute a conflict of interest.

The CHAIRMAN. If confirmed to this position, will you be ready and willing to respond to any invitation from this or any other appropriate committee of the Congress to appear and testify without reservation?

Mr. BOMAR. Yes, sir, I certainly will.

The CHAIRMAN. Senator Proxmire?

Senator PROXMIRE. Mr. Bomar, the purpose of the Federal Home Loan Bank Board is not only to supervise the savings and loan institutions, as you know, but also—and I use the words your Institution wrote into the U.S. Government Organizational Manual—"to encourage thrift and economical home ownership."

You have a big role to play there in both conventional housing and in subsidized housing.

If that is true, and I believe it is true, haven't you failed in your purpose?

Mr. BOMAR. Mr. Chairman, Senator, there are a number of inadequacies within the home financing system. I wouldn't characterize it as a failure. Americans are the best housed people in the world. Generally speaking mortgage rates, even though they are much higher than we would like—are higher than we would like them to be, they are lower than in most countries in the world.

So I certainly wouldn't characterize the accomplishments of the system as a failure.

But I certainly do acknowledge the inadequacies and the need for substantial change.

Senator PROXMIRE. Well, the housing goals are for 2.6 million units a year, 2 million conventional and 600,000 subsidized.

As you know, housing starts are down from 2 million in 1973, 2 million-plus, to 1.6 million now. In fiscal '74 there were only 130,000 or so starts for subsidized housing, and most of these were the tail end of the previously agreed to under the moritorium.

Incidentally, 118,000 proposed Section 23 units were not started, not a single one was started.

What specific steps have been taken to help meet the housing goals?

Mr. BOMAR. Senator, the actual numbers in the latest reports are even more pessimistic than your report. The current start level annualizes 1.4, and even more discouraging, the permit level is slightly over a million, a million 55 thousand.

Most of our activities deal with the conventional sector, inasmuch as we deal with the savings and loan industry, which is primarily conventional lenders.

Our dealings with them in the subsidy programs generally speaking only involve ragulations authorizing them to participate and our encouragement of them to participate in these programs.

With regard to our efforts to bolster the supply of housing credit, they are at a maximum level, compared to any time in history I believe.

Senator PROXMIRE. What is the maximum level?

Mr. BOMAR. The amount of support that the Federal Home Loan system has provided to the mortgage market.

We currently have what we call advances or loans to savings and loan associations outstanding of about 17——

Senator PROXMIRE. When you say it is at the maximum level, the support in dollars is high, but how about the support in terms of units? That is not as high.

Mr. BOMAR. We don't have the capacity as a Board to supply that kind of support, we don't have subsidy funds or authorizations for housing units. What our capacity is, is via the Federal Home Loan Bank system, which is the reserve credit system for the savings and loan industry, to supply money via that vehicle into the mortgage market to support housing generally speaking.

And it is that level of support which is at an all time high.

Senator PROXMIRE. As I say, it is high in terms of dollars, but everything is costing more these days.

Mr. BOMAR. That is correct.

Senator PROXMIRE. Interest rates are much, much higher. Are you criticizing the moritorium?

Mr. BOMAR. Which moritorium is that, sir?

Senator PROXMIRE. The moritorium on Government-assisted housing that has been in effect since January 1973.

Mr. BOMAR. No, I have not.

Senator PROXMIRE. Have you pressed for more public housing, Sections 235 or 236 housing, or starts under Section 23?

Mr. BOMAR. No, I have not pressed for those specific programs. I think everyone recognizes the great need that exists for public housing and for housing generally speaking for all of the people.

The average house price is such now that only a small portion of the population can afford it. And that is a very inadequate kind of situation. And certainly we need to take a great many steps to help correct that.

Senator PROXMIRE. My problem is that you are in a key position, you occupy one of the most significant and important positions with respect to housing and with respect to financing housing. I don't think there is anybody that I can think of who is in a better position to provide not only direct assistance, but also policy leadership, and I know it is asking a lot to ask you to criticize the policy of the Executive Branch.

But I would hope in your capacity one way or another that you would find a way of making your concern and the sense of urgency you must feel about the failures of our housing program felt, so that we can get moving.

Mr. BOMAR. Right. Senator, we do do that. I do not follow the policy of criticizing other departments within the Government. We think that is not an appropriate thing for us to do. However, I do have the opportunity with frequency to comment on Administration plans with regard to housing type activities, and as well as have an increasingly important working relationship with the Department of Housing and Urban Development and I have an opportunity to talk with the Secretary there frequently, and comment on their plans and to advise them with regard to things that might be done that would be beneficial.

So we do have an opportunity to play a part in this.

Senator PROXMIRE. What actions have you taken in conjunction with other housing agencies to see that the Federal Reserve Board doesn't make housing take all of the strain of tight money?

Mr. BOMAR. Well, the Federal Reserve Board is very much aware of the problem that exists and the fact that these restricted monetary policies which are believed to be necessary have the greatest impact upon the housing sector and the inadequately, the unfairness that that burden levies.

And we have talked about that with frequency. I spoke with Dr. Burns yesterday on a number of matters affecting housing, the impact of the current monetary policies.

What we have done most recently that was most significant was to introduce two new programs via the Federal Home Loan banks and via our subsidiary, the Federal Home Loan Mortgage Corporation, to provide additional funds at attractive rates. These programs were part of the $10.3 billion announcement made by the President a couple of months ago.

Senator PROXMIRE. I read about that, and everyone was impressed by it, but I wonder about its effect.

Many people in the industry say it is going to have little, if any, effect. Dr. Burns does give a great deal of sympathy in this area, but he hasn't done anything concrete and specific that is likely to give housing much assistance.

Mr. BOMAR. No, Senator, I couldn't say that this particular program is going to cure the problem. It is not. We hope it will soften the blow somewhat. But even there it is very uneven.

For instance, we are agreeing to buy mortgages in the Federal Home Loan Mortgage Corporation, backed up by a call on the Federal Home Loan Bank Treasury line for up to $3 million. Mortgages are at eight and three-quarter percent. This is a very attractive rate for mortgages, I am sorry to say, in today's market. But there are many states, I forget the current number, but approximately 15 or 16 still, that have usury limits at eight percent or less. Well, the people in those states are completely cut out of all of the funds. That is a great unfairness.

Similarly with the Federal Home Loan bank programs, we are subsidizing, out of the bank's own pocket, their own earnings and net worth, there are no tax dollars involved whatever, making $4 million available at a half point below the current cost of those funds.

The current advance rate for that particular program, which is five-year money, is 8.15 percent.

You have got the same kind of problem in that regard. You put the money out, granted it is substantially below the market, but still the cost is sufficiently high that there are people in various states that are cut out of it.

So we are very much aware of the inadequacies attendant to this particular program.

However, with the resources that we have available and the options we presently have available, we have tried to do the most we can with those. And I believe that they will be beneficial, but certainly would not purport or would not suggest that they are going to, you know, significantly increase the production of housing.

Senator PROXMIRE. I appreciate your sincerity, but I agree with the realism of your analysis here. It is not going to do any good, It might do a little, but not enough good. We will still be in a position of having housing dwarfed and stunted. It is hurting the economy, it is unfair to people who need homes, and should have homes now. And we just need some kind of recommendations from top experts—and you are certainly one of them, perhaps the top expert in many ways—that are going to help us do the job.

Mr. BOMAR. Senator, we have made those suggestions on a number of occasions. We feel that the thrift industry, which is the primary support for housing financing, is in need of significant modification to allow it to compete for funds.

However, when there is a demand for funds larger than the supply, even if we have the financial structure modified to the extent that these institutions can compete for funds, and presently they cannot in this market, even if we have that, that is not going to stop money costs from accelerating dramatically in periods of heavy demand.

The only thing we can really do, if you want to shelter housing, given that kind of condition, is to step in with Federal tax dollars and subsidize it.

And there are certain instances in which that is the desirable thing to do, primarily for people of low income.

Senator PROXMIRE. That is not the only thing you can do. You can take action to provide for various incentives that would give housing money a differential advantage.

One I thought of, one which we have urged on the Federal Reserve without success, is that they discount housing instruments at the discount level, so that they could provide this kind of advantage.

Another is they provide lower reserve requirements for financial institutions that engage in home lending to a greater degree.

But they don't seem to like to do this. They say once you begin to do that, they have to do it in other ways, and they can't discriminate. They have all kinds of reasons for not helping housing.

You are right in focusing on the cost of money as being the problem. We had testimony before our Committee that while housing costs themselves had increased, they were still about two and a half times the average earnings. So that the cost of a house now is about $30,000, far above what it was a few years ago, but the median income is up a great deal too, and it is about two and a half times median income.

But the carrying and interest costs are so high, the families with median incomes can't afford to buy a house. Literally two-thirds, perhaps for the first time in our history, two-thirds of the people in this country can not afford to buy a new home.

Mr. BOMAR. Yes.

Senator PROXMIRE. It seems to me we must do something to reduce these interest costs for housing.

Mr. BOMAR. Yes.

Senator PROXMIRE. What do you think we can do that will be effective?

Mr. BOMAR. Senator, the primary villian is inflation, as we both know. And that is why I made the comment with regard to tax subsidies.

If we are going to have inflation at the rate we have been having it, we are going to have high interest rates, and if we are going to have high interest rates and recognizing the negative impact that has on the housing industry and the public's desire for housing, the only thing we can do is to step in and support it in some fashion.

Certainly we think the thing that needs to be done, not only for housing but for our entire economy, is to get hold of this inflation.

In fact the existence of thrift institutions is threatened when you have double digit inflation. The public is wise enough that it is going to begin to question saving at all, if their dollars are being eaten up at a rate faster than the accumulation of interest on them.

That is the root cause of all of the problems and the other things we are talking about are ways to circumvent those root problems.

Senator PROXMIRE. I think that is conventional wisdom, and it may be correct. But I think this is a counsel of despair because it is unlikely in my view that we will solve the inflation problem for some years. I hope we will. I would be willing to cut the budget by $10 million; I put in amendments to do that, and they passed the Senate.

We need drastic action, but I doubt if we will get it. It may well be we will have not double digit, but 7, 8, 9 percent inflation for some time. If we have that, it seems to me we can't say we have to wait until the end of it for this housing; we have to find some way of breaking through this situation, to provide housing in spite of the levels of inflation or we will have a serious and tragic problem here.

Mr. BOMAR. Yes, sir. That pessimistic view of our potentiality to control inflation seems to be the one generally held. I certainly hope that our potential is not that limited.

We know what has to be done to cure inflation, and that we should step up, bite the bullet, do what we have to do to cure it. Even at 7, 8 or 9 percent we know what that will mean in the long term, that they will be substantially higher than that, and that will frustrate the desire of the people for housing and our efforts in our economy generally speaking and then we will be left with the alternative of if we want to support housing we have to do it on a subsidized basis.

Senator PROXMIRE. Let me ask you about some of the other housing costs that you may have influence over.

What rules or regulations do you have about institutions you regulate also controlling or owning or getting a special break from the home insurance companies which insure loans they lend on?

Is there any arm's length regulation?

Mr. BOMAR. Yes, sir. We have some anti-conflict provisions or regulations that we prevent these tie-in agreements whereby officers of financial institutions can oblige home buyers to buy from specific companies, specific agencies, so as to feather their own nest. So we seek to deal with that via regulations and the prohibition of that kind of activity.

Senator PROXMIRE. Don't many of these institutions have some kind of a tie-in with insurance companies anyway?

Mr. BOMAR. No, not to my knowledge. There could be some I am not specifically aware of. There are some holding companies that own credit and life insurance companies. In the past there have been instances in which officers of savings and loan associations owned an insurance agency.

Senator PROXMIRE. That is what I am talking about. When a home owner borrows from a savings and loan, isn't he often put in a position where he feels if he is going to get the credit from the savings and loan, he has to take out insurance with the insurer that they favor or designate?

That is the kind of thing that concerns me.

Mr. BOMAR. Yes, that is a violation of the regulations we have in effect and if we find out about that, there is a cause for supervisory action.

Senator PROXMIRE. Should there be some kind of formal separation or legal separation of these activities, insuring on the one hand and lending on the other, to prevent conflicts of interest?

Mr. BOMAR. Yes, we felt that there should be. We have had applications for the underwriting of insurances other than credit life insurance, let's say underwriting mortgage insurance, life insurance, casualty insurance, by financial institutions, and we felt that that is something that should be separated and have not approved those kinds of tie-ins or go-togethers.

Senator PROXMIRE. Then there is the problem of escrow accounts. I wonder if home owners have a real choice in paying their own taxes and insurance.

Here you have a situation where interest rates are so high and they get use of the funds for about six months without payment of interest. How about that abuse?

Mr. BOMAR. That is a complicated question. There are many instances in which home buyers do not have the option to decide whether or not they pay their own taxes.

Take FHA mortgages and VA mortgages for instance. I believe it is a requirement of both of those mortgages that there be escrowing. This goes back to the '30s when so many people lost their houses on account of the taxes. So this was a provision that was built in at that time.

The question is one—and there are a great many lawsuits around this question—as to whether or not the financial institutions should pay interest on those funds that they are collecting from the individuals and holding them in anticipation of paying taxes and insurance.

I think the question resolves itself around what is of greatest benefit to the consumer, whether he is benefitted by leaving those monies there and having the financial institution take care of these things for him, or whether he would have a greater benefit by having the institution pay him some interest on those funds, and charge him a fee for the performance of those services.

Based upon what we have seen to date, our disposition has been to say that the collection of escrow funds must be reasonable and that is it should not exceed the amount that is going to be required, this overestimating to get free money that is not justified.

On the other hand, for the small amount that is going to be paid on that compared to the charges that might be made for the service, the customer is probably benefitted if he is not over-collected upon by having the services performed without charge as opposed to getting the interest on the funds.

Senator PROXMIRE. I just have a couple other questions. These relate to conversions. We have been over the issue of conversions before, but let me raise it again.

When mutual S and Ls are converted to a stock institution, a fundamental issue is how to distribute the equity which has been built up over the years and which essentially belongs to the present and former savers in the institution.

In the early conversions, the insiders made a pile of money through conversions. They essentially sold the equity. It was a rip-off and scandalous.

Having recognized that problem, isn't it true you have not yet devised a method by which that equity can be fairly distributed?

I think the answer to that is no, and you therefore propose that we have a series of experiments with at least one allowed in each state to see if there is a way it can be done fairly.

Number one, isn't that really just a disguise for allowing more conversions and more people to be ripped-off, more insiders to make money and receive the unearned increments?

Mr. BOMAR. No, Senator, we do not think that it is a disguise or rip-off. If we thought that is what it was, we wouldn't have advocated the regulations in the first place.

There were evils attendant to earlier conversions, and for that reason the Board over ten years ago proposed a moritorium, which has now been converted to a statutory moritorium that runs out June 30, and we are anticipating that Congress will impose an additional moritorium period.

We have devised a formula or a means of allowing conversions, recognizing that it is impossible to sort out who in fact owns that net worth, developed perhaps over as much as 100 years, to sort out who is in fact entitled to it.

Therefore what we sought to do was produce a means that would benefit housing, benefit the communities involved, and be fair and equitable to all involved and to prevent unjust enrichment of management.

Therefore what we propose, and this was subject to hearings here in your Subcommittee, our proposal is that since we cannot determine who in fact should be entitled to it, the thing that would be more beneficial is to sell the institution at a market value to be determined by the institution with the approval of the Board, and have the proceeds of that sale, since we don't know who the owners might be, go into the institution itself, be used to increase the net worth and increase its capacity for growth.

But selling the stock at market, it is our feeling, and we provide in the regulations that the current account holders get first pass, get several passes before management gets a shot at it at all. Then the options they do have to purchase it are severely limited. When they do buy it, if they buy it under those limited restrictions, they have to hold it for a significant period of time before they can dispose of it.

So we think we have done everything that is reasonable and proper to protect against

the earlier types of abuses, yet still provide an economic means to do this.

We feel very strongly that it is important to the savings and loans that they have the capacity to transfer into the stock forum in order to compete.

Senator PROXMIRE. The problem I have when I talk to people in the savings and loan industry, they say this is the beginning, and once they begin there is no way of stopping them, all the mutuals will get such pressure because there will be something to gain that there is going to be an avalanche of these things and there is no way to stand in their way.

I don't understand why it needs to be done at all. I know mutual institutions of all kinds where the leadership and management is as good, maybe better than stock or non-cooperative institutions. I don't believe in the old saw that the only way you can attract good management is to convert to stock.

So I don't understand why we can't stop it. It has been bad business in the past, most people feel it will be bad business in the future, so why not just stop it?

Mr. BOMAR. Senator, I think the answer to that is very simple, and that is a mutual institution can only fuel its capital account which limits its growth through retained earnings. In the kind of competitive environment we have today, that simply is not adequate to sustain the growth needs and capital needs of some of these institutions. If they can't fuel their capital account and can't grow adequately, they can't compete. Therefore they would be disadvantaged.

Take the State of Florida for instance as an example. They simply cannot allow themselves to grow at a rate that their potential allows because they don't have enough capital. If we are thus limiting our primary home financing institutions, we are limiting our supply of mortgage credit and that works to the disadvantage of the home-buying and savings public.

Therefore all would be benefitted by allowing these institutions that can so benefit that option.

So I think that is the only justification for it. If it were not for that, there wouldn't be any.

Senator PROXMIRE. I haven't seen a very clear record documenting that this is the best, the only way to provide more capital for the industry.

I want to thank you very much, Mr. Bomar. I have other questions which I would appreciate it if you would answer for the record, not many, but it would be very helpful if you would do that.

Mr. BOMAR. Yes, sir.

Senator PROXMIRE. Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Bomar, let me ask you one question and that is with reference to the inflow of funds. Is it satisfactory or keeping you hanging on a cliff?

Mr. BOMAR. Mr. Chairman, the inflow of funds into the thrift institutions is not satisfactory. It is too low. It is so low that it does not meet the demands we have for funds.

However, it has not to this time reached disastrous proportions.

The CHAIRMAN. Well, thank you very much. We know something about the difficult task you fellows in the Home Loan Bank Board have, and the task that the individual savings and loan associations have, particularly in this time of high interest rates and the difficulty of maintaining a good flow of money, because if you don't get a good flow of money, you can't build homes.

Mr. BOMAR. Yes, sir.

The CHAIRMAN. By the way, it is the intention of the Housing Subcommittee to sometime later on hold hearings into this very problem that we have been talking about this morning, the housing situation generally, and in which the savings and loan industry plays a great part.

We thank you very much.

Mr. BOMAR. Thank you, Mr. Chairman.

The CHAIRMAN. And we wish you well in the continuation of your task.

Mr. BOMAR. Thank you, sir.

The CHAIRMAN. The Committee stands adjourned.

(Thereupon, at 10:35 a.m. the hearing was adjourned.)

The PRESIDING OFFICER. The question is: Will the Senate advise and consent to this nomination?

The nomination was confirmed.

Mr. ROBERT C. BYRD. Mr. President, I ask that the President be immediately notified of the confirmation of the nomination.

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

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

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

EXTENSION OF RENEGOTIATION ACT OF 1951

Mr. LONG. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on H.R. 14833.

The PRESIDING OFFICER laid before the Senate the following message from the House:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 3 to the bill (H.R. 14833) entitled "An Act to extend the Renegotiation Act of 1951 for eighteen months", and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment, insert:

SEC. 2. The last sentence of section 203 (e) (2) of the Federal-State Extended Unemployment Compensation Act of 1970 is amended by striking out "July 1, 1974" and inserting in lieu thereof "August 1, 1974".

Resolved, That the House insist upon its disagreement to the amendments of the Senate numbered 1, 2, 4, 5, 6, 7, 8, and 9 to the aforesaid bill.

Resolved, That the House insist upon its disagreement to the amendment of the Senate to the title of the bill.

Mr. LONG. Mr. President, there will not be sufficient time for the Senate and the House to conduct a conference on the renegotiation bill between now and the recess. I have done the best I could to try to arrange a conference but, unfortunately, that is impossible. Chairman MILLS is ill and unable to be with us at this moment. He was willing to do what he felt would be the minimum to continue the laws that are expiring between now and the time that Congress comes back.

The senior members of the Ways and Means Committee, Mr. ULLMAN and Mr. SCHNEEBELI, were willing to agree to accept for a 1-month period the Senate amendment which would extend the temporary unemployment insurance provisions because otherwise we would have a large number of unemployed people who are now getting benefits, I believe, well over 100,000 persons who would lose their unemployment insurance benefits and be taken off the rolls on July 1.

Under those circumstances, Mr. President, it seemed to the Senator from Louisiana that we would do best at this time to agree to extend for 30 days the expiring unemployment insurance provision.

If the Senate will permit me to do so, we have another revenue bill on the calendar to which I propose to add all of these Senate amendments and send them over to the House and request a conference so we can discuss the other Senate amendments which just have not had a chance to be discussed with the House.

The Renegotiation Act expires and the temporary unemployment insurance provisions expire this weekend, and I do not think anybody would want to see a great number of unemployed people have their unemployment insurance benefits cut off.

The Senator from Wisconsin (Mr. PROXMIRE) got Senate acceptance of his amendment that proposes: First, that we reduce the 18-month Renegotiation Act extension to 12 months; and second, that we have a study by the staff of the Joint Committee on Internal Revenue Taxation on how this act could be better administered.

As far as the study is concerned, I believe that as chairman of the Joint Tax Committee I have the authority to accept the Senate's judgment and direct the joint committee staff to initiate the study that was agreed to in the amendment.

We can add the other part of the Proxmire amendment, limiting the extension to 12 months, as an amendment to this other bill and take it back in conference with the House. I feel confident that we will have no difficulty arranging a conference to talk about it. Unfortunately, we do not have that kind of flexibility with regard to the unemployment provisions and if we do not act today, it would involve a great deal of doing, and amount to a great deal of confusion, ever to try to restore to these unemployed workers what they lose if they are taken off the rolls. I believe the 1-month extension of the unemployment provision involves about $50 million, made up of about $25 million of State funds and about $25 million of Federal funds. We hope, Mr. President, that we could simply extend the bill as is suggested here and then take all the original Senate amendments on back to conference with the House on the other bill I referred to.

Mr. PROXMIRE. May I ask the Senator from Louisiana if two matters are inseparable? I cannot understand why the unemployment compensation provision has any connection with the Renegotiation Board. I have no objection, of course, to the unemployment compensation. I want to do all I can to advance it. The Renegotiation Board is something else.

Mr. LONG. The unemployment insur-

ance extension, from the point of view of the Senator from Louisiana, is the most urgent item of all.

Mr. PROXMIRE. I agree.

Mr. LONG. It has happened that we have had the Renegotiation Act expire before we have been able to put it back into business. I do not think it did any great deal of harm, even though it might have created some uncertainty during that brief period before the President signed a bill continuing the Board. But it will be difficult, I think, for these States, once having terminated all these people now getting unemployment insurance, to reopen their cases and put them back on the rolls. That would give us a problem, because some States might, having had the program terminated, just not be able to continue those benefits or go back and make them up.

Mr. PROXMIRE. My point is that the twc can and should be separated. Unemployment insurance can be, it seems to me, put on the bill. I do not know of any Senator who would object to that. I have very strong feelings about the renegotiation bill.

Mr. LONG. The bill will not be agreed to before the recess, if we do it. That is the problem.

Mr. PROXMIRE. They would not agree to the unemployment compensation if it is not associated with the Renegotiation Board?

Mr. LONG. There is no way of getting the matter raised separately over in the House of Representatives before we recess. Just a half hour ago or so this matter was discussed in the House. There is objection in the House to continuing this extended unemployment insurance arrangement, and a 30-day extension was all they could get agreement on at this time.

As the Senator from Wisconsin knows, it does not affect his State, and it does not affect Louisiana. I think both of us can look at it from a detached point of view. But it does, of course, very much affect States like New York, Massachusetts, Maine, New Jersey, Pennsylvania, Rhode Island, and Washington State, which has had a chronic unemployment problem.

Of course, the Senator knows that any Senate unemployment amendment has to be attached to a House-passed revenue bill, and this was the bill that was chosen as a vehicle because it was the only one available at the time. The assurance that was given over on the House side was that before any further extension of the unemployment insurance provision is agreed to in the House the whole program should be looked at. The objection is made that the 37 States not drawing benefits contribute money to benefit 13 States. I can understand how they would feel that the formula should be changed or the matter should be reconsidered in various and sundry respects. But I do not believe that it is within our power to continue these unemployment insurance benefits now except by agreeing to accept the House's judgment at this particular point. I think that is the only thing we can hope to achieve.

Mr. PROXMIRE. What has happened, then, is that the House has rejected the Senate amendment to, in effect, limit the extension of the Renegotiation Board to 12 months, and they have gone to 18 months on the Renegotiation Board. Is that right?

Mr. LONG. Actually, Mr. President, they just have not considered any of the Senate amendments. We have not had a chance to confer with them. They did appoint conferees, and we were supposed to have a meeting at 1 o'clock this afternoon. Then I was informed that the House conferees would not be able to make it as they were conferring on another bill, a pension bill, and the conference happens to be headed by Chairman MILLS, who is not available because unfortunately he is suffering from a very severe cold at this moment.

Mr. PROXMIRE. Would there be the possibility of amending this and extending the Board for a month so that we would have a chance to reconsider when we come back in July?

Mr. LONG. If we do that, it is just not going to receive action in the House at this late point.

Here is what I would suggest: That we put the amendment involving the 12 months' duration for the Renegotiation Board on the revenue bill which is on the calendar, H.R. 8217. We will pass that bill with the Senator's amendment to extend the Renegotiation Board 12 months instead of 18 months, and add all the other Senate amendments, which are significant and, I think, extremely meritorious amendments, and ask that the House meet with us in conference on that bill.

I do not see any reason why they should not. They agreed to meet and confer about the same amendments on the Renegotiation bill, and I do not see any problem about arranging a conference after the recess and talking about the remainder of these measures. But we do have one amendment here which I think presents a serious time problem, namely, that if we adjourn without acting on this unemployment insurance matter, we have more than 100,000 unemployed people who would have to be removed from the unemployment insurance rolls during the recess. While I am sure that we could probably do something about this matter when we come back, there will be a lot of confusion, they will not receive their checks, and it will take an awful lot of bookkeeping to ever get those people back on the rolls.

Mr. PROXMIRE. The Senator from Louisiana must appreciate the position that the Senator from Wisconsin is put in. Just a minute ago I pointed out that because the administration sent Mr. Bomar's nomination as head of the Federal Home Loan Bank Board to us so late we had no opportunity to discuss it on the floor, really. It was either take it now or stop it, which means Mr. Bomar would not be paid, because we might have difficulty getting enough Senators to vote on it. We certainly do not have time to have an extensive debate of several hours. So I caved in on that, even though I thought that was bad policy to do so because of the timing. Now I am put in the position, because the House cannot arrange even to consider the amendment, that it will die. So, under these circumstances, it seems to me this is asking a lot of accommodation from the Senate.

We passed this in the Senate reducing the 18-month extension to 12-months, with a study. The Senator from Louisiana (Mr. LONG) can take care of that study in good style, and will. But in order to get expeditious action on this study, of an agency that has functioned so badly, we insisted on the 12-month limitation. Now we have to give this up——

Mr. LONG. Senator, we will have the opportunity to discuss the Senator's proposal for a 1-year extension rather than an 18-month extension. We can put it on this bill which I hold in my hand, H.R. 8217, and go to conference with it. Furthermore, I would be willing, in the event we cannot get satisfaction on that bill, to put the amendment on another bill, one that should and must pass the Senate, such as the trade bill.

During the next 12 months we will have plenty of opportunity to renew this issue. We have not had a chance to confer on it nor have we had a chance to debate the pros and cons of it. But that amendment does not present the urgency that we have with regard to these unemployed workers. In this case, these men will lose their benefits. We can make the decision of whether it should be 18 months or only 12 months sometime during the next 12 months. If the Senator is right about it, and so far I am concerned he is, then we will have the opportunity to act.

I point out also that we will have to act on this unemployment matter again within 30 days. That is why I propose to take the Senator's amendment and also the 1-year extension of the unemployment insurance provision and send them to the House as amendments to H.R. 8217.

Mr. PROXMIRE. Would there be a germaneness problem with the House if we put the Renegotiation Board on the unemployment insurance bill?

Mr. LONG. It is no more a germaneness problem than we have already.

Mr. PROXMIRE. The Renegotiation Board stood on its own feet. We had separate legislation on that. My amendment went right to the heart of it because it limited the life of the agency, so it was obviously germane. But the House has been so stubborn on the germaneness issue that I would not want to be wiped out on that.

Mr. LONG. I have never seen a germaneness problem with the House on any real problem if they thought any legislative measure was the right thing to do. If they did not think so, then there would be a problem, of course, but germaneness has never been a problem if they wanted to agree to an amendment. That is what happened on the Renegotiation Act. Every amendment except for the Proxmire amendment was not germane to that renegotiation bill that the House was willing to go to conference on.

So far as I know, there is no one in the House who is so unreasonable or on the Ways and Means Committee who is so unreasonable that they will not consider a meritorious proposal just because it is not germane to the revenue measure on which it comes to the House.

Mr. PROXMIRE. Mr. President, I understand the dilemma that the distinguished chairman of the Finance Committee is in, and I want to do all I can to cooperate with him.

Would it be his intention, as chairman of the Internal Revenue Taxation Committee, in directing the study, that the study he would direct to be made of the Renegotiation Board be made by the Internal Revenue Taxation Committee in consultation with the Renegotiation Board General Accounting Office, the Cost Accounting Standards Board and the staff of the Joint Economic Committee and that the study include a review of the entire act and how to improve its administration, the exemption criteria, the statutory factors for determining excessive profits, and the need to restructure the Renegotiation Board? That was part of the amendment which was adopted at the time the amendment was under consideration.

Mr. LONG. Mr. President, in view of the fact that the Senate has already passed an amendment to that effect, I think I would be justified in viewing that as the will of the Senate. As the chairman of the joint committee at this time, I think I have the right to direct the staff to initiate that study. I am sure that the Senators who serve on that joint committee would agree to that.

So the answer to the question as to whether I have the power to do so, I think I do have that power, and I will do it.

Mr. PROXMIRE. I thank the Senator. With that assurance, I am happy to agree with the distinguished chairman of the Finance Committee, and I have no objection to the adoption of the proposal.

Mr. LONG. I thank the distinguished Senator.

Mr. President, I move that the Senate recede from its amendments 1, 2, 4, 5, 6, 7, 8, and 9, and that the Senate recede and concur in the House amendment to Senate amendment 3.

The PRESIDING OFFICER. The question is on agreeing to the motions of the Senator from Louisiana.

The motions were agreed to.

Mr. LONG. Mr. President, if the leadership will permit, I would suggest that the Senate proceed to the consideration of H.R. 8217, and that we amend it with these various Senate-passed amendments so that they will be in conference when we return from the recess.

Mr. ROBERT C. BYRD. Mr. President, I ask the distinguished Senator this question: In the event some Senators had hoped to offer amendments to H.R. 8217, will another vehicle be available to them for the purpose of such amendments in the near future?

Mr. LONG. We have several bills that we have ordered reported from the committee, and we could bring some of those bills to the calendar almost immediately. So immediately upon the Senate's return, we could have those bills placed on the calendar, and Senators could offer amendments on those bills.

Mr. ROBERT C. BYRD. I have no objection.

Did the assistant Republican leader hear the request?

Mr. LONG. The request is that the Senate proceed to the consideration of H.R. 8217, to which there is no objection, so far as I am aware, and that we add these amendments, on which the House was unable to confer with the Senate because of the shortness of time, and simply ask for a conference on those amendments, so that Senators on both sides of the aisle may have the benefit of having their amendments considered in conference between the Senate and the House. Also included in this proposal is the understanding that, for the benefit of Senators who might want to offer other amendments on revenue bills, we have several revenue bills that have been ordered by the committee to be reported to the calendar, and those bills will be put on the calendar when the Senate returns.

Mr. GRIFFIN. With the assurance that other revenue measures will be brought up on the calendar very shortly—and that assurance already has been given—I have no objection.

Mr. LONG. I thank the distinguished Senator.

DUTY EXEMPTIONS FOR CERTAIN FOREIGN REPAIRS TO VESSELS

Mr. LONG. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 759, H.R. 8217.

The PRESIDING OFFICER. The bill will be stated by title.

The second assistant legislative clerk read as follows:

A bill (H.R. 8217) to exempt from duty certain equipment and repairs for vessels operated by or for any agency of the United States where the entries were made in connection with vessels arriving before January 5, 1971.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Finance with an amendment on page 2, after line 5, insert a new section, as follows:

SEC. 3. (a) Section 37 of the Internal Revenue Code of 1954 (relating to retirement income) is amended to read as follows:

"SEC. 37. RETIREMENT INCOME.

"(a) GENERAL RULES.—

"(1) JOINT RETURNS.—In the case of a joint return—

"(A) if either spouse has attained the age of 65 before the close of the taxable year, or

"(B) if neither spouse has attained the age of 65 before the close of the taxable year but one or both spouses have public retirement system pension income for the taxable year,

there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 15 percent of the retirement income (as limited by subsection (b)) received by the husband and wife during the taxable year.

"(2) OTHER RETURNS.—In the case of a return by an unmarried individual and of a separate return by a married individual—

"(A) if the individual has attained the age of 65 before the close of the taxable year, or

"(B) if the individual has not attained the age of 65 before the close of the taxable year but has public retirement system pension income for the taxable year,

there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 15 percent of the retirement income (as limited by subsection (b)) received by the individual during the taxable year.

"(b) LIMITATION OF RETIREMENT INCOME.—

"(1) IN GENERAL.—The amount of retirement income which may be taken into account for purposes of subsection (a) shall not exceed the following amounts (reduced as provided in paragraph (2)):

"(A) $2,500, in the case of an unmarried individual,

"(B) $2,500, in the case of a joint return where only one spouse is an eligible individual,

"(C) $3,750, in the case of a joint return where both spouses are eligible individuals, or

"(D) $1,875, in the case of a separate return by a married individual.

"(2) REDUCTION.—Except as provided in paragraphs (3) and (4), the reduction under this paragraph in the case of any individual is—

"(A) any amount received by such individual as a pension or annuity—

"(i) under title II of the Social Security Act,

"(ii) under the Railroad Retirement Act of 1935 or 1937, or

"(iii) otherwise excluded from gross income, plus

"(B) in the case of any individual who has not attained age 72 before the close of the taxable year—

"(i) except as provided in clause (ii), one-half the amount of earned income received by such individual in the taxable year in excess of $2,100 or

"(ii) if such individual has not attained age 62 before the close of the taxable year, and if such individual (or his spouse under age 62) is an eligible individual as defined in subsection (d)(4)(B), any amount of earned income in excess of $1,200 received by such individual in the taxable year.

"(3) SPECIAL RULES FOR DETERMINING THE REDUCTION PROVIDED IN PARAGRAPH (2)

"(A) JOINT RETURNS.—In the case of a joint return, the reduction under paragraph (2) shall be the aggregate of the amounts resulting from applying paragraph (2) separately to each spouse.

"(B) SEPARATE RETURNS OF MARRIED INDIVIDUALS.—In the case of a separate return of a married individual, paragraph (2)(B)(i) shall be applied by substituting '$1,050' for '$2,100', and paragraph (2)(B)(ii) shall be applied by substituting '$600' for '$1,200'.

"(C) NO REDUCTION FOR CERTAIN AMOUNTS EXCLUDED FROM GROSS INCOME.—No reduction shall be made under paragraph (2)(A) for any amount excluded from gross income under section 72 (relating to annuities), 101 (relating to life insurance proceeds), 104 (relating to compensation for injuries or sickness), 105 (relating to amounts received under accident and health plans), 402 (relating to taxability of beneficiary of employees' trust), or 403 (relating to taxation of employee annuities).

"(4) SPECIAL RULE FOR CERTAIN INDIVIDUALS RECEIVING PUBLIC RETIREMENT SYSTEM PENSION INCOME.—In the case of a joint return where one spouse is an eligible individual as defined in subsection (d)(4)(A) and the

other spouse is an eligible individual as defined in subsection (d)(4)(B), there shall be an additional reduction under paragraph (2) in an amount equal to the excess (if any) of $1,250 over the amount of the public retirement system pension income of the spouse who is an eligible individual as defined in subsection (d)(4)(B).

"(c) RETIREMENT INCOME.—For purposes of this section—

"(1) IN GENERAL.—Except as provided in paragraph (2), the term 'retirement income' means income from—

"(A) pensions and annuities (including public retirement system pension income and including, in the case of an individual who is, or has been, an employee within the meaning of section 401(c)(1), distributions by a trust described in section 401(a) which is exempt from tax under section 501(a)),

"(B) interest,

"(C) rents,

"(D) dividends, and

"(E) bonds described in section 405(b)(1) which are received under a qualified bond purchase plan described in section 405(a) or in a distribution from a trust described in section 401(a) which is exempt from tax under section 501(a),

to the extent included in gross income without reference to this section, but only to the extent such income does not represent compensation for personal services rendered during the taxable year.

"(2) CERTAIN INDIVIDUALS UNDER AGE 65.—In the case of—

"(A) a return by an unmarried individual who has not attained the age of 65 before the close of the taxable year,

"(B) a separate return by a married individual who has not attained the age of 65 before the close of the taxable year, and

"(C) a joint return if neither spouse has attained the age of 65 before the close of the taxable year,

the term 'retirement income' means only public retirement system pension income, and only so much of such income received by an individual during the taxable year as does not exceed $2,500.

"(d) OTHERS DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) PUBLIC RETIREMENT SYSTEM PENSION INCOME.—The term 'public retirement system pension income' means income from pensions and annuities under a public retirement system for personal services performed by the taxpayer or his spouse, to the extent included in gross income without reference to this section, but only to the extent such income does not represent compensation for personal services rendered during the taxable year. For purposes of this paragraph, the term 'public retirement system' means a pension, annuity, retirement, or similar fund or system established by the United States, a State, a possession of the United States, any political subdivision of any of the foregoing, or the District of Columbia.

"(2) EARNED INCOME.—The term 'earned income' has the meaning assigned to such term in section 911(b) except that such term does not include any amount received as a pension or annuity.

"(3) COMMUNITY PROPERTY LAWS DISREGARDED.—The determination of whether—

"(A) earned income, or

"(B) income from pensions and annuities for personal services (including public retirement system pension income and distributions to which subsection (c)(1)(A) applies),

is the income of a husband or wife shall be made without regard to community property laws.

"(4) ELIGIBLE INDIVIDUAL.—The term 'eligible individual' means an individual who—

"(A) has attained the age of 65 before the close of the taxable year, or

"(B) has not attained such age but has public retirement system pension income for the taxable year.

"(5) MARITAL STATUS.—Marital status shall be determined under section 153.

"(6) JOINT RETURN.—The term 'joint return' means the joint return of a husband and wife made under section 6013.

"(e) NONRESIDENT ALIEN INELIGIBLE FOR CREDIT.—No credit shall be allowed under this section to any nonresident alien."

(b) Section 904 of the Internal Revenue Code of 1954 (relating to limitation on foreign tax credit) is amended by redesignating subsection (g) as subsection (h), and by inserting after subsection (f) the following new subsection:

"(g) COORDINATION WITH CREDIT FOR RETIREMENT INCOME.—In the case of an individual, for purposes of subsection (a) the tax against which the credit is taken is such tax reduced by the amount of the credit (if any) for the taxable year allowable under section 37 (relating to retirement income)."

(c) Section 6014(a) of such Code (relating to tax not computed by taxpayer) is amended by striking out the last sentence thereof.

(d) Section 6014(b) of such Code is amended—

(1) by striking out paragraph (4),

(2) by redesignating paragraph (5) as paragraph (4), and

(3) by inserting "or" at the end of paragraph (3).

(e) The amendments made by this Act shall apply to taxable years beginning after December 31, 1973.

Mr. LONG. Mr. President, the House bill would exempt from duty certain equipment and repairs for vessels operated by or for any agency of the United States where the entries were made in connection with vessels arriving before January 5, 1971.

The committee amendment would not change the text of the House bill. However, the committee added an amendment liberalizing and simplifying the retirement income credit for persons receiving annuity or other retirement income.

Under present law, a retirement income credit of up to $1,524 multiplied by 15 percent—$229—is allowed for single persons age 65 or over having "retirement income"—that is, income from pensions, dividends, interest, rents or other passive income sources. However, this credit is available only if the individual had 10 prior years of earned income above $600. The income eligible for this credit is reduced, however, by social security, railroad retirement or other tax-exempt pension income. It is also reduced by 50 percent of earnings over $1,200 and 100 percent of earnings over $1,700—This earnings limitation, however, does not apply to those age 72 and over. For married couples a credit equal to one and one-half times the credit referred to above is generally available under present law. However, in some cases where both can qualify for the credit a credit of up to twice that referred to above is available.

In addition, under present law, the retirement income credit determined substantially as indicated above is available for retirement income received from governmental units where the individual is under age 65, except that the credit is reduced on a dollar-for-dollar basis for earnings above $900—between age 62 and 65 the earnings test described above applies.

The committee has adopted a substitute retirement income credit which is both more liberal and also will be easier to compute on the return form. This credit for a single person will be based upon $2,500 instead of $1,524. It will not be necessary for the individual involved to have 10 years of prior earnings of $600 or more. However, as under present law, the $2,500 will be reduced for social security, railroad retirement and other tax-exempt pension income. Also, as under present law, it will be reduced for earned income above a specified level—if the individual is under age 72. However, the amount will only be reduced for 50 percent of earnings above $2,100 instead of 50 percent of earnings above $1,200 plus 100 percent of earnings above $1,700.

As under present law, the amount derived in this manner is multiplied by 15 percent in order to obtain the credit (the new figure gives a maximum credit of $375).

For a married couple, both over age 65, the retirement income credit is to be based upon $3,750 instead of the $2,500 applicable to a single person. Otherwise the credit is to be computed in the same manner indicated above except on the basis of the combined experience of the husband and wife.

For those below age 65 receiving Government pension income the $2,500 also becomes applicable but, as under present law, only with respect to Government pension income. The earnings test for these persons is raised from $900 to $1,200 if under age 62 but for those above that age, the $2,100 earnings test applies.

The revised credit is to apply for taxable years beginning after December 31, 1973.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

Mr. LONG. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The second assistance legislative clerk proceeded to read the amendment.

Mr. LONG. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the RECORD.

The amendment is as follows:

On page 10, line 13, strike out "act" and insert in lieu thereof "section".

At the end of the bill, add the following:

SEC. 4. Section 1631 of the Social Security Act is amended by adding the following at the end thereof:

"REIMBURSEMENT TO STATES FOR INTERIM ASSISTANCE PAYMENTS

"(g)(1) Notwithstanding subsection (d)(1) and subsection (b) as it relates to the payment of less than the correct amount of

benefits, the Secretary may, upon written authorization by an individual, withhold benefits due with respect to that individual and may pay to a Senate (or political subdivision thereof as may be agreed to by the Secretary and the State, from the benefits withheld an amount sufficient to reimburse the State (or political subdivision thereof) for interim assistance furnished on behalf of the individual by the State (or political subdivision thereof).

"(2) For purposes of this subsection, the term benefits means supplemental security income benefits under this title and any State supplementary payments under section 1616 or under section 212 of Public Law 93–66 which the Secretary makes on behalf of a State (or political subdivision thereof) that the Secretary has determined to be due with respect to the individual at the time the Secretary makes the first payment of benefis. A cash advance made pursuant to section 1631(a)(4)(A) shall not be considered as the first payment of benefits for purposes of the preceding sentence.

"(3) For purposes of this subsection, the term interim assistance means assistance financed from State or local funds and furnished for meeting basic needs during the period, beginning with the month in which the individual filed an application for benefits (as defined in paragraph (2)), for which he was eligible for such benefits.

"(4) In order for a State to receive reimbursement under the provision of paragraph (1), the State shall have in effect an agreement with the Secretary which shall provide—

"(i) that if the Secretary makes payment to the State (or subdivision of the State as provided for under the agreement) in reimbursement for interim assistance (as defined in paragraph (3)) for any individual in an amount greater than the reimbursable amount authorized by paragraph (1), the State (or subdivision of the State as provided for under the agreement) shall pay to the individual the balance of such payment in excess of the reimbursable amount as expeditiously as possible, but in any event within ten working days or a shorter period specified in the agreement; and

"(ii) such other rules as the Secretary finds necessary to achieve efficient and effective administration of this provision and to carry out the purposes of the program established by this title, including protection of hearing rights for any individual aggrieved by action taken by the State (or subdivision of the State as provided for under the agreement) pursuant to this subsection.

"(5) The provisions of subsection (c) shall not be applicable to any disagreement concerning payment by the Secretary to a State pursuant to the preceding provisions of this subsection nor the amount retained by the State (or subdivision of the State as provided for under an agreement under paragraph (4)).

"(6) The provisions of this subsection shall expire on June 30, 1975. At least sixty days prior to such expiration date, the Secretary shall submit to Congress a report assessing the effects of actions taken pursuant to this subsection, including the adequate of interim assistance provided and the efficiency and effectiveness of administration of such provisions. Such report may include such recommendations as the Secreatry deems appropriate.".

SEC. 5. The last sentence of section 203(e)(2) of the Federal-State Extended Unemployment Compensation Act of 1970 (as added by section 20 of Public Law 93–233 and amended by section 2 of Public Law 93–256 and by H.R. 14833, 93d Congress) is further amended by striking out "August 1, 1974" and inserting in lieu thereof "July 1, 1975".

SEC. 6. Section 204(b) of the Emergency Unemployment Compensation Act of 1971 is amended by striking out "903(b)(3)" and inserting in lieu thereof "905(d)".

SEC. 7. (a) Section 1611 of the Social Security Act (as enacted by section 301 of Public Law 92–603 and as in effect on July 1, 1974) is amended—

(1) in subsection (a)(1)(A), by inserting "(or if greater, the amount determined under section 1617)" immediately after "$1,752";

(2) in subsection (a)(2)(A), by inserting "(or, if greater, the amount determined under section 1617)" immediately after "$2,628";

(3) in subsection (b)(1), by inserting "(or, if greater, the amount determined ununder section 1617)" immediately after "$1,752"; and

(4) in subsection (b)(2), by inserting "(or, if greater, the amount determined under section 1617)" immediately after "$2,628".

(b) Part A of title XVI of the Social Security Act (as enacted by section 301 of Public Law 92–603) is amended by adding at the end thereof the following new section:

"COST-OF-LIVING ADJUSTMENTS IN BENEFITS

"SEC. 1617. (a) Whenever the Secretary, pursuant to section 215(i) makes a determination that a base quarter in a calendar year is also a cost-of-living computation quarter, he shall determine and publish in the Federal Register (together with, and at the same time, as the material required by section 215(i)(2)(D) to be published therein by reason of such determination) the supplemental security benefit rate (as determined under subsection (b)) which shall be effective for the period beginning with the month following the first month that the increase (if any) in benefits payable under title II becomes effective under section 215(i) by reason of such determination by the Secretary.

"(b)(1) As used in this section, the term 'supplemental security benefit rate' means whichever of the following is the greater—

"(A) the dollar amounts (namely, $1,752 and $2,628, referred to in sections 1611(a)(1)(A), 1611(a)(2)(A), 1611(b)(1), and 1611(b)(2)), or

"(B) the dollar amounts (referred to in such sections which were in effect immediately prior to the most recent increase under this section.

"(2) The supplemental security benefit rate which shall be effective by reason of an increase brought about by the application of subsection (a) shall be such rate, as in effect immediately prior to such increase, plus a per centum thereof equal to the per centum of increase in benefits payable under title II brought about pursuant to section 215(i).".

(c) Section 211(a)(1)(A) of Public Law 93–66 (as in effect on July 1, 1974) is amended by striking "$876" and inserting in lieu thereof "an amount equal to 50 per centum of the amount specified in section 1611(a)(1)(A)".

(d) Title XVI of the Social Security Act is further amended by adding immediately after section 1617 (as added by subsection (b)) the following new section:

"OPERATION OF STATE SUPPLEMENTATION PROGRAMS

"SEC. 1618. (a) In order for any State (other than the Commonwealth of Puerto Rico, Guam, or the Virgin Islands) which has at any time after December 1973 had in effect a program of supplementation payments described in section 1616(a) to be eligible for payments pursuant to title XIX, with respect to expenditures for any calendar quarter which begins—

"(1) after June 30, 1975, or, if later,

"(2) after the calendar quarter in which supplementation payments are first made under such program, such State must have in effect an agreement with the Secretary whereby the State will—

"(3) continue to operate such program,

"(4) maintain, under such program, a level of benefits which (prior to application of the provisions of paragraph (5)) is not lower than the level of benefits under the program for the first month that the program was in effect, or (if later) January 1974, and

"(5) in determining eligibility for the amount of payment to which any applicant or recipient is entitled under the program disregard an amount of the income, including income in the form of benefits payable under section 1611, of such applicant or recipient equal to the amount, if any, by which—

"(A) the aggregate amount of the increases which have occurred in the level of supplemental security benefits payable under this title as a result of cost-of-living adjustments under section 1617 (as determined under regulations of the Secretary) since the first month with respect to which payments were made under the State program of supplementation, exceeds

"(B) the aggregate amount of the increases over the level specified in paragraph (4) which have occurred in the level of benefits under such State program.

"(b) The Secretary, in determining for purposes of subsection (a) the level of benefits provided under a State supplementation program and the aggregate amount of any increases in such level, shall (after reviewing the program as it affects the various classes and categories of beneficiaries covered thereunder) consider the program as it affects the vast majority of beneficiaries; and the Secretary shall not determine that a State has failed to meet the requirements imposed by paragraph (4) or (5) of such subsection solely because its supplementation program does not meet, in one or more respects or in the case of one or more classes or categories of beneficiaries, such requirements, if the Secretary finds that the level of benefits provided under such program to the beneficiaries thereunder, when such beneficiaries are viewed as a single group, is not significantly lower than the level which would obtain if such requirements were fully met in every respect and in the case of each and every class or category of beneficiaries.".

(e) Section 212(a)(3)(C)(i) of Public Law 93–66 is amended by inserting "(except that, there shall not be counted so much of any such benefit for any month as is attributable to any increase made in the level of supplemental security income benefits pursuant to section 1617 of such Act)" immediately after "Social Security Act".

(f) The limitation imposed by section 401(a) of the Social Security Amendments of 1972 on the amount payable to the Security of Health, Education, and Welfare by a State pursuant to its agreement or agreements under section 1616 of the Social Security Act shall be applied without regard to paragraph (2) of such section in the case of an amount equal to one-half of so much of the expenditures under the agreement or agreements as are necessary in order to enable the State to meet the requirements imposed by section 1618 of the Social Security Act or to meet the requirement imposed by the amendment made by subsection (e) of this section.

SEC. 8. Section 249B of the Social Security Amendments of 1972 is amended by striking out "June 30, 1974" and inserting "June 30, 1977" in lieu thereof.

SEC. 9. (a) Section 15(c)(2) of Public Law 93–233 is amended by striking out "December 1, 1974" and inserting in lieu thereof "March

1, 1975" and by striking out "July 1, 1975" and inserting in lieu thereof "March 1, 1976".

(b) Section 15(c)(5) of Public Law 93-233 is amended by striking out "March 1, 1975" and inserting in lieu thereof "June 1, 1975" and by striking out "October 1, 1975" and inserting in lieu thereof "June 1, 1976".

(c) Section 15(d) of Public Law 93-233 is amended by striking out "January 1, 1975, except that if the Secretary of Health, Education, and Welfare determines that additional time is required to prepare the report required by subsection (c), he may, by regulation, extend the applicability of the provisions of subsection (a) to cost accounting periods beginning after June 30, 1975" and inserting in lieu thereof "July 1, 1976".

SEC. 10. (a) Section 1902(a)(14) of the Social Security Act is amended to read as follows:

"(14) effective January 1, 1973, provide that—

"(A) in the case of individuals receiving aid or assistance under a State plan approved under title I, X, XIV, or XVI, or part A of title IV, or who meet the income and resources requirements of the one of such State plans which is appropriate—

"(i) no enrollment fee, premium, or similar charge, and no deduction, cost sharing, or similar charge with respect to the care and services listed in clauses (1) through (5) and (7) of section 1905(a), will be imposed under the plan, and

"(ii) any deduction, cost sharing, or similar charge imposed under the plan with respect to other care and services will be nominal in amount (as determined in accordance with standards approved by the Secretary and included in the plan), and

"(B) with respect to individuals who are not receiving aid or assistance under any such State plan and who do not meet the income and resources requirements of the one of such State plans which is appropriate or who, after December 31, 1973, are included under the State plan for medical assistance pursuant to section 1902(a)(10)(B) approved under title XIX—

"(i) there may be imposed an enrollment fee, premium, or similar charge which (as determined in accordance with standards prescribed by the Secretary) is related to the individual's income, and

"(ii) any deductible, cost-sharing, or similar charge imposed under the plan will be nominal;".

(b) The amendment made by subsection (a) shall be effective January 1, 1973 (or earlier if the State plan so provided).

SEC. 11. (a) The staff of the Joint Committee on Internal Revenue Taxation shall conduct a comprehensive study and investigation of the operation and effect of the Renegotiation Act of 1951, as amended, with a view to determining whether such Act should be extended beyond December 31, 1975, and, if so, how the administration of such Act can be improved. The Joint Committee staff shall specifically consider whether exemption criteria and the statutory factors for determining excessive profits should be changed to make the Act fairer and more effective and more objective. The Joint Committee staff shall also consider whether the Renegotiation Board should be restructured.

(b) In conducting such study and investigation the staff of the Joint Committee on Internal Revenue Taxation shall consult with the staffs of the Renegotiation Board, the General Accounting Office, the Cost Accounting Standards Board, and the Joint Economic Committee.

(c) The staff of the Joint Committee on Internal Revenue Taxation shall submit the results of its study and investigation to the Committee on Ways and Means of the House of Representatives and to the Committee on

Provides that an individual land owner who

1975, together with such recommendations as it deems appropriate.

SEC. 12. (a) Section 211(a) of the Social Security Act is amended by adding at the end thereof the following new paragraph:

"An agreement between an owner or tenant of land and another person under which such other person is to manage and supervise the production of agricultural or horticultural commodities on such land shall not be considered to be an arrangement (described in paragraph (1)(A) of the first sentence of this subsection) which provides for material participation by the owner or tenant in production or management, if under such agreement it is the responsibility and duty of such other person, as the agent of such owner or tenant, to manage and supervise such production (including the selection of the tenants or other personnel whose services will be utilized in such production) without personal participation therein by such owner or tenant, and if, in fact, there is no personal participation by such owner or tenant in such production or management.".

(b) Section 1402(a) of the Internal Revenue Code of 1954 (relating to definition of net earnings from self-employment) is amended by adding at the end thereof the following new paragraph:

"An agreement between an owner or tenant of land and another person under which such other person is to manage and supervise the production of agricultural or horticultural commodities on such land shall not be considered to be an arrangement (described in paragraph (1)(A) of the first sentence of this subsection) which provides for material participation by the owner or tenant in production or management, if under such arrangement it is the responsibility and duty of such other person, as the agent of such owner or tenant, to manage and supervise such production (including the selection of the tenants or other personnel whose services will be utilized in such production) without personal participation therein by such owner or tenant, and if, in fact, there is no personal participation by such owner or tenant in such production or management.".

(c) The amendments made by this section shall apply with respect to taxable years beginning after December 31, 1973.

SEC. 13. Section 102(c)(1) of the Renegotiation Act of 1951 is amended by striking out "December 31, 1975" and inserting in lieu thereof "June 30, 1975".

Mr. LONG. Mr. President, I ask unanimous consent to have printed in the RECORD a summary of the provisions of the amendment.

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

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

SUMMARY OF PROVISIONS OF LONG AMENDMENT TO H.R. 8217

Reimbursement to States for interim SSI payments.—Provides that, upon the authorization of an applicant for Supplemental Security Income, the Social Security Administration may withhold from his first SSI check and pay to the State an amount sufficient to reimburse the State for interim payments made by the State to meet the individual's basic needs while his claim for Federal SSI benefits was being processed. The amendment expires June 30, 1975 with the Secretary of Health, Education and Welfare being required to report to Congress by that date on his recommendations concerning this provision. (Taft floor amendment to H.R. 14833).

Extended unemployment benefits.—Extends for an additional 12 months the provision of Public Law 93-256 which permits States to participate in the extended unemployment compensation program if the rate of insured unemployment in the State is at least 4 percent, without regard to the requirement of permanent law that the insured unemployment rate must also have increased by 20 percent over the prior 2 years. The existing provision expires June 30, 1974, and this amendment would extend it through June 30, 1975. (Ribicoff floor amendment to H.R. 148333.)

Repayment of general fund advance for 1971 Emergency Unemployment Compensation Act benefits.—Under existing law advances which were made from the general fund to the extended unemployment compensation account in order to pay benefits during the first six months of 1972 under the Emergency Unemployment Compensation Act of 1971 are to be repaid to the general fund by withholding from any distributions which may otherwise become payable under the Reed Act to those States in which Emergency Unemployment benefits were paid. The amendment would provide instead that these advances are to be repaid to the general fund directly from the extended unemployment account whenever that account has an adequate balance to permit such repayment. (Ribicoff floor amendment to H.R. 14833).

Automatic cost-of-living increases in Federal and State Supplemental Security Income benefits.—Provides that, whenever Social Security benefits are increased through the automatic cost-of-living increase provisions, an identical percentage increase will take place in the level of income assured to aged, blind, and disabled persons under the Federal SSI program. Also provides that States may not offset such increases in Federal SSI benefits by reducing the amount payable under State supplemental benefit programs. One-half of additional State costs resulting from the amendment would be counted in determining the State's savings clause protection under Public Law 92-603 which assures that States will not have to increase expenditures for the aged, blind, and disabled over 1972 levels. (Mondale floor amendment to H.R. 14833)

Funding of inspections of long-term care institutions.—Extends until June 30, 1977 authority for 100 percent Federal financing of expenditures for training and compensation of inspectors of long-term care institutions under Medicaid. (Bennett floor amendment to H.R. 14833)

Supervisory physicians in teaching hospitals.—Extends period for study of appropriate and equitable reimbursement for physicians' services provided in teaching hospitals until March, 1976; defers until July, 1976 the implementation of the 1972 amendment which provided, in part, that charges would be paid only where teaching hosiptal patient is private patient. (Bentsen floor amendment to H.R. 14833)

Medically needy premium.—Removes Title XIX requirement that States must impose a premium or enrollment fee on the medically needy; changes provision from mandatory to optional. (Curtis floor amendment to H.R. 14833)

Renegotiation Act study.—Directs the staff of the Joint Committee on Internal Revenue Taxation to conduct a comprehensive study and investigation of the operation and effect of the Renegotiation Act, with the results of the study and recommendations reported to the Committee on Ways and Means and the Committee on Finance by May 31, 1975. (Modified version of Proxmire floor amendment to H.R. 14833)

Treatment of certain farm rental income.—Provides that an individual land owner who enters into an agreement with a person to

manage his farm shall not have his rental income under the agreement counted as income for Social Security purposes, provided that the landowner does not personally participate in the management or production of the farmland. (Curtis floor amendment to H.R. 14833)

12-month extension of Renegotiation Act.—Extends Renegotiation Act for 12 months (through June 30, 1975), rather than for 18 months (Through December 31, 1975) as in H.R. 14833. (Proxmire floor amendment to H.R. 14833)

Mr. LONG. Mr. President, I would simply say that these are the same amendments as the Senate has agreed to on the renegotiation bill. The purpose of my amendment is simply to gain a conference on these matters, which was not possible on the renegotiation bill because time ran out.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

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

The bill was read the third time, and passed.

The title was amended so as to read: "An Act to exempt from duty certain equipment and repairs for vessels operated by or for any agency of the United States where the entries were made in connection with vessels arriving before January 5, 1971, and for other purposes."

Mr. LONG. Mr. President, I move that the vote by which the bill was passed be reconsidered.

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

The motion to lay on the table was agreed to.

Mr. LONG. Mr. President, I ask unanimous consent that the Senate insist on its amendments, and request a conference with the House of Representatives on the disagreeing votes thereon, and that the Chair be authorized to appoint the following Senators as conferees on behalf of the Senate: Messrs. LONG, TALMADGE, HARTKE, RIBICOFF, BENNETT, CURTIS, and FANNIN.

The PRESIDING OFFICER. Without objection, it is so ordered; and the Chair appoints those Senators as conferees on the part of the Senate.

U.S. NATIONAL COMMISSION FOR TIONAL, SCIENTIFIC, AND CULCATIONAL, SCIENTIFIC, AND CULTURAL ORGANIZATION — APPOINTMENT BY THE VICE PRESIDENT

The PRESIDING OFFICER (Mr. HASKELL). The Chair, on behalf of the Vice President, pursuant to Public Law 75–565, appoints the Senator from Texas (Mr. BENTSEN) to the U.S. National Commission for the United Nations Educational, Scientific, and Cultural Organization.

SENATE CONCURRENT RESOLUTION 96 PROVIDING FOR ADJOURNMENT OF THE SENATE UNTIL MONDAY, JULY 8, 1974

Mr. ROBERT C. BYRD. Mr. President, I ask that the Chair lay before the Senate a message from the House on Senate Concurrent Resolution 96.

The PRESIDING OFFICER laid before the Senate a message from the House, which was read as follows:

S. CON. RES. 96

Resolved, That the resolution from the Senate (S. Con. Res. 96) entitled "Concurrent resolution adjourning the Senate from June 27, 1974, until noon July 8, 1974, or until required to reassemble by the Speaker of the House and the President pro tempore of the Senate, which comes earlier", do pass the following

AMENDMENTS

Line 3, strike out "or" and insert: "and that when the House adjourns on Wednesday, July 3, 1974, it stand adjourned until 12 noon on Tuesday, July 9, 1974, or, with respect to both Houses.".

Amend the title so as to read: "Concurrent resolution adjourning the Senate from June 27, 1974, until noon July 8, 1974, and the House from July 3, 1974, until noon July 9, 1974, or until required to reassemble by the Speaker of the House and the President pro tempore of the Senate, which comes earlier."

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate concur in the amendments of the House, and that they be considered en bloc.

The motion was agreed to.

Mr. SPARKMAN. Mr. President, what was the action taken?

Mr. ROBERT C. BYRD. The House will not adjourn until next Wednesday. And the Senate will reconvene at 12 o'clock noon on July 8, 1974.

Does the Senator from Alabama wish to extend the session of the Senate beyond today?

Mr. SPARKMAN. I am ready when the leaders are.

SENATE ACCOMPLISHMENTS, JUNE 26, 1974

Mr. MANSFIELD. Mr. President, before adjourning for a few days in celebration of the Fourth of July, I would like to review the progress made by the Senate this year. I make these remarks to point out just how much the Senate has done this year in spite of more newsworthy events coming from elsewhere.

The list of legislation the Senate has passed this year includes legal services corporation, private pension plan reform, housing and community development program, Federal Energy Administration, congressional budget reform and impoundment control, minimum wage increase—which had been vetoed in 1973, Indian self-determination, disaster relief, campaign reform, no-fault auto insurance, elementary and secondary education, energy appropriations, and Vietnam veterans educational assistance.

This record compares favorably with achievements at midyear in 1973, by which time the Senate had passed measures on flood control, veterans health care and drug and alcohol treatment, vocational rehabilitation, compensation for victims of crime, impoundment control, health maintenance organizations, emergency medical services, mandatory fuel allocation, agriculture and consumer protection, and land-use planning. A detailed comparison at midyear shows the following:

	1973	1974
Days in session	91	87
Hours in session	457:12	531:44
Total measures passed	274	325
Public Laws	49	75
Private laws	2	26
Treaties	5	3
Record votes	227	270

More important than a comparison of Senate progress in 1973 and 1974, however, is the overall level of achievement during the 93d Congress. As an indication, I would like to point out that the Senate has now passed all but 1 of the 12 measures which President Nixon pocket-vetoed in 1972. Ten of these twelve bills have become public law. A list of these bills follows:

1. Airport Development—Public Law 93–44.
2. National Cemeteries—Public Law 93–43.
3. Older Americans—Public Law 93–29.
4. Public Works-Economic Development—Public Law 93–46.
5. Veterans Medical Care—Public Law 93–82.
6. Vocational Rehabilitation—Public Law 93–102.
7. Labor-HEW Appropriations—Public Law 93–192.
8. Flood Control—Public Law 93–234.
9. National Institute on Aging—Public Law 93–296.
10. Mining Research Centers—Passed Senate as amendment to S. 425 (Strip Mining).
11. Environmental Data Centers—S. 1865 P/S 6/12/74.
12. Deputy U.S. Marshals Pay—Pending in Committee.

Of the 15 measures given priority by the Democratic conference in January 1973 and 1974, all but 4 have passed the Senate, 2 of which the House must act on first. Their status is as follows:

1. Campaign reform—S. 3044 and S. 372 passed Senate.
2. Budget reform and impoundment control—Public Law 93—.
3. Consumer protection agency—P/H; on Senate calendar.
4. Land Use Planning—P/S 6/21/73.
5. Health Insurance—House must act first.
6. Housing—in conference.
7. Education programs—in conference.
8. Strip Mining controls—P/S 9/9/73.
9. Pension plan reform—in conference.
10. Minimum Wage—Public Law 93–296.
11. No-Fault Auto Insurance—P/S 5/1/74.
12. Tax reform—House must act first.
13. Trade—P/H.
14. War Powers—Public Law 93–148.
15. Welfare reform—in conference.

Each Senator can take a measure of satisfaction from the record of this Congress to date and I take this moment to thank my colleagues for their cooperation with the leadership in making these accomplishments possible.

I ask unanimous consent that a further breakdown on the status of major legislation on the 93d Congress and a

report prepared by the staff of the Democratic Policy Committee summarizing legislation passed by the Senate this year be inserted at this point in the RECORD.

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

STATUS OF MAJOR LEGISLATION OF THE 93D CONGRESS

ENACTED OR CLEARED FOR THE PRESIDENT

Agriculture and Consumer Protection—Public Law 93-86.
Alaska Pipeline—Public Law 93-153.
Congressional Budget Reform—Impoundment Control—Cleared for President.
D.C. Home Rule—Public Law 93-198.
Minimum Wage Increase—Public Law 93-259.
War Powers—Public Law 93-148.

IN CONFERENCE

Elementary and Secondary Education.
Housing and Urban Development.
Legal Services Corporation—House has adopted conference report.
Private Pension Plan Reform.
Toxic Substances Control.
Urban Mass Transit—Conference report has been filed.
Vietnam Veterans Education.
Welfare Reform.

PASSED SENATE ONLY

Campaign Reform (S. 3044 and S. 372).
Compensation for Victims of Crime.
Eastern Wilderness.
Energy Conservation.
Energy Research and Development Authorization.
Land Use Planning—House voted against rule to bring it to the floor.
No Fault Auto Insurance.
Safe Drinking Water.
Strip Mining Controls.

PASSED HOUSE ONLY

Consumer Protection Agency—on Senate calendar.
Deep Water Ports.
Foreign Trade.

MEASURES ON WHICH HOUSE MUST ACT FIRST

National Health Insurance.
Tax Reform.

SENATE LEGISLATIVE ACTIVITY INDEX

(93d Congress, 2d Session)

(By Senate Democratic Policy Committee)

AGRICULTURE

Animal Health Research (H.R. 11873).
Fertilizer (S. Res. 189).
Food Assistance Programs (S. 3458).
Food Stamps (H.R. 15124).
Forest Management (S. 2296).
Forest Pest Control (S. 3371).
Livestock Credit (S. 3679).
Poultry Indemnity Payments (S. 3231).
Rice Allotment Transfers (S. 3075).
Top Level Positions in the Department of Agriculture (S. 3031).
Wheat Supplies (S. Con. Res. 70).

APPROPRIATIONS

1974:
Supplemental (H.R. 14013).
Veterans' Administration Supplemental (H.J. Res. 941).
1975:
Continuing (H.J. Res. 1062).
Energy Research and Development (H.R. 14434).
Legislative (H.R. 14012).
Veterans' Administration Urgent Supplemental (H.J. Res. 1061).

CONGRESS

Budget Reform—Impoundment Control (H.R. 7130).
Congressional Record Postal Rates (S. 3373).
Office of Management and Budget (S. 37).
Senate Committee Employees Pay—Franked Mail (S. 2315).

CRIME-JUDICIARY

Canal Zone Marriage Licenses (S. 2348).
Commission on Revision of the Federal Appellate System (S. 3052).
"Cooly Trade" Laws (S. 2220).
Legal Services Corporation (H.R. 7824).
Mandatory Death Penalty (S. 1401).
Military Claims (H.R. 9800).
Narcotic Treatment (S. 1115).

DEFENSE

Aviation Crew Incentive Pay (H.R. 12670).
Coast Guard Laws (H.R. 9293).
Defense Production (S. 3270).
Enlistment and Reenlistment Bonuses (S. 2771).
Enlistment Qualifications (H.R. 3418).
Medical Officers' Pay (S. 2770).
Military Procurement Authorization (H.R. 14592).
Military Procurement Supplemental Authorization [H.R. 12565 (S. 2999)].
Service Academy Appointments (S.J. Res. 206).

DISTRICT OF COLUMBIA

Advisory Neighborhood Councils (H.R. 12109).
American University, Inc. (S. 3389).
Attorney's Fees (S. 3477).
Executive Protective Service (S. 3124).
Marriage Licenses (S. 3476).
Pennsylvania Avenue Development Corporation (S. 3301).
Sewell-Belmont House (S. 3188).
Smallpox Vaccination (H.R. 8747).
Taxability of Certain Dividends—D.C. Election (H.R. 6186).
Transportation Subsidies for Schoolchildren (S. 3703).
Unemployment Compensation (S. 3474).

ECONOMY-FINANCE

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Bow and Arrow Excise Tax (H.R. 10972).
Check Forgery Insurance (H.R. 6274).
Council on International Economic Policy (H.R. 13839).
Duty Exemptions—SSI Payments—Unemployment Compensation (H.R. 8217).
Duty Suspension—Shoe Lathes (H.R. 8215).
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Public Debt Limit (H.R. 14832).
Renegotiation Act Unemployment Compensation (H.R. 14833).
Securities and Exchange Commission (SEC) Paperwork Reduction (S. Res. 173).
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Educational Funding and Guaranteed Student Loans (H.R. 12253).
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ELECTION REFORM

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Watergate Committee (S. Res. 287), (S. Res. 288), (S. Res. 286), (S. Res. 327), and (S. Res. 328).

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*Energy Emergency (S. 2589).
Energy Supply—Clean Air (H.R. 14368).
Federal Energy Administration (H.R. 11793 [S. 2776]).
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Solar Heating and Cooling (H.R. 11864).
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ENVIRONMENT

Environmental Data Centers (S. 1865).
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Blind and Handicapped Products Authorization (H.R. 11143).
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NASA Authorization (H.R. 13998).
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Vice Presidential Residence (S.J. Res. 202).

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Civil Service Survivor Annuities (S. 628).
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HEALTH

Alcohol Abuse and Alcoholism Prevention (S. 1125).
Alcohol and Drug Abuse Education (H.R. 9456).
Biomedical Research (H.R. 7724).
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School Lunch and Child Nutrition (H.R. 14354).
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INDIANS

Absentee Shawnee Tribe, Oklahoma (S. 3358).
American Indian Policy (S. Con. Res. 37).
Assistant Secretary for Indian Affairs (S. 2777).
Bridgeport Indian Colony, California (S. 283).
Cheyenne-Arapaho Tribes, Oklahoma (S. 521).
Chippewa Cree Tribe, Montana (H.R. 5525).
Citizen Band of Potawatomi Indians, Oklahoma (S. 3359).
Constitutional Rights of Indians (S. 969).

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* Vetoed 1974.

Indian Claims Commission (S. 3007).
Indian Financing (S. 1341).
Indian Self-Determination (S. 1017).
Kootenai Tribe, Idaho (S. 634).
Sisseton and Wahpeton Sioux Tribe, No. and So. Dakota (S. 1411) and (S. 1412).
Spokane Tribe, Washington (H.R. 5035).

INTERNATIONAL

American Hospital of Paris, Inc. (S. 1836).
Arms Control and Disarmament Agency (H.R. 12799).
China Indemnification Agreement (S. 3304).
Colorado River Basin Salinity Control (H.R. 12165).
Foreign Disaster Assistance (H.R. 12412).
Foreign Service Buildings (H.R. 12465).
IDA—Gold—Foreign Service Instructors Retirement (S. 2665).
International Court of Justice (S. Res. 74), (S. Res. 75), (S. Res. 76), (S. Res. 77), and (S. Res. 78).
International Ocean Exposition '75 (S. 2662).
International Wheat Agreement Conference (S. Res. 340).
Japan-United States Cultural Exchange (S. 649).
Middle East Terrorists (S. Res. 324).
Migratory Birds (H.R. 10942).
Military Assistance to Greece (S. 2745).
Missing in Indochina (S. Con. Res. 81).
Missing Newsmen (S. Res. 291).
National Olympic Commission (S. 1018).
Northwest Atlantic Fisheries (H.R. 14291).
Overseas Private Investment Corporation (OPIC) (S. 2957).
Peace Corps Authorization (H.R. 12920).
State Department—USIA Authorizations (S. 3473).
Treaties:
Customs Convention on the International Transit of Goods (Ex. P, 93d-1st).
Extradition Treaty with Denmark (Ex. U, 93d-1st).
Protocols for the Extension of the International Wheat Agreement, 1971 (Ex. C, 93d-2d).
1980 Winter Olympic Games (S. Con. Res. 72).

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Minimum Wage Increase (S. 2747).
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MEMORIALS, TRIBUTES AND MEDALS

B. Everett Jordan, Death of (S. Res. 298).
Chief Justice Earl Warren (S.J. Res. 123).
Georges Pompidou, Death of (S. Res. 304).
Hank Aaron Home Run Record (S. Res. 303) and (S. Res. 305).
J. Edgar Hoover Medals (H.R. 1817).
Lyndon B. Johnson Conservation Corps Center and Lyndon B. Johnson National Grasslands (S. 2835).

NATURAL RESOURCES

Anadromous Fish Conservation (H.R. 11295).
Big Thicket National Preserve, Texas (H.R. 11546).
Chlorine Allocation (S. 2846).
Eastern Wilderness (S. 3433).
Egmont Key National Wildlife Refuge (H.R. 8977).
Fish and Wildlife Service (H.R. 13542).
Harpers Ferry National Monument (S. 605).
Indoor Recreation Facilities (S. 2661).
Lone Rock Lake Project (S. 1961).
National Ocean Policy Study (S. Res. 222).
Recreation Use Fees (S. 2844).
Rivers and Harbors—Public Works (H.R. 10203 [S. 2798]).
Rocky Mountain National Park, Colorado (S. 2394).
Saline Water Conversion Authorization (H.R. 13221).
Summer Dam and Lake (S. 2001).
Wild and Scenic Rivers—Chattooga River (H.R. 9492 [S. 921]).
Wild and Scenic Rivers—New River (S. 2439).
Wilderness Areas:
Weminuche Wilderness (S. 1863).

NOMINATIONS (ACTION BY ROLL CALL VOTE)

Brig. Gen. Charles A. Gabriel to Maj. Gen., USAF.
John C. Sawhill to be Administrator of the Federal Energy Administration.
Maj. Gen. Alton D. Slay to Maj. Gen., USAF.

PROCLAMATIONS

American Business Day (S.J. Res. 195).
First Continental Congress Anniversary (S. Con. Res. 85).
Honor America (H. Con. Res. 537).
National Agriculture Week (S.J. Res. 163).
National Amateur Radio Week (S.J. Res. 197).
National Historic Preservation Week (S.J. Res. 175).
National Volunteer Week (S.J. Res. 179).

TRANSPORTATION-COMMUNICATIONS

Aircraft Hijacking (S. 39).
Aircraft Piracy (S. 872).
Alien Radio Station Licenses (S. 2457).
Communications Common Carrier Charges (S. 1227).
Communications Common Carrier Service Applications (S. 1479).
Cumbres and Toltec Scenic Railroad (S. 2362).
FM Radios (S. 585).
Forest Highway Funds (S. 3490).
Maritime Supplemental Authorization (H.R. 12925).
SS "Guam Bear" and SS "Hawaii Bear" (H.R. 11223).
SS "Independence" (H.R. 11223).
Tariffs and Freight Rates (S. 1488).
Urban Mass Transit (S. 386).
Vessel Tonnage Deductions (S. 1353).

VETERANS

American War Mothers, Inc. (S. 2441).
Disability Compensation and Survivor Benefits (S. 3072).
GI Bill Benefits (S. 3398) and (S. 3705).
Life Insurance (H.R. 6574).
POW Families, Funeral Transportation for (S. 3228).
U.S. Flag Presentation (H.R. 5621).
Vietnam Veterans (H.R. 12628 [S. 2784]).

SENATE LEGISLATIVE ACTIVITY

(93d Congress, 2d Session)

(By Senate Democratic Policy Committee)

Days in Session	88
Hours in Session	539:25
Total Measures Passed	340
Private Laws	26
Public Laws	75
Treaties	3
Confirmations	31,747
Record Votes	271

Symbols: P/H—Passed House; P/S—Passed Senate; *—Vetoed 1974; (VV)—Passed by Voice Vote; numbers in parenthesis indicate number of record vote on passage, conference report, or reconsideration.

AGRICULTURE

Animal health research

Authorizes $75 million annually to increase funding for animal health research at colleges of veterinary medicine, or, at institutions where there are no such colleges, the State agricultural experiment stations conducting animal health research; sets a formula for distribution of funds based on the value of and income generated by livestock and poultry in each State and on the animal health research capacity at the eligible institutions; provides for additional grants for research on specific national or regional animal health problems; and establishes an Advisory Board appointed by the Secretary of Agriculture to make recommendations on matters related to the administration of the Act. H.R. 11873. P/H Feb. 7, 1974; P/S amended Mar. 28, 1974; In conference. (VV)

Fertilizer

Expresses a sense of the Senate that: all Federal agencies should give the highest priority to the U.S. fertilizer industry in establishing allocation priorities for distribution; the U.S. fertilizer industry should distribute fertilizer supplies among farmers in a timely and equitable manner, and at reasonable prices; the Federal Power Commission, and appropriate State regulatory agencies, should establish priorities for the allocation of natural gas to nitrogen fertilizer producers sufficient to insure them of supply levels required to maintain maximum production levels; the Federal Energy Office should give the highest priority allocation to the fertilizer industry's needs for gasoline, middle-distillates, and other liquid fuels utilized in the production, distribution, and application of fertilizer; the Cost of Living Council and the Departments of Agriculture and Commerce should continue their monitoring and reporting of fertilizer supply availabilities, wholesale and retail prices, and export shipments; and the Cost of Living Council should establish a monitoring and investigatory program through the office of the IRS to determine the factual basis of any alleged price gouging involving either fertilizer wholesalers or retailers. S. Res. 289. Senate adopted Feb, 27, 1974. (VV)

Food assistance programs

Makes mandatory for a 3-year period the authority of the Secretary of Agriculture under Public Law 93–86 to purchase agricultural commodities that are not in surplus supply for donation to certain food programs; authorizes the Secretary to pay each State agency 50 percent of all of the State agency's costs in administering the Food Stamp Program instead of, as at present, 62.5 percent of only certain designated administrative costs; requires that States report from time to time at the request of the Secretary on the effectiveness of the administration of the Food Stamp Program; amends section 3 of the Child Nutrition Act of 1966 to establish a 5-cent minimum rate of reimbursement for each half-pint of milk served in the special milk program, with annual adjustment beginning with the 1976 fiscal year to reflect changes in costs; and contains other provisions. S. 3458. P/S May 2, 1974; P/H amended June 27, 1974; Senate adopted conference report June 27, 1974. (VV)

Food stamps

Extends for 1 year, until July 1, 1975, the period of eligibility wherein supplemental security income recipients may receive food stamps. H.R. 15124. Public Law 93– , approved 1974. (VV)

Forest management

Requires the Secretary of Agriculture to prepare a National Renewable Resource Assessment not later than December 31, 1974, and to update it during 1979 and each 10th year thereafter; expands the resource surveys under 16 USC 581h to include all renewable resources, and changes the authorization therefor from $5 million annually to the amount needed; requires the Secretary to prepare a Forest Service Renewable Resource Program not later than December 31, 1974, covering the five fiscal years beginning July 1, 1975, and at least each of the next 4 fiscal decades, and to update such program each five years thereafter; requires transmission of the Assessment and Program to Congress in 1975 and after each updating; requires expenditure of appropriated funds except to the extent the appropriation act provides for discretion, or events occurring after enactment of the appropriation prevent

the accomplishment of its purpose; requires an annual progress report by the Secretary; requires national forest system management to be on a current basis by the year 2000; encourages the use of appropriated funds for forest road and trail construction; directs the Secretary to avoid use of purchaser road construction authority in a manner that would unduly affect forest revenues and payments to a particular county; and requires Forest Service offices to be located near Forest Service operations. S. 2296. P/S Feb. 21, 1974. (VV)

Forest pest control

Amends the Forest Pest Control Act to provide that funds appropriated to carry out the program of eradication and control of forest insect pests and diseases are to remain available until expended. S. 3371. P/S May 7, 1974. (VV)

Livestock credit

Establishes a temporary 1 year guaranteed loan program to assist farmers and ranchers, including operators of feedlots, who are primarily engaged in breeding, raising, fattening, or marketing beef cattle, dairy cattle, swine, chickens, turkeys, or their products; requires the Secretary of Agriculture to guarantee up to 90 percent of loans made by an approved lender at an interest rate to be determined, with a $350,000 limit to any individual; requires that the borrower must be unable to obtain financing without the guarantee; requires repayment in not more than 7 years with a possible renewal for not more than 5 additional years; and provides for a 6 month extension of the program if the Secretary so determines. S. 3679. P/S June 24, 1974. (262)

Poultry indemnity payments

Authorizes the Secretary of Agriculture until December 31, 1974, to pay compensation for contaminated poultry, eggs, and poultry and egg products, including the costs of disposing of such items, to producers, growers, and processors who have been advised after January 1, 1974, that their products contained unsafe residues of the pesticide dieldrin or other chemicals registered and approved for use by the Federal Government at the time of such use, and to compensate their employees for wages lost as a result of this condition, and to investigate and report to Congress within a year on the circumstances, which resulted in the economic loss. S. 3231. P/S Apr. 23, 1974. (141)

Rice allotment transfers

Permits rice growers who are unable to plant part or all of their farm acreage allotments because of floods or other natural disasters to transfer their allotments to other farms in the same or a near county on which they will have an interest in the particular commodity. S. 3075. P/S Mar. 13, 1974. (VV)

Top level positions in the Department of Agriculture

Upgrades the position of Under Secretary of Agriculture to Deputy Secretary of Agriculture; establishes two new positions of Assistant Secretary of Agriculture; changes the position of Administrator, Animal and Plant Health Inspection Service, from GS–18 to Executive Level V; increase the membership of the Board of Directors of the Commodity Credit Corporation from six to seven, in addition to the Secretary; and abolishes four existing positions. S. 3031. P/S May 8, 1974. (VV)

Wheat supplies

States a sense of the Senate that the Secretary of Agriculture should: immediately conduct a survey of all wheat milling firms and bakeries to determine their position with regard to wheat supplies and requirements during the remainder of the 1973–74 marketing year; conduct a county-by-county survey to determine the amount of uncommitted wheat stocks remaining in the ownership of all grain dealers and farmers; and work with the Interstate Commerce Commission to expedite transportation of existing wheat stocks to the millers and bakers in need of additional supplies. S. Con. Res. 70. Senate adopted Feb. 25, 1974. (VV)

APPROPRIATIONS

1974

Supplemental

Appropriates $9,301,474,398 to provide additional funding for the various departments and agencies for fiscal year 1974; includes: for the Department of Agriculture, $500 million for the Food Stamp Program, and $23,661,000 for the watershed and flood prevention programs; $2,139,312,000 for the Department of Defense, Military, to be considered as an "advance" on fiscal year 1975 appropriations; $133 million (termed "Middle East Pay-back") for replacement in the U.S. defense inventory of equipment sold to Israel which must be replaced at a current price higher than that received at the time of transfer to Israel; for foreign operations, $49 million for Indochina postwar reconstruction assistance; $250,000 for migration and refugee assistance upon enactment of authorizing legislation; reallocates funds appropriated under disaster relief, originally allocated for the Sahel region, for use in all the drought stricken nations of Africa; includes an additional $36.2 million for disaster relief in the United States caused by tornados during the spring; $2,265,584,000 for manpower assistance programs; $20 million for elementary and secondary education; $12.5 million for the Office of Economic Opportunity; $2 million to alleviate the present crisis in the District of Columbia criminal justice system caused by lack of funds to pay court-appointed counsel; $47 million for Amtrak for expansion and acquisition of stock; $3,874,791,595 to meet increased costs in Federal salaries and expenses; and contains other provisions. H.R. 14013. Public Law 93–305, approved June 8, 1974. (174)

Veterans' Administration supplemental

Appropriates $750 million to the Veterans' Administration to insure the availability of funds for financing Readjustment Benefits of the Nation's post-Korean conflict veterans, their sons and daughters, and their wives and widows. H.J. Res. 941. Public Law 93–261, approved Apr. 11, 1974. (VV)

1975

Continuing

Provides funds for continuing governmental functions to September 30, 1974, for programs for which fiscal year 1975 funds have not been appropriated at either its current operational level or the lesser level passed by either House, or if applicable legislation has passed neither Houses, at either the budget estimate or the current level, whichever is lower; includes provisions to guard against the reduction or termination of any specific Labor-HEW programs; provides for distribution of title I funds of the Elementary and Secondary Education Act as contained in H.R. 69, as passed the Senate; provides an annual rate of $1 billion for continued support of South Vietnamese military forces; and contains other provisions. H.J. Res. 1062. Public Law 93– , approved 1974. (266)

Energy research and development

Appropriates $2,236,089,000 to accelerate the Federal program of energy research and development, particularly in the fields of atomic energy and coal gasification and liquefactions, including funds for the Atomic Energy Commission; Interior Department; National Science Foundation; Environmental Protection Agency; National Oceanic and Atmospheric Administration; Federal Energy Office; National Aeronautics and Space Administration; and Department of Transportation. H.R. 14434. Public Law 93– , approved 1974. (244)

Legislative

Appropriates $718,389,511 for the legislative branch for fiscal year 1975, including $20.9 million for the restoration of the west Central Front of the Capitol without change of its location or its present architectural appearance; increases the salaries of the Senate's highest officials, the top position in each Senator's office and the two highest levels on all Senate committees; expands the service activities of the Sergeant at Arms by providing a developmental capability for the computer center, the establishment of a microfilm center, and additional Capitol Police; authorizes the Secretary of the Senate to withhold State income tax; restores 62 of the 95 positions disallowed by the House for the Library of Congress, including 24 for the Congressional Research Service; authorizes payment of witness fees for persons appearing before the Senate Majority and Minority Policy Committees; reinstates requirement for publishing congressional travel expenses in the Congressional Record; and contains other provisions. H.R. 14012. P/H Apr. 9, 1974; P/S amended June 20, 1974; Senate requested conference June 20, 1974. (259)

Veterans' Administration urgent supplemental

Appropriates a total of $179 million for the Veterans' Administration to cover the increased rates of disability, dependency, and indemnity compensation for disabled veterans and their survivors as provided for in Public Law 93–295, which became effective May 1, 1974, and the 30 day extension of education benefits under the GI bill, as well as for general operating expenses. H.J. Res. 1061. Public Law 93– , approved 1974. (268)

CONGRESS

Budget reform—impoundment control

Establishes a new congressional budget process;

Establishes Senate and House Committees on the Budget and also, a Congressional Budget Office (COB) which shall (1) provide the Budget and other committees of both Houses and information and assistance regarding matters relating to the budget, appropriation bills, other bills authorizing or providing budget authority, revenues, receipts, estimated future revenues and receipts, changing revenue conditions, and such other information as the committees may request; (2) issue a report as soon as possible after the beginning of the fiscal year which projects for 5 fiscal years total new budget authority and total budget outlays for each of the fiscal years, revenues to be received and the major sources thereof, and the surplus or deficit, if any, for each of the fiscal years, (3) report by April 1 of each year to the Budget Committees, addressed to fiscal policy and national budget priorities, which will discuss the impact of alternative levels or revenues and outlays for the coming fiscal year on national growth and development;

Changes the Federal fiscal year from July 1–June 30 to October 1–September 30 beginning in 1976, with provisions for an interim transition period from July 1, 1976, to September 30, 1976, and establishes the following timetable for the budget process:

By November 10: The President submits the current services budget (a document showing programs and funding levels for the year just past), thus giving the Congress line-item information with which to begin analysis and preparation of the budget for the coming fiscal year prior to receipt of the President's budget;

Fifteen days after Congress meets: The President submits his budget;

By March 15: Committees and joint committees submit reports to the Budget Committees;

By April 1: COB submits report to Budget Committees;

By April 15: The Budget Committees report the first concurrent resolution on the budget to their Houses, setting forth (1) appropriate levels of total budget authority and outlays; (2) an estimate of budget outlays and an appropriate level of new budget authority for each major functional category, including contingencies and for undistributed intragovernment transactions; (3) appropriate surplus or deficit; (4) recommended level of Federal revenues and any recommended aggregate revenue-increase or decrease; (5) appropriate level of and recommended changes, if any, in the public debt, and (6) such other matters relating to the budget as may be appropriate;

By May 15: The appropriate committees report bills and resolutions authorizing new budget authority (with the exception of entitlement authority or omnibus social security legislation);

By May 15: Completion of all action on the first concurrent budget resolution;

Seventh Day After Labor Day: Completion of action on bills and resolutions providing new budget authority and new spending authority;

By September 15: Completion of action on the second required concurrent budget resolution;

By September 25: Completion of action on reconciliation bill or resolution containing provisions necessary to accomplish any change or changes in budget authority, revenues, or the statutory public debt directed by the second required budget resolution;

October 1: The fiscal year begins;

Provides that the first concurrent budget resolution must be adopted before any measures providing for new budget authority, entitlement authority, and changes in revenues or the public debt limit are to be considered on the floor, with the exception of advance appropriations or advance revenue changes; contains a procedure for waiver of the prohibition in the Senate;

Authorizes additional budget resolutions;

Requires that proposed legislation providing contract or borrowing authority must provide that such new spending authority is to be effective for any fiscal year only to the extent or in such amounts as are provided in appropriation acts, thus subjecting such legislation to the appropriations process, with the exception of such authority now in effect and all existing social security trust funds, 90 percent self-financed trust funds, general revenue sharing (to the extent provided in the legislation), outlays of government corporations, and gifts to the United States;

Makes entitlement authority (entitles persons or governments who meet the requirements to receive payments from the Federal Government) subject to the reconciliation process, with social security and 90 percent self-financed trust funds and government corporations not subject to the referral process for amounts exceeding the budget allocation;

Provides that after the budget process for a fiscal year has been completed it shall not be in order to consider any new budget authority or entitlement measure for that year which would cause the level of budget authority or outlay to be exceeded or reduced;

Contemplates that in the future that authorization bills will be enacted a year or more in advance of the period for which appropriations are to be made;

Provides in title X, the Impoundment Control Act of 1974, that if the President determines that certain budget authority is not required to meet the objectives of a program or should be rescinded for fiscal purposes, or whenever all or part of budget authority provided for only one fiscal year is to be reserved from obligation for such fiscal year, he shall transmit a special message requesting a recission of the budget authority, and, unless both Houses complete action on a recission bill within 45 days, the budget authority shall be made available for obligation; also provides for a second type of message concerning deferral, which includes any withholding or delaying the availability for obligation of budget authority, and requires the President to obligate the funds if either House passes an "impoundment resolution" disapproving the proposed deferral at any time after receipt of the special message; amends the Anti-deficiency Act regarding the placing of funds in reserve by deleting an "other developments" clause, permitting reserves solely to provide for contingencies, or effect savings where possible by change in requirements or greater efficiency;

And contains other provisions, H.R. 7130, Public Law 93, approved 1974. (81,261).

Congressional Record postal rates

Provides that the Congressional Record be entitled to be mailed at the same rates of postage at which any newspaper or other periodical publication, with a legitimate list of paid subscribers, is entitled to be mailed. S. 3373. Public Law 93-314, approved June 8, 1974. (VV)

Office of Management and Budget

Amends the Budget and Accounting Act, 1921, to require Senate confirmation of future appointments to the offices of Director and Deputy Director of the Office of Management and Budget, effective in each case, immediately after the individual holding that office on the date of enactment ceases to hold the office and, effective immediately in the case of a vacancy in either position on the date of enactment. S. 37. Public Law 93-250, approved Mar. 2, 1974. (VV)

Senate committee employees pay—franked mail

Eliminates the statutory minimum rate of compensation for Senate committee employees and eliminates the requirement that the words "Postage paid by Congress" be printed on franked mail. S. 2315. Public Law 93-255, approved Mar. 27, 1974. (VV)

CRIME-JUDICIARY

Canal Zone marriage licenses

Transfers the duties for issuing and recording marriage licenses and related activities, from the United States District Court of the Canal Zone to the civil affairs director of the Canal Zone Government. S. 2348. P/S Mar. 29, 1974. (VV)

Commission on revision of the Federal Appellate System

Extends the final date for the report of the Commission on Revision of the Federal Court Appellate System from September 21, 1974, to June 21, 1975, and increases its authorization from $270,000 to $1 million. S. 3052. P/S Mar. 26, 1974. (VV)

"Cooly trade" laws

Repeals the "Cooly Trade" laws which prohibit the procuring, transportation, disposition, sale, or transfer of Oriental persons as servants or apprentices, or to be held to service or labor. S. 2220. P/S May 6, 1974. (VV)

Legal Services Corporation

Establishes a private nonprofit, federally funded legal services corporation (to which the duties and responsibilities of the current legal services program in the Office of Economic Opportunity will be transferred) for the purpose of providing high quality legal assistance to those who cannot afford adequate legal counsel; places the administration of the Corporation in a Board of Directors consisting of 11 members appointed by the President with the advice and consent of the Senate and provides that not more than six shall be of the same political party, that a majority be members of the bar of the highest court of any State, and that none be full-time employees of the United States; provides that the Chairman shall be selected from the Board members by the President for a 3-year term and thereafter the Board shall elect annually the Chairman from its members; provides that within 6 months after the first meeting of the Board, the Board shall request the Governor of each State to appoint a nine-member advisory council for the State which shall be charged with notifying the Corporation of any alleged violation of this Act; makes statury provision for a 15-member National Advisory Council (which shall be representative of the organized bar, legal education, project attorneys, eligible clients and the general public) to consult with the Board regarding the rules, regulations and activities of the Corporation;

Authorizes the Board to appoint a President of the Corporation, who shall be a member of the bar of the highest court of any State, and any other corporate officers; provides that no officer of the Corporation may receive any compensation from any source other than the Corporation during employment by the Corporation except as authorized by the Board;

Provides that all officers and employees of the Corporation are to be treated as private employees except for certain rights and benefits of employees of the Federal Government (work injuries, retirement, and health and life insurance); further provides that the Corporation shall be considered a private nonprofit entity for all statutory purposes, including those concerning labor relations, except as otherwise specified;

Authorizes the Corporation to make grants and contracts with individuals, partnerships, firms, and nonprofit organizations and corporations for the purpose of providing legal assistance to eligible clients; authorizes the Corporation, either directly or by grant or contract, to provide for research, recruitment, training, and information clearinghouse activities, to enhance the efficiency and effectiveness of legal services programs; authorizes technical assistance in connection with legal assistance activities; sets requirements and procedures for insuring compliance with the law, rules, regulations and guidelines under which the recipients of assistance, grants or contracts will operate; provides that the Canons of Ethics or the Disciplinary Rules of the Code of Professional Responsibility would be fully applicable to the actions and responsibilities of attorneys in the legal services program; prohibits an attorney from receiving compensation for providing legal assistance under this Act unless he or she is admitted to practice in the jurisdiction where such assistance is initiated; prohibits employees of the Corporation or any recipient from engaging in or encouraging any public demonstration or picketing, boycott, or strike; makes special provision for bilingual legal assistance; prohibits the Corporation from influencing the passage or defeat of any legislation—by the Congress or any State or local legislature; prohibits contributions of funds, equipment, or personnel to any political party or campaign or for use in influencing any ballot measures or referendums;

Provides that the Corporation, in consultation with the Director of the Office of Management and Budget and with the Governors of the States, establish maximum income levels (taking into account family size, urban and rural differences, and substantial cost-of-living variations) for individuals eligible for legal assistance; prohibits the use of funds for legal assistance with respect to a criminal proceeding, or to make grants to, or contracts with, any public interest law firm which expends 50 percent or more of its resources litigating issues in the broad interests of a majority of the public; makes special provisions for legal assistance to per-

sons 18 years of age; authorizes $71.5 million for fiscal year 1974, $90 million for fiscal year 1975 and $100 million for 1976 and thereafter;

And contains other provisions. H.R. 7824. P/H June 21, 1973; P/S amended Jan. 31, 1974; House adopted conference report May 16, 1974. (28)

Mandatory death penalty

Imposes by statute a mandatory death penalty for offenses for which the death penalty is available because death resulted, as follows where: (1) the offense involves flight by a prisoner from the custody of an officer or from an institution, gathering or delivering defense information to aid a foreign government, transportation of explosives in interstate commerce, destruction of government property, destruction of property in interstate commerce, kidnaping, treason, and aircraft piracy; (2) the defendant has been convicted of another offense, State or Federal, for which a sentence of life imprisonment or death was authorized by statute; (3) the defendant has previously been convicted of two or more offenses, State or Federal, which carried a penalty of more than 1 year's imprisonment and which involved the "infliction of serious bodily injury upon another person"(4) the defendant knowingly create a grave risk of death to another person in the commission of the offsene; (5) the offense was committed in an especially heinous, cruel, or depraved manner; (6) the defendant procured commission of the offense by payment or promise of payment; (7) the offense was committed for money or anything of pecuniary value; and (8) the offense was committed against the President, Vice President, President or Vice President elect, or if no Vice President, the officer next in order of succession, a chief of state of a foreign nation, certain foreign officials in the United States because of official duties, a Justice of the Supreme Court, a Federal law enforcement officer or an employee of a Federal prison;

Also provides in regard to offenses concerning defense information or treason that the sentence of death shall be imposed in cases where (a) the defendant has been convicted of another previous offense concerning defense information or treason, for which a sentence of life imprisonment or death was authorized by statute; or (b) in the commission of the offense the defendant knowingly created a grave risk of substantial danger to the national security and it is found that the offense directly concerned nuclear weaponry, or other major weapons system or major element of defense strategy; or (c) in the commission of the offense the defendant knowingly created a grave risk of death to another person;

Makes the following exceptions to the imposition of the death sentence where, at the time of the offense, (1) the defendant was under 18 years of age; (2) his or her capacity to appreciate the wrongfulness of his conduct or to conform his conduct to the requirements of law was significantly impaired but not so much as to constitute a defense for prosecution; (3) he or she was under unusual and substantial duress, although not such as to constitute a defense for prosecution; (4) he or she was a principal in the offense, which was committed by another, but the participation was relatively minor, though not so minor as to constitute a defense; (5) he or she could not reasonably have forseen that his conduct in the course of the commission of the offense which resulted in the death for which he or she was convicted would cause, or would create a grave risk of causing, death to any person; or (6) as allowed by the court when hostages have been released by the defendant on the assurance of the Attorney General that their release would be a factor mitigating the application of the mandatory death sentence;

Establishes a procedure whereby a hearing shall be held after conviction or plea of guilty for the purposes of determining whether any of the exceptions apply; contains provisions concerning appeal from a sentence of death under this procedure; and contains other provisions. S. 1401. P-S Mar. 13, 1974. (69)

Military claims

Increases from $15,000 to $25,000 the limit for administrative settlement of claims against the United States arising from noncombat activity of the Armed Forces, and increases from $2,500 to $5,000 the limit for the delegation of authority to settle claims. H.R. 9900. Public Law 93– , approved 1974. (VV)

Narcotic treatment

Amends the Comprehensive Drug Abuse Prevention and Control Act of 1970, Public Law 91–513, commonly called the Controlled Substances Act, to provide new authority for the regulation of the use of narcotic drugs in the treatment of narcotic addicts; provides definitions of "maintenance treatment" to enable the Attorney General to establish more specific and comprehensive regulatory control over the handling of narcotic drugs used in the treatment of narcotic addicts; requires practitioners who dispense or administer narcotic drugs in the treatment of narcotic addicts to obtain a special registration predicated on the approval of treatment standards by the Secretary of Health, Education, and Welfare and the approval of security standards by the Attorney General; enables the Attorney General to deny, revoke, or suspend the special registration for failure to comply with the new standards; makes the full range of civil remedies and felony penalties available under the Controlled Substances Act applicable to practitioners who provide narcotic drugs without obtaining the special registration, in violation of the registration, or after revocation of the registration; and requires the special registered practioners to keep complete records of narcotic drugs directly administered to patients in their presence. S. 1115. Public Law 93–281, approved May 14, 1974.

DEFENSE

Aviation crew incentive pay

Restructures the flight-pay system of the uniformed services in order to achieve a more equitable distribution of flight pay and to increase the ability of the uniformed services to attract and retain officer aviator crewmembers in an all volunteer environment. H.R. 12670. Public Law 93–294, approved May 31, 1974. (VV)

Coast Guard laws

Changes the Coast Guard's authority relating to aids of navigation by extending its jurisdiction to additional water areas within and beyond the territorial waters of the United States and to non-navigable waters covered by the Federal Boat Safety Act of 1971; provides the authority necessary to carry funds over until the completion of projects for which funds were originally appropriated and provides continuing authorization for the payment of certain confidential investigative expenses; authorizes funds to provide for primary and secondary education for dependents of Coast Guard personnel stationed outside the continental United States whenever schools in the locality are unable to meet their educational needs; and makes changes in certain Coast Guard laws pertaining to personnel matters in the areas of housing, promotion, the Coast Guard Reserve, and the Coast Guard Auxiliary. H.R. 9293. Public Law 93–283, approved May 14, 1974. (VV)

Defense production

Extends the Defense Production Act of 1950 for 2 years, from June 30, 1974, to June 30, 1976. S. 3270. P/S June 13, 1974. (VV)

Extends the Defense Production Act of 1950, which would expire on June 30, 1974, for an additional 30 days. H.J. Res. 1056. Public Law 93– , approved ——— —, 1974. (VV)

Enlistment and reenlistment bonuses

Revises the special pay bonus structure relating to members of the Armed Forces to provide enlistment and reenlistment incentives designed to insure adequate manning in an all-volunteer environment; provides, through June 20, 1977, for a maximum reenlistment bonus of $15,000 with the understanding that this maximum would be limited to the nuclear field only; and provides a bonus of up to $3,000 for an enlistment of at least 4 years in any critical skill area in any service. S. 2771. Public Law 93–277, approved May 10, 1974. (VV)

Enlistment qualifications

Establishes uniform enlistment qualifications with regard to age, parental consent, and time of enlistment options for male and female persons in the armed services retaining however, the discretionary authority of the Secretary to set as a matter of policy a higher minimum age than seventeen or a lower maximum age than thirty-five for accepting enlistments. H.R. 3418. Public Law 93–290, approved May 24, 1974. (VV)

Medical officers' pay

Increases the special pay bonus for physicians (including physicians of the Public Health Services) for each year's extension of active duty to reduce the gap between the incomes of civilian and military physicians to insure a level of staffing in an all-volunteer environment; limits the new bonuses to officers in the pay grade O–6 (colonel) and below; provides a maximum bonus of $13,500 per year excluding those undergoing initial residency training and the first 4 years of obligated service; and contains other provisions. S. 2770. Public Law 93–274, approved May 6, 1974. (VV)

Military procurement authorization

Authorizes a total of $21.8 billion for fiscal year 1975 for military procurement, research and development, active duty, Selected Reserve and civilian personnel strengths, and student loads;

Includes $12.9 billion for procurement of aircraft, naval shipbuilding and conversion, tracked combat vehicles, torpedoes, and other weapons, and $8.9 billion for research and development;

Authorizes a year-end strength of 2,098,100 for active duty personnel; reduces by 20 percent personnel stationed in Europe, based on the June 30, 1974, level, with half of the reduction to be completed by June 30, 1975, and the full reduction completed by June 30, 1976; prohibits an increase in the total number of U.S. tactical nuclear warheads in Europe except in the event of hostilities;

Authorizes an average strength of 1,018,434 for the Selected Reserve component including the Coast Guard; authorizes a year-end strength of 982,700 for civilian personnel within the various military departments and agencies; authorizes an average military student training load of 276,287; prohibits the denial of educational assistance to any person because they are enrolled in a college or university that has terminated its ROTC program;

Authorizes $900 million, including $212.3 million for procurement of aircraft, missiles, tracked combat vehicles, and other weapons, to support South Vietnamese military forces; prohibits the use of any of these funds to

provide military assistance to Cambodia or Laos;

Provides that nothing in this act shall be construed as authorizing the Central Intelligence Agency to carry out any internal security operation (with certain protective or routine exceptions) or to participate in any illegal activity within the United States;

Limits to 218 the number of enlisted personnel who may be temporarily assigned as a servant to an officer;

Prohibits the use of funds to carry out scientific research programs upon dogs;

Prohibits the use of funds after December 31, 1975, for naval training operations at Culebra Island;

Prohibits flight testing of the Minuteman missile from any place within the United States except Vandenberg Air Force Base;

Prohibits the use of funds for stockpiling war materials or equipment for use by Asian countries except as authorized under the Foreign Assistance Act of 1961 or the Foreign Military Sales Act;

Prohibits the Department of Defense from contracting for goods that are not American-made, with certain specified exceptions; requires that all medical purchases of items $2,500 or more be obtained by competitive bidding except when an extreme circumstance exists; requires agency heads to submit to Congress reports of contracts or purchases amounting to $1 million or more which were not obtained by competitive bidding; directs the Comptroller General to conduct a study of defense procurement policy with a view toward increasing competitive bidding and to submit the results of the study to Congress;

Authorizes the President to prohibit trade to an Eastern bloc country if he determines that it will significantly increase the military capability of the country;

Provides for a one-time recomputation of military retired pay at the January 1, 1972, basic rate of pay;

And contains other provisions. H.R. 14592. P/H May 22, 1974; P/S amended June 11, 1974; In conference. (239)

Military procurement supplemental authorization

Authorizes $769,049,000 in supplemental appropriations for fiscal year 1974 for procurement including replacement of and support items for aircraft and synthetic flight trainer simulators, naval vessels, missiles, tracked combat vehicles, and other weapons for the armed forces; provides, under the military family housing program, the necessary funding authority to cover pay increases already approved by law; reaffirms the $1.126 billion statutory ceiling enacted in 1974 for military aid to South Vietnam and provides that this amount shall not be circumvented by accounting adjustments; prohibits denial of enlistment to a volunteer on the basis of not having a high school diploma; and contains other provisions. H.R. 12565 (S. 2999). Public Law 93-307, approved June 8, 1974. (VV)

Service academy appointments

Authorizes the Secretary of the Army to permit one citizen of Laos to attend the United States Military Academy at no expense to the U.S. Government. S.J. Res. 206. Public Law 93-317, approved June 22, 1974. (VV)

DISTRICT OF COLUMBIA

Advisory neighborhood councils

Amends the District of Columbia Self-Government and Governmental Reorganizational Act (Public Law 93-198) to make clear that only a majority of voters voting on the issues in the May 7th referendum are needed to ratify the Advisory Neighborhood Council. H.R. 12109. Public Law 93-272, approved Apr. 24, 1974. (VV)

American University, Inc.

Amends the act of incorporation of American University to clarify the relationship of the university to the United Methodist Church, under whose auspices and control the university has existed. S. 3389. P/S June 21, 1974. (VV)

Attorney's fees

Makes the Federal Criminal Justice Act applicable to the District of Columbia and provides for a court-appointed counsel to represent defendents who are financially unable to obtain an adequate defense in criminal cases. S. 3703. P/S June 27, 1974. (VV)

Executive Protective Service

Increases the authorized size of the Executive Protective Service from 850 to 1,200 in order to expand protection for embassies and other diplomatic facilities in the D.C. area. S. 3124. P/S May 6, 1974. (VV)

Marriage licenses

Repeals provisions of present law requiring that the color of the applicants be included on the application for a marriage license. S. 3476. P/S June 19, 1974. (VV)

Pennsylvania Avenue Development Corporation

Amends the Pennsylvania Avenue Development Corporation's enabling act to enhance its capabilities to plan and redevelop the north side of Pennsylvania Avenue between the Capitol and the White House; provides limited authority for noncompetitive hiring of experts and consultants for specified periods of time without regard for advertising and at rates not in excess of the rate in effect for GS-18; reinstates the expired moratorium on construction within the development area, and continues it until such time as the plans have been fully reviewed by Congress; and increases the authorization therefor from $1 million to $1.75 million. S. 3301. P/S May 30, 1974. (VV)

Sewell-Belmont House

Designates the Sewell-Belmont House at 114 Constitution Avenue, N.E., in Washington, D.C. which is now the headquarters for the National Women's Party, as a national historic site and authorizes the Secretary of Interior to proceed cooperatively with its restoration. S. 3188. P/S June 19, 1974. (VV)

Smallpox vaccination

Repeals provisions in present law requiring compulsory vaccination against smallpox for public school students. H.R. 8747. Public Law 93- , approved 1974. (VV)

Taxability of certain dividends—D.C. election

Amends the existing District of Columbia tax laws to provide with respect to all taxable years ending after December 31, 1973, that dividends and interest received by a corporation from an insurance company, bank, and other savings institution subject to the 2 percent net premium tax imposed under present law shall not, when paid to the parent corporation, be considered as income from sources within the District, and thus shall not be subject to the District of Columbia income tax; provides that, upon ratification of the Charter by D.C. residents on May 7, 1974, employees shall be permitted to be candidates in the first elections for the offices of Mayor, Chairman or member of the Council; provides that employees who are duly qualified candidates may take an active part in political management or political campigns for such elections; and exempts the Mayor, and members of the city council or the Chairman of the Council from prohibitions against active participation in political management and political campaigns contained in the Hatch Act. H.R. 6186. Public Law 93-268, approved Apr. 17, 1974.

Transportation subsidies for school children

Extends for 3 years, to fiscal year 1977, the provisions subsidizing common carriers in order to provide reduced-rate transportation for school children to and from D.C. schools. S. 3477. P/S June 27, 1974. (VV)

Unemployment compensation

Amends the District of Columbia Unemployment Compensation Act to remove the maximum limitation of 2.7 percent of his payroll that an employer may make. S. 3474. P/S June 19, 1974. (VV)

ECONOMY-FINANCE

Abandoned money orders and traveler's checks

Permits the State in which a money order or traveler's check was purchased to claim the money in the event the money order or traveler's check becomes abandonded unless that State's law does not provide for escheat or there is no record of place of purchase, in which case the State in which the obligor has its principal place of business may claim the moneys. S. 2705. P/S Feb. 28, 1974. (VV) Note: These provisions are contained in the FDIC Insurance bill, H.R. 11221.

Bow and arrow excise tax

Delays for six months the date on which the new 11 percent excise tax on bows and arrows would be imposed by manufacturers and importers such tax to provide additional funds for certain wildlife restoration projects. H.R. 10972. Public Law 93-313, approved June 8, 1974. (VV)

Check forgery insurance

Extends the availability of Check Forgery Insurance Fund to permit payment to payees and special indorsees on forged checks drawn on United States dollars or foreign currencies on depositaries designated by the Secretary of the Treasury in the United States or abroad, by Government disbursing officers. H.R. 6274. P/H Sept. 17, 1973; P/S amended Mar. 25, 1974. (VV)

Council on international economic policy

Authorizes $1.8 million for fiscal year 1975 for the Council on International Economic Policy. H.R. 13839. Public Law 93-315, approved June 22, 1974. (VV)

Duty exemptions—SSI payments—unemployment compensation

Exempts from duty certain equipment and repairs for vessels operated by or for any agency of the United States where the entries were made in connection with vessels arriving before January 5, 1971; liberalized and simplifies the retirement income credit for persons receiving annuity or other retirement income; amends the Social Security Act to provide reimbursement to State and local governments for any interim payments they make to an aged, blind, or disabled individual applying for Supplemental Security Income (SSI) benefits whose claim has been delayed through processing, by authorizing the Social Security Administration, upon authorization by the individual, to withhold from his first SSI check an amount sufficient to reimburse the State for any interim payment; provides for an automatic cost-of-living increase for SSI benefits at the same time and by the same percentage as social security benefits are increased and requires each State to raise the level or income assurance which it has established for SSI recipients by the dollar amount of the increase in the Federal SSI level; extends for 1 year the benefits under the Federal-State unemployment insurance program to provide an additional 13 weeks of unemployment benefits and continues the present temporary waiver of the requirement that a State's insured unemployment must be increasing by 20 percent over the past 2 years; extends for

3 years payments to States under medicaid plans for compensation or training of inspectors of long-term care institutions; extends for 1 year a study by the National Science Foundation on supervisory positions in teaching hospitals; continues the discretionary authority of States to impose a premium on the medically needy (persons with too much income to qualify for cash assistance but not enough to pay for their medical care); directs the Committee on Internal Revenue Taxation to study the Renegotiation Act to determine if it should be extended beyond fiscal year 1975; and clarifies the way in which certain farm rental income is treated for social security purposes. H.R. 8217. P/H Oct. 2, 1973; P/S amended June 27, 1974. (VV)

Duty suspensions—shoe lathes

Continues to June 30, 1976, the suspension of duty on copying shoe lathes used for making rough or finished shoe lasts from models of shoe lasts and capable of producing more than one sized shoe from a single model of shoe last. H.R. 8215. Public Law 93–310, approved June 8, 1974. (VV)

Export administration

Extends the Export Administration Act which would expire on June 30, 1974, for an additional 30 days. H.J. Res. 1057. Public Law 93 , approved 1974. (VV)

Export expansion

Establishes new export expansion programs to facilitate the entry of more American firms into export trade and to encourage certain American companies already exporting to increase their exports by: (1) authorizing a categorical grant program to States, regions, and municipalities for export promotion projects; (2) authorizing export training programs to be conducted under the aegis of the Department of Commerce; (3) authorizing establishment of regional export assistance centers (4) authorizing a program for the simplification of documentation, to be conducted by the Secretary of Transportation; (5) establishing a Federal Export Agency, with two export expansion programs, within the Department of Commerce; (6) requiring Federal agencies to prepare international economic assessment impact statements on any Federal action or proposal which would significantly affect the international economic relations, balance of payments, or balance of trade of the United States; (7) amending the Export Trade Act of 1918 to include within the scope of the Act the export of firms wishing to participate in export trade associations; and (8) establishing an international trade specialist program within the Department of Commerce to implement the purposes of this act. S. 1486. P/S June 13, 1974. (VV)

Export-Import Bank

Extends the operations of the Export-Import Bank for 30 days, to July 30, 1974. S.J. Res. 218. P/S June 26, 1974. (VV)

FDIC insurance

Increases Federal deposit insurance from the present rate of $20,000 to $25,000, changes the name of the Federal Savings and Loan Insurance Corporation to the Federal Savings Insurance Corporation; extends until June 30, 1976, the moratorium on conversion of savings and loan associations from mutual to stock form of ownership; extends until June 30, 1976, a moratorium on conversion of mutual savings banks to commercial banks; extends until December 31, 1975, the authority to set flexible interest or dividend rate maximums on time or savings deposits; increases the present limitation on Federal Reserve Branch bank building construction authority from $60 to $140 million; extends until October 31, 1975, the authority of the Federal Reserve banks to purchase directly from the Treasury public debt obligations up to a limit of $5 million; extends and expands existing law to provide the Federal Reserve Board and the Federal Home Loan Bank Board with additional cease-and-desist powers over the operations of parent holding companies of bank and savings and loan holding companies; provides that no Government official may require the Securities and Exchange Commission or the independent banking regulatory agencies to submit for prior approval or review their legislative recommendations, testimony, or comments to Congress; increases by $2 billion the discretionary authority of the Secretary of the Treasury to purchase Federal Home Loan Bank obligations; specifies that federally chartered financial institutions are subject to certain State consumer protection laws; expands the authority of the Federal Home Loan Mortgage Corporation to purchase residential mortgages from State-insured institutions in certain cases; establishes a National Commission on Electronic Fund Transfers; provides for the equitable disposition of abandoned money orders and traveler's checks; adds a fair credit billing title to protect consumers against inaccurate and unfair billing practices, to prohibit credit card fraud transactions on account of sex or marital status; and sets a $295 billion budget ceiling on fiscal year 1975 expenditures. H.R. 11221. P/H Feb. 5, 1974; P/S amended June 13, 1974. In conference. (246)

Foreign Investment in the United States Study

Authorizes the Secretaries of Commerce and Treasury to undertake a comprehensive study of foreign direct and portfolio investment in the United States; requires an interim report to Congress within 18 months and a final report within two and one half years; and authorizes therefor $3 million. S. 2840. P/S June 13, 1974. (VV)

Housing and Community Development

Consolidates and simplifies existing programs and authorizes the development of several new programs, and authorizes appropriations for these new programs of $4,402,000,000 for fiscal year 1975 and $4,646,500,000 for fiscal year 1976, making a total of $9,048,500,000;

Consolidates and revises the FHA (Federal Housing Authority) mortgage insurance programs, presently under the National Housing Act, into a new Revised National Housing Act and the low-rent public housing program which originated under the United States Housing Act of 1937;

Contains, in the new Community Development Assistance Act of 1974, consolidation provisions for community development programs involving the urban renewal program authorized by the Housing Act of 1949 and rewritten by the Housing Act of 1954, the Model Cities program authorized by the Housing Act of 1966, and several community facility programs authorized by the Housing Acts of 1954, 1955, 1961, and 1965; authorizes a new block grant program to provide Federal assistance to localities for community development by consolidating and simplifying ten categorical urban development grant programs and replacing them with the new program, which includes provisions for the development of a 2-year Federal funding cycle at an assured and adequate level so that localities are always working with a known level of Federal grants for the next year as well as the current year subject only to the meeting of minimum Federal performance standards; provides funding under Federal supervision using an applications procedure requiring a summary of a 4-year plan for meeting the community's development needs, a description of proposed activities and expenditures, a certification that the applicant has met certain requirements, and a performance report, with an exception made for cities of under 25,000 population applying for a single activity other than an urban renewal activity;

Rewrites the comprehensive planning assistance program and provides a new Federally assisted State housing program;

Amends title V of the Housing Act of 1949 on rural housing to broaden or liberalize existing provisions to cover deficiencies relating to the authority of the Farmers Home Administration to provide assistance for lower income rural families;

Requires the Secretary of Housing and Urban Development (HUD) to establish Federal mobile home construction and safety standards which would supersede State standards not identical to the Federal standards;

Authorizes the establishment of a special financing association (the Housing Cooperative Finance Association in HUD to provide financing for consumer-oriented housing cooperatives;

And contains other provisions. S. 3066. P/S Mar. 11, 1974; P/H amended June 20, 1974; In conference. (59)

National commission on supplies and shortages

Establishes a one-year independent national commission to report to the President and Congress within 6 months specific recommendations with respect to institutional adjustments, including the advisability of establishing an independent agency, to provide for a comprehensive data collection and storage system to aid in the examination and analysis of the supplies and shortages in the economy of the United States and in relation to the rest of the world; provides for the appointment of 13 members—4 from the Executive branch, 4 from the Congress and 5 from the private sector; authorizes $75,000 for the establishment of an advisory committee to recommend possible policy-making processes and structure within the executive and legislative branches to coordinate efforts with appropriate multi-State, regional and State governmental jurisdictions; provides that the Commission make other reports and recommendations to the President and Congress by June 30, 1975; and authorizes therefor $500,000 for fiscal year 1975. P/S June 12, 1974. (VV)

National securities market system

Amends the Securities Exchange Act of 1934, as amended, to facilitate the development of a national securities market system for buying and selling stock in order to provide greater investor protection and maintain a strong capital raising and allocating system through the establishment of a uniform standard encompassing the various facets of the securities industry; vests in the Securities and Exchange Commission (SEC) the responsibility to take the steps necessary to establish a national securities system and broadens SEC regulatory authority over securities information processors; consolidates and expands SEC oversight powers with respect to self-regulatory organizations, their members, and officers; confers upon the District courts the jurisdiction to command compliance with this act; clarifies the rule-making powers of SEC; and provides for judicial review of SEC actions in an appropriate court of appeals. S. 2519. P/S May 28, 1974. (VV)

Pension reform

Seeks to strengthen and improve the protections and interests of participants and beneficiaries of private employee pension and welfare benefit plans by establishing minimum standards for participation in and funding of such plans and by making provision for vesting of rights, portability and plan termination insurance:

Office of Employee Plans and Exempt Organizations

Creates within the Internal Revenue Service a new office of Assistant Commissioner for Employee Plans and Exempt Organizations, which will have the responsibility within the Service for enforcing requirements pertaining to private pension plans and charitable and other exempt organizations; provides for a $1 audit fee excise tax on the employer for each plan participant to pay for the administrative costs of the new unit;

Participation

Sets minimum standards for participation in pension plans by employees; requires coverage of an employee the later of 1 year of service or the date the employee reaches age 30; permits an individual who has been working from age 25 to count years of service from age 25 for the purpose of the vesting rule when he or she reaches age 30; defines a year of service as employment for more than 5 months in a year for at least 80 hours in each of the 5 months; applies these standards in general for new plans beginning the year after the date of enactment and to existing plans for plan years beginning after December 31, 1975, or in the case of collective bargaining agreements the earlier of the date the agreement terminates or December 31, 1980;

Vesting

Sets minimum standards for vesting of benefit rights derived from employer contributions which in general provide for 25 percent vesting upon 5 years of service increased by 5 percent yearly through the 10th year and by 10 percent from the 10th to 15th year when 100 percent vesting is reached, with the effective date, generally, for the vesting rules to apply being plan years beginning after December 31, 1975.

Funding

Establishes minimum standards for funding of plans to insure adequate financing which are to be enforced through the tax laws; provides that "current service costs" shall be contributed on a current yearly basis by the employer; requires generally that initial past service costs (which occur where plans give a worker credit for service before the plan went into effect or improvements are made with respect to past service) be amortized by the employer over a period of not more than 30 years, with a 40-year period allowed for multiemployer plans; requires experience losses (where the estimates of funding requirements are too low) and experience gains (where they are too high) to be amortized over the shorter of 15 years or the average remaining service life of covered workers; authorizes waiver of minimum funding requirements in the case of a single employer plan upon a showing of substantial business hardship, with the waived amounts to be amortized over no more than 10 years, and in the case of multiemployer plans, extension of the 40-year amortization period for the past service costs for a period of up to 50 years; subjects an employer who fails to contribute the minimum amount required to an initial 5 percent tax on the funding deficiencies, and if the funding deficiencies are not corrected within the period allowed to a tax of 100 percent of the funding deficiency; makes these standards effective the same date as the vesting provisions;

Portability

Includes a voluntary portability program for both employers and employees; establishes a Pension Benefit Guaranty Corporation within the Department of Labor; provides that a Pension Benefit Portability Fund shall be established in the Treasury Department; provides that workers who change jobs may have their vested retirement credits transferred to an account in the Fund, with the Corporation to invest the Fund's assets and pay benefits upon the worker's retirement, or, alternatively, may have the amount transferred to a retirement plan of his or her new employer, which can be used to buy actuarially equivalent benefits in the new employer's retirement plan;

Plan termination insurance

Provides a plan termination insurance program to be managed by the Corporation and funded by a tax on the employers based on the number of participants in a plan, with, generally, premium taxes payable by employers beginning in 1975 and coverage to begin no later than 1977;

Disclosure and fiduciary standards

Divides enforcement of fiduciary responsibilities between the Department of Labor and the Internal Revenue Service; contains reporting and disclosure requirements; provides a declaratory judgment procedure whereby in certain situations employers or employees may appeal determination letters issued by the Internal Revenue Service to the U.S. Tax Court; requires, with respect to claims, that plans must contain arbitration procedures in accordance with regulations of the Department of Labor;

Retirement savings and limitation on employee contributions

Allows a deduction for retirement savings for persons not covered by a qualified plan or governmental plan of a minimum $1,000 a year and a maximum of 15 percent of earnings up to a maximum of $1,500; increases the present limitation on deductible contributions by self-employed individuals to a qualified plan from 10 percent of earnings up to $2,500 to 15 percent of earnings up to $7,500; places a limitation on deductions for contributions on behalf of all corporate employees, using a formula basing benefits on 75 percent of the highest 3 years of earnings of up to no more than $100,000 in any one year, thus placing a limitation of $75,000 a year on pensions for corporate employees from tax-free contributions; provides a new method of taxing lump-sum pension distributions;

Servicemen's benefits

Amends the Internal Revenue Code of 1954 for the purpose of continuing the same tax treatment for servicemen and former servicemen under the Survivor Benefit Plan, Public Law 92–425, as was formerly available for them under the Retired Serviceman's Family Protection Plan in the case of annuities for surviving spouses or certain child beneficiaries;

And contains other provisions. H.R. 2 (H.R. 4200). P/H Feb. 28, 1974; P/S amended Mar. 4, 1974; in conference. (VV)

Public debt limit

Increases, until March 31, 1975, the temporary debt limit to $95 billion, thereby providing for a $495 billion overall debt limit instead of the current $475.7 billion limit. H.R. 14832. Public Law 93– , approved 1974. (270)

Renegotiation Act—Unemployment Compensation

Extends the Renegotiation Act of 1951, as amended, which authorizes the Government to recapture excessive profits on certain Government contracts and subcontracts, for 12 months, until June 30, 1975; and extends for 30 days the benefits under the Federal-State unemployment insurance program to provide an additional 13 weeks of unemployment benefits and continues the present temporary waiver of the requirement that a State's insured unemployment must be increasing by 20 percent over the past 2 years. Public Law 93– , approved 1974. (VV)

Securities and Exchange Commission (SEC) paperwork reduction

States as a sense of the Senate that the SEC should immediately proceed to evaluate the role of the small broker-dealer in the U.S. securities markets and determine if their survival is being jeopardized by unnecessary, overlapping, and duplicative reporting requirements and urges the SEC to examine the paperwork burden of the small broker-dealer consistent with SEC's statutory mandate to protect the investor and, where possible, reduce and consolidate duplicative and excessive reporting requirements. S. Res. 173. Senate adopted Feb. 7, 1974. (VV)

Supplemental security income—unemployment compensation

Authorizes payment of supplemental security income (SSI) benefits on the basis of presumptive disability, for up to 12 months, to otherwise eligible individuals who were formerly on the rolls of State programs of aid to the blind and disabled in order to allow benefits to continue while the Social Security Administration, which administers SSI, completes its eligibility review; extends a temporary provision in Public Law 93–233, amending the Social Security Act, whereby a State can elect to come under the extended unemployment compensation program which provides for 13 weeks of extended benefits beyond the expiration of regular unemployment benefits, if the insured unemployment rate in the State is at least 4 percent without meeting the permanent law requirement that the rate also has increased by 20 percent over the prior 2 years; and provides a 1-year delay for the repayment by a State of funds it has received from the Federal government to pay unemployment compensation benefits. H.R. 13025. Public Law 93–256, approved Mar. 28, 1974. (70)

EDUCATION

Educational funding and guaranteed student loans

Provides that funds appropriated for fiscal years 1973 and 1974 for any program to which the General Education Act applies shall remain available for obligation and expenditure until June 30, 1975, and amends the Higher Education Act of 1965 to clarify congressional intent concerning the Guaranteed Student Loan Program so that students whose family incomes are less than $15,000 per year will be eligible for a $2,000 subsidized loan without a needs test and an additional $500 if they qualify under a needs test which is required for students whose family incomes are $15,000 or more to receive a subsidized loan up to $2,500. H.R. 12253. Public Law 93–269, approved Apr. 18, 1974. (VV)

Elementary and secondary education

Extends through fiscal year 1978, various educational programs; authorizes the President to call and conduct a White House Conference on Education in 1977 to stimulate a national assessment of educational conditions, needs, and goals;

Amends title I of the Elementary and Secondary Education Act to change the formula by which Federal funds are allocated through the States to local educational agencies in compensation for providing special educational programs and projects for educationally deprived children by providing that local educational agencies shall receive at least 85 percent of the amount it received in fiscal year 1974 plus any funds above that amount for which it may qualify by multiplying the number of eligible children by 40 percent of the State's average expenditure per pupil with the stipulation that no State will receive less than 80 percent or more than 120 percent of the national average expenditure; changes the present means of counting eligible children aged 5 to 17 so that the following are counted: (1) all children from families below the poverty level as defined by the Orshansky Index—which allows variations for family size, sex of head of household, and whether the family is farm or nonfarm; (2) two thirds of the children from

families receiving AFDC (Aid to Families with Dependent Children) payments in excess of the Orshansky poverty level; and (3) children who live in institutions for delinquent of neglected children; provides, under part B of title I, an additional authorization of $75 million per year for incentive grants to States whose local financial support of schools is higher than the national average; provides under part C an additional authorization for grants to local educational agencies having a high concentration of disadvantaged children; revises the Bilingual Education Act;

Extends, under title II, through fiscal year 1978, the impacted areas programs whereby local school districts are reimbursed proportionally for the number of pupils whose parents live and/or work on Federal property to make up for revenue lost on tax-exempt Federal property; revises the present categories of A, B, and C to: "A" students whose parents live and work on Federal property (including all students on Indian lands and previously classified "C" students whose parents live in subsidized housing and work for the Federal Governments); and "B" students whose parents either live or work on Federal property (including those formerly classified as "C" whose parents live in subsidized housing but do not work for the Federal Government); provides that any school district where at least 25 percent of the total attendance is comprised of "A" students will receive 100 percent of the local cost of education and makes other percentage entitlements to school districts with fewer numbers; extends the Adult Education Act through 1978 and establishes a National Clearinghouse on Adult Education;

Makes, in title IV, three different consolidations: (1) State Application Consolidation allowing States to make one comprehensive application for Federal funds under ESEA titles I, II (libraries) and III (innovation) and under the National Defense Education Act (NDEA) and adult and vocational education programs; (2) State Administered Program Consolidation pulling together six categorical grants programs—ESEA titles II (libraries), III (innovation), and V (strengthening of education), and NDEA title III (equipment) and V (guidance, counseling and testing) and programs for attracting teachers under the Education Professions Development Act and sets minimum funding standards necessary before consolidation can occur; and (3) Commissioner's Consolidation of programs directly administered by the Commissioner of Education and authorizes the creation of seven new programs to be funded through the consolidation;

Contains miscellaneous provisions including: creating a National Center for Education Statistics, requiring a study of Federal property and its impact on schools, requiring an analysis of measures of poverty used by the Federal Government, and denying Federal funds to any educational institution that refuses parents access to their child's school records or that releases records without parental consent or a court order;

Extends and amends the Education for the Handicapped Act and contains provisions already passed by the Senate in S. 896;

Authorizes a national reading program including reading improvement demonstration projects and reading training on public television;

Contains a title VII.—General Provisions Relating to the Assignment or Transportation of Students which is essentially the same as contained in the 1972 education amendments:

Adds a title IX—Equal Educational Opportunities which states that equal educational opportunity may not be denied by segregation; states the findings of Congress that standards for busing have not been clear and uniform, and that it is necessary and proper for the Congress, pursuant to its powers under the Constitution, to specify appropriate remedies for the elimination of the vestiges of dual school systems, except to the extent such specification is inconsistent with the requirements of the 5th and 14th amendments to the Constituion with regard to the elimination of such vestiges of dual school systems; and provides that: failure to attain a numerical balance of students on the basis of race, color, sex or national origin does not constitute denial of equal educational opportunity; no court, department or agency of the United States shall order busing of any student to a school other than the school closest or next closest to home; and school district lines may not be ignored or altered unless they were drawn for, and had the effect of, segregating school children; provides that court orders may not be implemented until the beginning of a school year; changes the expiration date of present law prohibiting implementation of a court order until appeals or the time for appeals is ended from January 1, 1974, to June 30, 1978;

And contains other provisions. H.R. 69. P/H Mar. 27, 1974; P/S amended May 20, 1974; In conference. (204)

Legal education assistance

Authorizes the Commission of Education to carry out a program to assist persons from disadvantaged backgrounds to undertake training for the legal profession. H.R. 15296. Public Law 93– , approved 1974. (VV)

ELECTION REFORM

Campaign reform

Authorizes public financing from income tax revenues for primary and general elections for Federal office, effective January 1, 1976;

Source of public financing: Bases appropriations for public funding on amounts designated on Federal income tax returns for the Federal Election Campaign Fund established in the Treasury by this act; increases the present tax checkoff amount from $1 to $2 per person, with the designation now to be automatic unless the taxpayer elects not to make the designation; doubles present tax credit and deduction limits to $25 and $100 per person; authorizes gifts to the fund;

Public financing: Sets requirements for eligibility for candidates choosing public funding, including agreement to reporting requirements and the meeting of a threshold amount of money from private contributions before receiving public moneys, and limits private contributions, total permissible campaign expenditures by a candidate (both publicly and privately financed), and expenditures by a political party, with provision for cost-of-living adjustments in the amounts which may be spent, as follows:

Primaries: Defines a primary election to include a runoff election and a convention or caucus of a political party to nominate candidates or select delegates to a national nominating convention; authorizes partial public funding as follows: *Presidential* Threshold, $250,000 from first $250 of each contribution with $100,000 met by matchable contributions totaling $5,000 from legal residents of each of at least 20 States; public matching first $250 of a contribution; campaign spending limit, greater of 16 cents times voting age population (VAP) or $250,000 for each State subject to overall limit of 10 cents times VAP; *Senate* (and House where a State has only one Representative): Threshold, lesser of 20 percent of spending amount or $125,000 from first $100 of each contribution; public matching, first $100 of a contribution; spending limit, greater of 8 cents times VAP or $125,000; *House:* Threshold, $10,000 from first $100 of each contribution; public matching, first $100 of a contribution; spending limit, greater of 8 cents times VAP or $90,000:

General elections: Permits candidates to choose to receive all private contribtuions and no public funding, a blend of private and public funding within the limitations on expenditures for general elections, or, in the case of major party candidates, exclusively public funding; provides different funding for major and minor party candidates; defines a major party as one whose candidates for President and Vice President in the preceding election received at least 25 percent of the total number of popular votes cast in the United States for all candidates in the election;

Major party candidates, Presidential: Public funding up to 12 cents times VAP; Senate (and House in States entitled to only one Representative): up to the greater of 12 cents times VAP or $175,000; House: for candidates from States entitled to more than one Representative up to the greater of 12 cents times VAP or $90,000;

Minor party candidates: Defines a minor party to mean any political party whose candidates for President and Vice President in the preceding election received at least 5 percent but less than 25 percent of the total number of popular votes cast in the United States for all candidates in the election; provides for partial public funding up to an amount which is in the same ratio as (1) the average number of popular votes cast for all the candidates of the major party bears to (2) the total number of popular votes cast for the candidate of the minor party; provides that where only one party qualifies as a major party that the party whose candidate for election to a particular office at the preceding general election received the next greatest number of votes (but not less than 15 percent of the total votes cast, and also, if voters are registered by party, 15 percent of those registered) shall be treated as a major party; provides that a candidate who ran at the preceding election as a Democrat or Republican and received more than 25 percent of the votes cast and then runs at the following election as an independent must again qualify for public financing by receiving at least 5 percent of the votes at the current elections;

Unopposed candidates: Limits public funding in a general election to 10 percent of the otherwise applicable limit;

Post-election payments: Available (1) where a minor party or independent candidate entitled to payments before the election in an amount less than that payable to the major party candidate before the election receives a greater percentage of the votes than the candidate of his party received in the last election and (2) where a candidate who is not the nominee of a major party and who did not receive more than 5 percent of the votes in the most recent general election for the same office receives 5 percent or more of the votes in the current election;

Expenditures by a political party in a general election: Authorizes a national party committee in Presidential elections to spend up to a limit of 2 cents times VAP of the U.S., and a State committee for a candidate for the Senate or for the House where the candidate is required to run statewide up to the greater of 2 cents times VAP population of the State or $20,000, and for a House candidate in any other State, $10,000;

Contribution limits: Individual, $3,000, organization, $6,000, for the entire campaign of any particular candidate, $25,000 in the aggregate; independent expenditures on behalf of a candidate without his authorization by anyone other than the national State party committee, $1,000 per year per candidate; **prohibits contributions** over $100

other than by a written instrument identifying the contributor; candidates's personal and family funds, remains present limit of $50,000, Presidential and Vice Presidential, $35,000, State, $25,000, House;

Political broadcasting: Repeals the Campaign Communications Act, imposing spending limits for the use of broadcast and printed media; amends the Communications Act of 1934 (1) to permit automatic waiving of the equal time requirements for Presidential and Vice Presidential races, and for other elections, Federal, State or local, only if the broadcast station offers 5 minutes of free time to all candidates seeking the same office; (2) to require broadcasters to demand a certification by any Federal candidate, before charging him for broadcast time, indicating that the payment of charges for that time will not exceed his expenditure limit under title 18, United States Code, and to apply this provision to State and local candidates wherever similar limits are imposed on them by State law; and (3) to require broadcasters to make certain announcements and keep certain records in connection with political broadcasts;

Reporting, disclosure, and enforcement: Makes a general revision of title III of the Federal Election Campaign Act of 1971 (relating to the disclosure of Federal campaign funds); establishes a Federal Election Commission to enforce reporting and disclosure requirements; requires a candidate to designate a central campaign committee to serve as central reporting and disclosure agent, and campaign depositories for all contributions and public payments from which all expenditures other than petty cash must be made; increases criminal penalties; requires expenditures over $1,000 for a Presidential campaign to be approved by the national party committee; permits excess campaign contributions to be used by elected candidates for expenses or a charity; requires a 5-year audit of tax returns of Members of Congress and Federal employees earning over $20,000;

And contains other provisions. S. 3044. P/S Apr. 11, 1974. (138)

Watergate committee

Extends for 3 months from February 28, 1974, to May 28, 1974, the date for the Select Committee on Presidential Election Campaign Activities to make its final report to the Senate of the results of the investigation and study conducted by it togethter with its findings and recommendations for new congressional legislation. S. Res. 287. Senate adopted Feb. 19, 1974. (VV)

Authorizes the Committee to make available to the Internal Revenue Service (IRS) such information requested by that Agency and to investigate, receive, and inspect any data, documents, or other information held by the IRS directly related to the investigation being conducted by the IRS and the Committee. S. Res. 288. Senate adopted Feb. 21, 1974. (VV)

Increases the authorization for expenses of the Committee through May 28, 1974, from $1.5 million to $1.8 million, of which not to exceed $70,000 shall be available for the procurement of the services of individual consultants or organizations. S. Res. 286. Senate adopted Mar. 1, 1974. (VV)

Extends from May 28, 1974 to June 30, 1974, the date for the Select Committee to make its final report to the Senate of the results of the investigation and study conducted by it together with its findings and recommendations for new legislation and provides that the Committee may submit any interim reports it considers appropriate; terminates the Committee three months after the submission of its report provided however that if the judicial action brought by the Committee against the President for certain specified taped recordings of conversations between the President and his former counsel, John W. Dean, is not adjudicated, the Committee shall remain in existence until 30 days subsequent to a judicial determination; and empowers the Committee to report to the Senate an addendum to its final report based on what the taped recordings disclose in the event they are received pursuant to the final adjudication. S. Res. 327. Senate adopted May 22, 1974. (VV)

Increases the authorization for expenses of the committee from $1.8 million to $2 million of which not to exceed $70,000 shall be available for the procurement of the services of individual consultants or organizations. S. Res. 328. Senate adopted May 28, 1974. (VV)

ENERGY

Energy allocation for tourism industry

Expresses the sense of the Senate that in any allocation of energy supplies or other actions by Federal departments and agencies to alleviate the energy shortage, proper consideration should be given to the provision of adequate supplies of energy to all segments of the tourism industry. S. Res. 281. Senate adopted Apr. 29, 1974. (VV)

**Energy emergency*

Declares that current and imminent fuel shortages have created a nationwide energy emergency; calls for proposals for energy emergency rationing and conservation measures and authorizes specific temporary emergency actions to be exercised, subject to congressional review and right of approval or disapproval, to assure that the essential needs of the United States for fuels will be met;

Establishes a Federal Energy Emergency Administration (FEEA) until May 15, 1975, to be headed by an Administrator who will be appointed by the President with the advice and consent of the Senate; transfers certain powers and duties of the President under the Emergency Petroleum Allocation Act of 1973 to the FEEA Administrator; authorizes the promulgation of a rule to order priorities among users of crude oil, residual fuel oil, or any refined petroleum product, and for the assignment of rights entitling certain users to obtain products in precedence to others; requires the President to provide procedures by which any user may petition for review of priorities and entitlements;

Authorizes the FEEA Administrator to promulgate by regulation energy conservation plans to reduce energy consumption to a level which can be supplied by available energy resources through transportation controls, including highway speed limits, or other necessary and reasonable restrictions on the public or private use of energy, including limitations on energy consumption by businesses; provides that no energy conservation plan promulgated by regulation under this authority may impose rationing or any tax or user fee, or provide for a credit or deduction in computing any tax; terminates any such energy conservation plan on May 15, 1975; requires transmission of any plan to each House of Congress, and makes any plan which would become effective before March 15, 1974, subject to congressional disapproval; provides that any energy plan which would become effective on March 15, 1974, and before September 1, 1974, shall go into effect 15 days after its transmission to Congress if neither House disapproves; provides that any energy plan which would become effective on or after September 1, 1974, must be approved by act of Congress; provides procedures for congressional review of the plans;

Directs the Administrator, to the extent practicable, to prohibit, as its primary energy source, the burning of natural gas or petroleum products by any major fuel-burning installation (including any existing electric powerplant) which, on the date of enactment, has the capability and necessary plant equipment to burn coal;

Directs the Administrator, within 30 days after enactment, to propose a contingency plan for allocation of supplies of materials and equipment for exploration, production, refining, and required transportation of energy supplies and for the construction and maintenance of energy facilities, implementation of such a plan to be subject to congressional approval by a means similar to that for any energy conservation plan;

Authorizes the Administrator, in order to supplement domestic energy supplies, to require production of oilfields to be designated by the Secretary of the Interior or the Secretary of the Navy at the maximum efficient rate of production and, in certain cases, in excess of the maximum rate;

Requires the President to specify equitable prices for domestic crude oil, all residual oil, and all refined petroleum products; provides that within 30 days of enactment the ceiling price for all crude oil be the price for that grade of oil in that field at 6:00 a.m., May 15, 1973, plus $1.35, making the average basic price $5.25 per barrel with savings from a price rollback to be passed on to consumers on a dollar-for-dollar basis; provides that the President may establish a higher ceiling price up to $7.09 per barrel, upon proper justification to Congress, that a higher price is necessary for a recovery of costs as in the case of crude oil produced from stripper wells or by secondary or tertiary recovery;

Contains provisions for the protection of franchised dealers; provides, in relation to antitrust provisions, for procedures to achieve the goals of this act while retaining the integrity of the antitrust laws; authorizes the appropriate agencies to take action for conserving energy consumption by regulated carriers; authorizes certain restrictions on exports; provides for employment impact and unemployment assistance to those adversely affected by the energy emergency; directs the Secretary of Transportation to encourage the use of carpools; prohibits the use of limousines by Federal officials in the executive branch below the level of a Cabinet officer except for the Federal Bureau of Investigation and the Department of State for diplomatic assignment; prohibits the use of funds for furnishing a chauffeur for individual use to any Federal official; provides for administrative procedures and judicial review; and contains enforcement provisions; authorizes to FEEA to carry out its functions and to make grants to States $75 million annually for fiscal years 1974 and 1975, with an additional $50 million for 1974 and $75 million for 1975 grants to States to carry out conservation measures and $500 million for fiscal year 1974 for grants to States for unemployment assistance;

Amends the Clean Air Act to permit the Administrator of the Environmental Protection Agency to suspend, until November 1, 1974, any stationary source fuel or emission limitation; provides for implementation plan revisions; extends the interim standards for motor vehicle emissions to 1977;

And contains other provisions. S. 2589. Vetoed Mar. 6, 1974. Senate sustained veto Mar. 6, 1974. (34, 53)

Energy supply—Clean air

Directs the Federal Energy Administration (FEA) to prohibit an electric powerplant from burning petroleum or natural gas if it has the capability to burn coal and authorizes, but does not require such prohibitions with respect to other major fuel-burning facilities aside from powerplants unless coal or coal transportation are not available or electrical service would be impaired; authorizes FEA to require that powerplants be designed to burn coal as well as other fuels; authorizes FEA to allocate coal to

any facility that is prohibited from burning oil or natural gas;

Permits the Environmental Protection Agency (EPA) to suspend until June 30, 1975, any stationary source fuel or emission limitation as it applies to the Clean Air Act if (1) there is an unavailability of fuels to meet the act's requirements, (2) a plant converted to coal between September 15, 1973, and March 15, 1974, or was ordered to convert to coal by FEA, or (3) the suspensions would result in emissions that exceed the primary air quality standard for a particular region; permits EPA to delay a plant's compliance schedule until January 1, 1979, if (1) emission limits to maintain primary air quality standards could be met, (2) the suspension would not result in emissions that would exceed the primary standards in an air pollution control region, or (3) EPA approved an interim compliance plan; prohibits EPA from using parking surcharges to control air pollution:

Continues emission standards established for 1975 model year automobiles during the 1976 model year and delays until September 30, 1977, final automobile emission standards for carbon monoxide and hydro carbons and until September 30, 1978, final standards for nitrogen oxides; provides that after January 1, 1975, an automobile manufacturer may seek a 1-year suspension of the statutory standards for hydro-carbons and carbon monoxide applicable to the 1977 model year and requires EPA to establish interim standards for such a suspension; provides for allocation of low sulfur fuel to minimize adverse effects on the public health; clarifies the relationship between the National Environmental Policy Act and the Clean Air Act; extends the Clean Air Act authorizations for 1 year; and provides criminal penalties for willful violations of the act. H.R. 14368. Public Law 93– , approved ————, 1974. (VV)

Federal energy administration

Establishes the Federal Energy Administration (FEA) as an independent executive agency, to be headed by an Administrator to be appointed by the President with the advice and consent of the Senate; transfers to the Administration four existing agencies now in the Interior Department—the Offices of Petroleum Allocation, Energy Conservation, Energy Data and Analysis, and Oil and Gas; transfers the Energy Division of the Cost of Living Council into the new Administration; requires policy coordination with the Environmental Protection Agency; authorizes the Comptroller General to monitor FEA operations and make public its reports; authorizes the Government Accounting Office to issue subpenas to obtain information from companies engaged in any phase of energy supply or major consumption of energy; creates an Office of Private Redress and Grievances to handle complaints; requires the Administrator to prepare a comprehensive energy plan mapping out the Administration's proposed course of action for the next two years; and contains other provisions. H.R. 11793 (S. 2776). Public Law 93–275, approved May 7, 1974. (VV)

Oil price increase

States a sense of the Senate the urgency of communicating to the governments of Canada, Venezuela, and the Arab oil producing countries that the United States views with the utmost concern the recent oil price increase as detrimental to prices, real income and employment in the United States and that such actions should not be taken by these countries without regard for these effects on the life of the American people and for the possibility of reciprocal economic action by the United States which might adversely affect the economies of these countries. S. Res. 249. Senate adopted Jan. 29, 1974. (VV)

Oil shale funds

Amends the Mineral Leasing Act of 1920 to permit each State to use its share of oil shale revenues for purposes other than public roads and schools. S. 3009. P/S May 9, 1974. (VV)

Solar heating and cooling

Authorizes $5 million to NASA and $5 million to HUD for fiscal year 1975 and $10 million to HUD (which includes funds for transfer to the Department of Defense, the National Bureau of Standards, and the General Services Administration to carry out their respective functions) for each of fiscal years 1976 through 1979 for further development and testing for large scale commercial use of solar systems in heating and cooling residential and commercial building. H.R. 11864, P/H Feb. 13, 1974; P/S amended May 22, 1974; In conference. (VV)

Truck fuel prices

Provides that the Interstate Commerce Commission shall issue its final order in Docket No. MC 43 (Sub. No. 2) as soon as possible which shall become effective not later than February 15, 1974, in order to alleviate the threat of a national transportation crisis caused by the requirement that carriers reimburse their owner-operators for all increases in the price of fuel over the base period May 15, 1973. S.J. Res. 185. Public Law 93–249, approved Feb. 8, 1974. (VV)

Washington Energy Conference

States as the sense of the Senate that the Washington Energy Conference, called by the President to provide a forum for the discussion of the common problems faced by the oil consuming nations, should consider (1) conservation measures necessary to reduce demand; (2) procedures for the emergency sharing of oil resources; (3) guidelines for bilateral agreements between oil consuming and oil producing countries; (4) coordination of research efforts in developing conservation practices and alternative sources of energy; (5) the responsibility for and the means to help to alleviate the plight of the developing countries in the oil crisis; and (6) closer coordination of fiscal and monetary policies; and further states that the United States should continue to bring about conditions of peace and stability in the Middle East. S. Res. 279. Senate adopted Feb. 6, 1974; Reconsidered and adopted by Senate amended, Feb. 7, 1974. (VV)

ENVIRONMENT

Environmental data centers

Authorizes the Administrator of the Environmental Protection Agency to provide financial assistance for the establishment of a qualified environmental research and education center at a university in each State or, at the option of participating States, to establish one regional center to serve a group of States; requires that each center conduct research, training, and environmental activities utilizing the interdisciplinary and interinstitutional capabilities in its area and, where desirable, arrange for a consortium of institutions to conduct these activities; recommends that each center coordinate environmental activities in nonregulatory areas; and provides Federal funding on a State-by-State basis with additional funds available on a matching basis. S. 1865. P/S June 12, 1974. (VV)

Environmental education

Extends to July 1, 1977, the Environmental Education Act and reestablishes the Advisory Council on Environmental Education (which was terminated when on May 17, 1973, the Commissioner on Education published his intent to abolish the Council and Congress did not, within 90 days, disapprove of this action); authorizes therefor $5 million, $10 million, and $15 million for fiscal years 1975, 1976, and 1977 respectively; and permits the Commissioner to abolish the Council only after such intent is published in the Commissioner's annual report to Congress and only if either House of Congress does not disapprove of this action. S. 1647. Public Law 93–278, approved May 10, 1974. (VV)

Ocean dumping

Amends Public Law 92–352, relating to ocean dumping, in order to implement the Convention on the Prevention of Marine Pollution by Dumping of Wastes and Other Matter, signed by the United States on December 29, 1972, and ratified by the Senate on August 3, 1973; extends U.S. law to include regulation of the carriage and dumping of foreign-source waste material by U.S. vessels and aircraft; expands the definition of "material" to include oil taken on board a vessel or aircraft for the purpose of dumping at sea; seeks to give guidance to those administering the Act in instances where the standards of the Act differ from those of the Convention, particularly where the requirements of domestic law are stricter than those of the Convention; and contains other provisions of a technical or conforming nature. H.R. 5450. Public Law 93–254, approved Mar. 22, 1974. (VV)

Oil pollution

Incorporates into statutory law the rights, duties, and responsibilities of the United States under the International Convention Relating to Intervention on the High Seas in Cases of Oil Pollution Casualties, signed November 29, 1969, at Brussels, which permits a coastal nation to take whatever action it deems necessary to prevent, mitigate, or eliminate a threat of oil pollution resulting from a maritime accident beyond that coastal nation's territorial limits by vesting such authority in the Secretary of the Department in which the Coast Guard is operating; gives the Secretary the authority to determine the extent of danger resulting from a collision, stranding, or other disablement of a vessel carrying oil, and to remove and, if necessary, destroy the ship and cargo which is the source of the danger; incorporates general guidelines for determining the permissible scope of intervention actions; authorizes actions against the United States in the Federal courts by persons claiming compensation; creates a mechanism for settling controversies between signatory nations, or between such nations and claimants relating to compensation for excessive measures; authorizes the Secretary to issue rules and regulations to carry out the purposes of this Act; imposes criminal penalties to insure full compliance with the legislation; and extends the right of intervention now inherent in the Federal Government for vessel incidents in territorial waters to incidents on the high seas involving potential oil pollution damage. S. 1070. Public Law 93–248, approved Feb. 5, 1974.

Weather modification

Extends the provisions of Public Law 92–205, which provides for the reporting of weather modification activities to the Federal Government, for an additional 3 years, to fiscal year 1977, at the yearly authorization of $200,000. S. 3320. P/S June 25, 1974. (VV)

Woodsey Owl—Smokey Bear

Authorizes the Secretary of Agriculture to License appropriate private use of "Woodsey Owl" and the associated slogan "Give a Hoot, Don't Pollute", originated by the Forest Service to improve environmental quality, in return for royalty fees, and creates criminal misdemeanor liability for the unauthorized use of "Smokey Bear", "Woodsey Owl", or "Give a Hoot, Don't Pollute". S. 1585. Public Law 93– , approved 1974.

GENERAL GOVERNMENT

Atomic Energy Commission authorization

Authorizes $3,677,433,000 for the Atomic Energy Commission for fiscal year 1975 of which $2,551,533,000 is for operating expenses and $1,125,900,000 is for plant and capital equipment. S. 3292. Public Law 93–276, approved May 10, 1974. (VV)

Blind and handicapped products authorization

Extends the authorization for the Committee for Purchase of Products and Services of the Blind and Other Severely Handicapped; changes the name of the statutory committee to "Committee for Purchases from the Blind and Other Severely Handicapped"; increases committee membership from fourteen to fifteen in order to include a member who is knowledgeable about employment problems of other severely handicapped individuals; and clarifies the term "direct labor" so that it also includes work relating to the performance of a service. H.R. 11143. P/H Mar. 4, 1974; P/S amended June 13, 1974. (VV)

Blind vendor operations

Amends the Randolph-Sheppard Act in order to strengthen the provisions for the establishment and protection of blind vending operations on Federal property; requires the Secretary of Health, Education, and Welfare to prescribe regulations to assure the establishment of one or more blind vending facility on all Federal property, including work areas; establishes a grievance resolution procedure for blind licensees and State agencies; provides that vending machine income shall accrue first, to the blind licensee operating a vending facility and second, where there is no blind vendor, to the State agency in the State where the property is located, such income to be used for retirement, health, and leave purposes for blind licensees; and contains other provisions. S. 2581. P/S June 20, 1974. (VV)

Chester Bridge

Extends for 1 year, to June 1, 1974, the time available for the States of Illinois and Missouri to negotiate an agreement with the city of Chester, Illinois to take over joint operation of the Chester Bridge which connects the two States and has operated as a toll facility over the 30 year maximum set for such operations. S. 3546. P/S June 4, 1974. (VV)

Commission on Productivity

Renames the President's National Commission on productivity as the National Commission on Productivity and Work Quality; sets the promotion of the productivity of the American economy and improvement of worker morale and work quality as objectives of the Commission and defines its functions; requires the Commission, by July 1, 1974, to transmit to the President and Congress a report of its activities during fiscal year 1974; and authorizes not to exceed $2.5 million for fiscal year 1975. S. 1752. Public Law 93–311, approved June 8, 1974.

DISASTER RELIEF

Continues and expands the basic programs and mechanism established in the Disaster Relief Act of 1970; amends the definition of major disaster to create a new "emergency" category to make it more practicable to extend help during lesser emergencies which the President has not declared a major disaster (at present the President must declare an area a "major disaster" to "trigger" all benefits authorized by Federal disaster legislation); authorizes a one-time grant of $250,000 to each State to assist them in developing comprehensive plans and programs to combat major disasters; stipulates that publicly owned facilities must obtain insurance adequate to protect against future loss for any disaster-damaged property which has been replaced, restored, repaired or constructed with Federal disaster funds; provides for a fine of not more than $10,000 or 1 year's imprisonment, or both, for persons who willfully make fraudulent claims; provides that assistance for damaged or destroyed public facilities, including park and recreational facilities, can be provided under one of two plans: direct grants not to exceed 100 percent of cost for repair or reconstruction on a project-by-project basis or a Federal contribution based on 90 percent of the total estimated cost of restoring all damaged public facilities within its jurisdiction; authorizes the expenditure for "mini-repairs" to make a damaged home habitable as a substitute for other temporary housing which the Federal Government might otherwise provide; authorizes grants to States on a 75 percent Federal–25 percent State matching basis of the actual cost of providing direct financial assistance to persons adversely affected by a major disaster to meet extraordinary disaster-related expenses up to $5,000 per family to be retroactive to April 20, 1973; authorizes the President to provide disaster unemployment compensation through agreements with States which, in his judgment, have adequate systems for administering the program; authorizes the President to provide professional counseling services to help relieve mental health problems caused by a disaster; provides loans to local governments suffering a substantial loss of tax and other revenues because of a major disaster for up to 25 percent of its annual operating budget and includes forgiveness provisions in specified situations; amends the Public Works and Economic Development Act of 1965 by adding a new title VII—Economic Recovery for Disaster Areas regarding long-range recovery; and contains other provisions. S. 3062. Public Law 93–288, approved May 22, 1974. (125)

Federal procurement

Amends the Revised Statutes of the United States, Federal Property and Administrative Services Act of 1949, Armed Services Procurement Act of 1947, Legislative Branch Appropriations Act of 1966, and the Tennessee Valley Authority Act of 1933 to permit the award of small procurements, without formal advertising, up to $10,000 instead of the $2,500 ceiling presently required by law. S. 3311. P/S June 6, 1974 (VV)

Federal procurement policy

Establishes an Office of Federal Procurement Policy within the Executive Office of the President to provide overall leadership and direction for the development of procurement policies and regulations for executive agencies in accordance with applicable laws in order to promote economy, efficiency and effectiveness in the procurement of goods, services, and facilities. S. 2510. P/S Mar. 1, 1974. (VV)

Fire prevention and control

Provides for the establishment, by the Secretary of Commerce, of a coordinated Program for Fire Prevention and Control, under the administration of a new Assistant Secretary of Commerce for Fire Prevention and Control, with the purpose of the program to be to reinforce and support the fire prevention and control activities of State and local governments and volunteer fire companies through a research and development program, an annual conference of professionals in fire prevention, fire control, and treatment of burn injuries, the establishment of a national FIREPAC Academy, a national data center, a technical assistance program for State, local, and private fire services, a master-plans demonstration project, citizens' participation programs, and relevant studies; and contains other provisions. S. 1769. P/S Nov. 2, 1973. P/H amended Apr. 29, 1974; In conference.

Flood damage claims—Louisiana

Provides for the relief of Louisiana oyster fishermen for damages which occurred when certain spillways were opened to avoid flooding populated areas in the spring of 1973. S. 2201. P/S June 18, 1974. (VV)

Freedom of information

Amends the Freedom of Information Act as follows: requires each agency of the Federal Government to maintain and publish quarterly or make available for public inspection upon request current indexes providing information pertaining to matters issued, adopted, or promulgated after July 4, 1967; requires the agency, upon a request that reasonably describes the records, to make such records available unless they are subject to the present exemptions; requires the Office of Management and Budget to set a uniform fee schedule limited to direct costs for document search and duplication; provides that the records and files compiled for law enforcement purposes must be disclosed unless disclosure would (1) interfere with enforcement proceedings, (2) deprive a person of a right to a fair trial, an impartial adjudication or constitute a clearly unwarranted invasion of personal privacy, (3) disclose the identity of an informer, or (4) disclose investigative techniques or procedures; provides that a Federal district court has jurisdiction to enjoin an agency from improperly withholding records, to order their production and to review such documents, including those withheld in the interest of national security or foreign policy, to determine if such action conforms with the stated exemptions; provides that the burden of proof rests with the agency; permits the assessment of attorney fees and litigation costs against the United States in cases where the claimant has substantially prevailed; authorizes, after an appropriate hearing, action against an employee withholding information without reasonable basis; requires agencies to respond to requests for records within 10 days and provides a 20-day time limit on administrative appeals; requires the release of segregable nonexempt portions of a requested file after deletion of exempt portions; requires agencies to submit annual reports to Congress concerning their operations under this act; and sets the effective date at 90 days following the date of enactment. H.R. 12471. P/H Mar. 14, 1974; P/S amended May 30, 1974; In conference. (213)

Historical and archeological data

Amends a 1960 law under which the Secretary of the Interior, through the National Park Service, conducts archeological salvage programs at reservoir construction to broaden the scope of activity to include all Federal or federally assisted or authorized construction projects which result in alteration of the terrain; authorizes the Secretary to conduct a survey and salvage program upon notification not only by the instigation agency but also by any other Federal or State agency or responsible private organizations or individuals except where recovery would impede a Federal or Federally assisted project undertaken as a result of an emergency in anticipation of, or as a result of, a natural disaster; authorizes construction agencies to use or transfer up to one percent of funds appropriated for a project to the Secretary for survey and salvage work; provides that the costs incurred in connection with public works projects for archeological work under this act would become non-reimbursable project costs; and contains other provisions. S. 514. Public Law 93–291, approved May 24, 1974.

Idaho Admission Act

Amends section 5 of the Admission Act for the State of Idaho to permit the State to exchange lands granted to it for educational purposes for other public or private lands of approximate value, or if the land

values are equalized by payment of money; ratifies exchanges already made with the United States involving land granted for educational purposes; and adds exploration for and production of geothermal resources and by-products to the purposes for which the educational lands may be leased by the State for more than ten years. S. 939. P/S Mar. 26, 1974. (VV)

Law enforcement officers' and firefighters' retirement

Amends present law to make mandatory retirement of eligible law enforcement officials at age 55 or after 20 years of service, whichever occurs first, with certain exemptions; removes provisions which require that a retiree must have his employing agency recommendation and be approved by the Civil Service Commission; increases the computation factor from 2 to 2½ percent multiplied by the first 20 years plus 2 percent for all years over 20; provides for a $50,000 payment to the survivor of a covered individual who is killed in the line of duty; includes premium pay received for uncontrollable overtime as part of the base pay for retirement purposes; and increases the employee's deduction and the matching agency contribution from 7 to 7½ percent of both regular and premium pay. H.R. 9281. P/H Sept. 20, 1973; P/S amended June 24, 1974. (VV)

NASA authorization

Authorizes $3,266,929,000 to the National Aeronautics and Space Administration for fiscal year 1975 as follows: $2,372,815,000 for research and development including continued funding of the space shuttle and space station programs; $144,490,000 for construction of facilities; and $749,624,000 for research and program management. H.R. 13998. Public Law 93-316, approved June 22, 1974. (VV)

National Science Foundation authorization

Authorizes $829,800,000 to the National Science Foundation for fiscal year 1975 and $5 million in foreign currencies which the Treasury Department determines to be excess to the normal requiremnts of the United States. H.R. 13999. P/H Apr. 25, 1974; P/S amended May 16, 1974; In Conference. (VV)

No-fault motor vehicle insurance

Establishes a system of nationwide insurance for medical expenses and loss of wages of victims of motor vehicle accidents regardless of fault; supersedes present State law to the extent of the bill by the enactment of a no-fault plan in title III of the bill which applies unless a State adopts a non-fault plan which meets, at a minimum, the standards of the no-fault plan in title II of the bill;

Requires, under the title II plan, insurance which provides unlimited coverage for "allowable expenses" professional medical treatment and care, emergency medical services, and medical and vocational rehabilitation services, coverage for funeral expenses not to exceed $1,000, for work loss—income and reasonable expenses for hiring a substitute to perform self-employment services—with minimum coverage of the lessor of a monthly amount equal to $1,000 multiplied by State average per capita income over nationwide average per capita income or actual monthly earned income up to a total of $25,000 multiplied by the same formula or such total amount as may be determined by the State but not less than $15,000, and for replacement services and survivor's loss subject to reasonable limits and exclusions, and permits a deductible of not over $100 per individual and a maximum 1-week waiting period; permits the offering of greater basic work loss benefits or added benefits for work loss or for noneconomic detriment; requires that the no-fault insurer offer added insurance for collision and upset damage;

Sets other requirements that a State must meet which include making insurance available to all, and the authorizing of the State insurance commissioner to provide an accountability program for medical and vocational rehabilitation services and to take steps to assure the availability of emergency health services and medical and vocational rehabilitation services in the State; permits in section 204(f) entities providing benefits other than no-fault on account of an injury to coordinate such benefits with benefits payable by a no-fault insurer on account of the same injury if this would result in lower cost to the purchaser of such other benefits; makes health insurance the primary coverage for "allowable expenses" (by subtracting health insurance benefits from total loss for "allowable expenses" under no-fault insurance) if it provides unlimited coverage and meets the same obligations unless the State determines with the approval of the Secretary of Transportation that this would affect adversely or unreasonably discriminate against the interests of persons required to provide security covering motor vehicles in the State;

Requires, except as provided in the section on assigned claims, subtraction from net loss of any benefits and advantages from social security, workmen's compensation, any State-required temporary, nonoccupational disability insurance, and all other benefits except the proceeds of life insurance available from any government unless the law providing them makes them excess or secondary to the benefits under this act, and provides for subtraction of up to 15 percent of income tax saving in calculating net work loss where benefits are not taxable income;

Abolishes tort liability for injury under the title II no-fault plan with the following exceptions: (1) uninsured motorist; (2) manufacturer's products liability; (3) intentional injury to self or others; (4) for work loss over the maximum coverage for amounts excluded from work loss for replacement services loss or for survivor's loss; (5) for noneconomic detriment—pain, suffering, inconvenience, physical impairment, and other nonpecuniary damage recoverable under the applicable tort law—if the accident results in (a) death, serious and permanent disfigurement, or other serious and permanent injury or (b) more than 90 continuous days of total disability; (6) a person or government if such injury was caused or not corrected by an act or omission not connected with the maintenance or use of a motor vehicle; does not immunize an individual from liability to pay a fine on the basis of fault, and prohibits payment of any such fine by an insurer; permits the State to treat auto damage on a fault basis as it is presently done, or place it under a no-fault system;

Provides greater benefits in the title III plan, which places no limitation on the total benefits payable for allowable expenses, contains the same formula for monthly payments for work loss benefits but does not limit the total amount payable in all; provides benefits for replacement services loss and survivor's loss subject to a $200 per week ceiling, and abolishes tort liability for injury, including liability for non-economic detriment, except with regard to an uninsured motorist, manufacturer's products liability and intentional injury to self or others;

And contains other provisions. S. 354. P/S May 1, 1974. (156)

Postal rate adjustments

Increases the number of years before users of certain classes of mail have to pay higher postage rates as follows: (1) second-class regular (magazines and newspapers), special or book-rate fourth class (books or records), and controlled circulation publications phasing to be increased from the present five years to eight; (2) preferred second-class, non-profit class (circulars from charitable organizations), and the special fourth-class library rates phasing to be increased from the present 10 years to 16. (Under the Postal Reorganization Act, Public Law 91-375, all classes of mail are required to pay postal rates established by the Governors of the Postal Service. For those classes of mail which formerly received reduced preferential rates by law of practice, the impact of the rate increases is amortized—or phased—over a 5-year period which provides that Congress is to appropriate the revenue foregone by the Postal Service—the difference between the rate actually paid and the rate which would have been paid except for the phasing.) S. 411. Public Law 93- , approved —— 1974. (178)

Small business administration authority

Transfers to the Small Business Act the complete authority to provide financial assistance to socially or economically disadvantaged persons previously authorized under title IV of the Economic Opportunity Act of 1964, the economic opportunity loan program and the 406 management and technical assistance programs; amends the Small Business Act to increase the total amount of loans, guarantees, and other obligations or commitments outstanding by SBA as follows: (1) increases from $4.875 billion to $6 billion the amount which may be outstanding from the business loan and investment funds at any one time for direct, immediate participation and guaranteed loans under displaced business loans, trade adjustment loan program prime contract authority program, and economic opportunity loans, (2) increases from $556.25 million to $725 million SBA commitment authority to Small Business Investment companies, and (3) increases from $381.25 million to $540 million SBA commitment authority for loans to low-income individuals and for businesses located in areas of high unemployment or low income areas; authorizes SBA to increase its loan ceilings so that it may spend funds that it will obtain through the appropriation process or through repayment of prior loans; revises the interest rate language directing participating lenders to charge a legal and reasonable rate of interest as they do on all other loan programs; and elevates the position of Assistant Administrator for Minority Enterprise to that of an Associate Administrator. S. 3331. P/S May 2, 1974. (VV)

Smithsonian Institution authorization

Authorizes not to exceed $1 million for each of fiscal years 1975, 1976 and 1977 to the Smithsonian Institution for carrying out the purposes of the National Museum Act of 1966 and strengthens the Smithsonian's program in museum conservation techniques and training. S. 2137. P/S May 28, 1974. (VV)

Vice Presidential residence

Designates the premises occupied by the Chief of Naval Operations, consisting of approximately 12 acres located on the grounds of the Naval Observatory in the District of Columbia, as the official temporary residence of the Vice President, effective upon the termination of service of the incumbent Chief of Naval Operations; places the responsibility for the custody, control and maintenance of the residence and grounds with the Secretary of the Navy subject to the supervision and control of the Vice President; and contains other provisions. S.J. Res. 202. P/S May 16, 1974; P/H amended June 12, 1974; Senate agreed to House amendments with an amendment June 26, 1974. (VV)

GOVERNMENT EMPLOYEES

Civil service retirement annuities

Establishes a minimum civil service retirement annuity equal to the social security minimum primary insurance amount including any cost of living increase; provides minimum amounts to a surviving child in an

amount not less than the minimum monthly amount allowed under social security or three times such amount divided by the number of surviving children, whichever is lesser; excludes any individual who receives Social Security benefits from receiving payments under a military or civilian retirement system; increases annuity payments to former Federal employees who retired prior to October 20, 1969, by $240 to an annuitant and $132 to the surviving spouse of an annuitant (resulting in monthly increases of $20 and $11 respectively); and contains other provisions. S. 1866. Public Law 93–273, approved April 26, 1974.

Civil service survivor annuities

Amends chapter 83, title 5, U.S.C. by eliminating the reduction in annuity that a retiree takes to provide survivor benefits for his spouse during periods of nonmarriage allowing in effect, full annuity to an annuitant during these periods. S. 628. P/S July 31, 1973; P/H amended Apr. 24, 1974; House requested conference June 18, 1974.

Civil service survivors eligibility

Amends the Civil Service Retirement Act to change the 2 year marriage requirement regarding eligibility for survivor benefits under the Federal retirement system to a 1 year requirement. S. 2174. Public Law 93–260, approved Apr. 9, 1974

Executive, legislative, and judicial salaries increase

Disapproves, in its entirety, the President's recommendations for pay raises of 7½ percent per year for 1974, 1975, and 1976, for Members of Congress, Federal judges, cabinet and subcabinent officers, agency heads, and certain other officials in the executive, legislative, and judicial branches. S. Res. 293. Senate adopted disapproval resolution Mar 6, 1974. (52)

Postal Service retirement fund

Requires the Postal Service to amortize, in thirty equal installments, any unfunded liability in the Civil Service Retirement Fund caused by collective bargaining agreements or administrative action since July 1, 1971, with the exceptions of the payments due as of June 30, 1972, June 30, 1973, and June 30, 1974, which would be made subject to appropriation by Congress; require the Postal Service to assume responsibility for past and future installments, other than those made contingent on appropriations, resulting from the first and second employee-management agreements made under title 39 as it was reenacted in Public Law 91–375; provides that the Postal Service will not be reponsible for unfunded liabilities created by Act of Congress; and repeals the requirement which results in dual payment for the costs of administration of the retirement program H.R. 29. P/H May 7, 1973; P/S amended June 21, 1974. (VV)

Privacy and rights of Federal employees

Prohibits indiscriminate executive branch requirements that employees and, in certain instances, applicants for Government employment: disclose their race, religion, or national origin; attend Government-sponsored meetings and lectures or participate in outside activities unrelated to their employment; report on their outside activities or undertakings unrelated to their work; submit to questioning about their moral beliefs, personal relationships or sexual attitudes through interviews, psychological tests, or polygraphs; or support political candidates or attend political meetings; makes it illegal to coerce an employee to buy bonds or make charitable contributions; prohibits officials from requiring an employee to disclose his own personal assets, liabilities, or expenditures, or those of any member of his family unless, in the case of certain specified employees, such items would tend to show a conflict of interest; provides a right to have counsel or other person present at an interview which may lead to disciplinary proceedings; accords the right to a civil action in a Federal court for violation or threatened violation of the Act; and establishes a Board on Employees' Rights to receive and conduct hearings on complaints of violations of the Act and to determine and administer remedies and penalties. S. 1688. P/S Mar. 7, 1974. (VV)

Withholding taxes

Requires the Secretary of the Treasury to enter into agreements with city governments in which 500 or more persons are Federally employed for the withholding of city wage or employment taxes, with voluntary coverage for employees residing outside the State in which the city is located. H.R. 8660. Public Law 93– , approved 1974. (VV)

HEALTH

Alcohol abuse and alcoholism prevention

Extends for 2 years, through fiscal year 1976, the State formula grant program originally authorized by the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970, Public Law 91–616, maintaining the annual authorization level at $80 million; extends the contract and project grant authority of the Act of 1970 for an additional 3 years, through fiscal year 1976, and authorizes therefor appropriations of $90 million for fiscal year 1974, $100 million for fiscal year 1975, and $110 million for fiscal year 1976; adds a new special grant authority providing an additional allotment of $100,000 plus 10 percent of its formula allotment for each State which adopts the Uniform Alcoholism and Intoxication Treatment Act, or legislation substantially similar to that Act, which requires intoxication to be treated as a responsibility of the community's public health and social service agencies rather than of its criminal justice system; prohibits public or private general hospitals receiving funds from Federal agency sources from discriminating in their admissions or treatment policies against any person solely because of his alcohol abuse or alcoholism; deletes the language of the Act of 1970 placing the National Institute on Alcohol Abuse and Alcoholism within the National Institute of Mental Health and substitutes language placing it within the Department of Health, Education, and Welfare, thereby permitting, not requiring, the Secretary to place the Institute elsewhere within the Department; gives the National Institute on Alcohol Abuse and Alcoholism authority for eleven top level positions; places alcoholism project and contract authority under the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act; eliminates duplication by deleting section 247 of the Community Mental Health Centers Act; and contains other provisions. S. 1125. Public Law 93–282, approved May 14, 1974.

Alcohol and drug abuse education

Extends through fiscal year 1977 the grant and contract authorities of the Drug Abuse Education Act of 1970, Public Law 91–527, and authorizes therefor $26 million, $30 million, and $34 million for fiscal years 1975, 1976, and 1977 respectively; amends the Act to include education on alcohol abuse emphasizing the need for prevention and early intervention programs and broadens the activities which would be eligible for funding; permits up to 10 percent of the funds appropriated yearly for grants to State educational agencies for assisting local educational agencies to carry out drug and alcohol abuse education programs; authorizes the Commissioner of Education to expend up to 1 percent of the funds appropriated yearly for program analysis and evaluation; and directs the Commissioner to submit an annual report to the Senate and House Appropriations Committees stating specific program objectives and legislative recommendations. H.R. 9456. P/H Oct. 30, 1973; P/S amended June 25, 1974. (VV)

Biomedical research

Authorizes the appropriation of $207,947,000 for the purposes of this Act for fiscal year 1975;

In title I, the National Research Act, repeals all existing biomedical and behavioral fellowship and training authority in the Public Health Service Act; provides for National Research Service Awards, for research and research-training in the National Institutes of Health (NIH) and the Alcohol, Drug Abuse and Mental Health Administration (created by Public Law 93–282) and grants for non-Federal public and nonprofit private institutions in order for those institutions to select and support their own trainees, using existing training grant programs of the NIH as the model for this provision; specifies that at least 25 percent of the sums appropriated shall be reserved for the direct provision of Awards to individuals;

Establishes, in title II, a National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research for a period of 2 years whose duties include the undertaking of a comprehensive investigation and study to identify the basic ethical principles and develop guidelines which should underlie the conduct of biomedical and behavioral research involving human subjects, the identification of requirements for informed consent for participation in research by children, prisoners, and mentally infirm, determination whether a mechanism is needed for protection of human subjects not under regulation by HEW, the investigation and study of the nature and extent of research on living fetuses with a report in 4 months, and the investigation and study of the use of psychosurgery in the United States during the 5-year period ending in 1972, with a determination of the appropriateness of its use; establishes a permanent National Advisory Council for the Protection of Subjects of Biomedical and Behavioral Research, effective July 1, 1976;

Provides protection for individuals in institutions receiving biomedical or behavioral research grants in matters of religious beliefs or moral convictions; prohibits research and experimentation on human fetuses until such time after the Commission has made its recommendations with regard to the conduct of research on the living fetus or infant unless it is done to insure the survival of that fetus or infant;

Requires entities receiving grants or contracts under this Act to set up Institutional Review Boards to review research to protect the rights of the human subjects involved;

Calls for the Commission, in title III, the Special Study of Bio-Medical Research Act, to make a comprehensive investigation and study of the ethical, social, and legal implications of advances in biomedical research and technology, with a report to be sent to the President and the Congress at least every 2 years together with recommendations for needed legislation or appropriate action by public or private organizations or individuals;

And contains other provisions. H.R. 7724. Public Law 93– , approved 1974. (271)

Diabetes mellitus

Amends the Public Health Services Act to provide for greater and more effective efforts in research and public education with regard to diabetes mellitus. S. 2830. P/S Dev. 20, 1973; P/H amended Mar. 19, 1974; Conference report filed.

Health services

Extends authority for the support of health services research and development, health statistical activities, and the program of assistance to medical libraries through

June 30, 1978, and authorizes $370.2 million, $120 million, and $77.5 million, for each program over the 4-year period; gives a statutory status to both the National Center for Health Services Research (NCHSR) and to the National Center for Health Statistics within the Department of Health, Education, and Welfare; gives broad legislative authority to NCHSR to design and conduct research aimed at the stimulation of an aggressive pursuit of activities in this area and consolidates and broadens present authorities for the collection, analysis, and publication of health statistics over a broad range of contemporary health topics; establishes two special emphasis centers: one the Health Care Technology Center, to focus on technology, including computers and electronic devices, and its applications in health care delivery, and the other the Health Care Management Center to focus on the improvement of management and/or organization in the health field, the training of health administrators, and the development of leaders, planners, and policy analysts in the field; and contains other provisions. H.R. 11385. P/H Jan. 21, 1974; P/S amended May 2, 1974; In conference. (170)

Medical devices

Authorizes the Food and Drug Administration to regulate the development and marketing of medical devices; requires that medical devices used in life-supporting situations, such as heart valves or pacemakers, shall be subject to premarket scientific test ing; authorizes the Secretary of Health, Education, and Welfare to establish protocols for testing medical devices and requires that test data be submitted to HEW when a manufacturer seeks approval of a life-supporting medical device for marketing; provides that medical devices for which experts agreed standard-setting is sufficient to protect the public health and safety need only meet performance standards; provides that the third classification of devices which are generally safe when used in accordance with their instructions, such as tongue depressors, are exempted from either procedure; and contains other provisions. S. 2368. P/S Feb. 1, 1974. (VV)

National cancer program

Authorizes the extension of the National Cancer Act of 1971 with increased funding for the research program at $750 million for fiscal year 1975, $830 million for 1976 and $985 for 1977, with an additional $200 million for the cancer control program; removes the present ceiling on the number of comprehensive cancer centers and clarifies the present act with respect to training of cancer researchers and construction assistance; and establishes a President's biomedical research panel to oversee and monitor the biomedical research program of the National Institutes of Health, including the research programs of the National Institute of Mental Health. S. 2893. P/S Mar. 26, 1974; P/H amended May 2, 1974; In conference. (82)

National Institute on Aging

Amends title IV of the Public Health Service Act to provide for the establishment by the Secretary of Health, Education, and Welfare (HEW) of a National Institute on Aging (NIA) in the National Institutes of Health (NIH) for the conduct and support of biomedical, social, and behavioral research and training related to the aging process and the diseases and other special problems and needs of the aged, as authorized under section 301 of the Public Health Service Act and presently focused in the National Institute of Child Health and Human Development; provides that the Director of NIH shall assign functions to NIA or another institute when the activities overlap; directs the Secretary of HEW to (1) conduct scientific studies, through the Institute, for the purpose of measuring the impact on the biological, medical, and psychological aspects of aging, of all programs conducted or assisted by HEW to meet the needs of the aging in order to obtain data for assessment of the programs by the Institute, (2) carry out public information and education programs to disseminate information developed by the Institute which may aid in dealing with, and understanding, the problems associated with aging, and (3) prepare a comprehensive aging research plan within 1 year after enactment for presentation to the Congress and the President, along with a statement of the staffing and funding requirements necessary to implement the plan; and contains other provisions. S. 775. Public Law 93–296, approved May 31, 1974.

Older Americans

Extends for 3 additional years the nutrition programs for the elderly by authorizing $150 million for fiscal year 1975, $200 million for fiscal year 1976, and $250 million for fiscal year 1977; restricts the Commissioner on Aging from delegating his functions to the Health, Education, and Welfare regional directors; authorizes $35 million for a new transportation program for the elderly; and imposes restrictions on the establishment of local share requirements for the retired senior volunteer program (RSVP) conducted by the ACTION Agency. H.R. 11105. Public Law 93– , approved 1974. (250)

School lunch and child nutrition

Requires the Secretary of Agriculture during fiscal year 1975, to use funds available under section 32 of Public Law 74–230 and the Commodity Credit Corporation to purchase agriculture commodities for donation to maintian the $290 million programmed level of assistance for programs authorized under the Child Nutrition Act and title VII of the Older Americans Act; requires a minimum 10 cent per meal level of donated food assistance for the school lunch program for fiscal year 1975 and subsequent fiscal years, or cash payments in lieu thereof; makes permanent the authority of States to serve reduced price school lunches to children from families with incomes up to 75 percent above those in the Secretary's income poverty guidelines; increases the authorization for school food service equipment assistance funding from $20 million to $40 million for fiscal year 1975 and for succeeding years; and increases the required expenditure for the special supplemental food program for women, infants, and children from $40 million to $100 million for fiscal year 1975 and provides that in addition to the $100 million authorized, any part of the fiscal 1974 amount not expended shall be carried over to fiscal 1975. H.R. 14354. Public Law 93– , approved 1974. (VV).

Sudden infant death syndrome

Directs the Natitonal Institute of Child Health and Human Development at the National Institutes of Health to carry out a research program to identify the causes and preventive measures needed to eliminate Sudden Infant Death Syndrome and provides for public information and counseling services to families affected by Sudden Infant Death Syndrome and to personnel who come in contact with the victims or their families. S. 1745. Public Law 93–270, approved Apr. 22, 1974.

INDIANS

Absentee Shawnee Tribe, Oklahoma

Authorizes the tribal officials of the Absentee Shawnee Tribe of Oklahoma to convey a tract of land (approximately 33 acres) to the United States to be held in trust for the tribe. S. 3358. P/S May 28, 1974. (VV)

American Indian Policy

Replaces the national Indian policy set forth in H. Con. Res. 108, approved by the 83d Congress on August 1, 1953; embraces the principles of maximum Indian control and self-determination and seeks to strengthen and improve the delivery of services to Indian people wherever they may reside; places in the Federal Government the responsibility to assure that Indians receive their entitled share and participate fully in all Federal, State, and local social and economic development programs; and broadens the definition of "American Indian" or "Indian" to include "Alaska Natives". S. Con. Res. 37. Senate adopted May 29, 1974. (VV)

Assistant Secretary for Indian Affairs

Establishes an Assistant Secretary of the Interior who will be an additional Assistant Secretary only for Indian Affairs, and establishes, by amending the Alaska Native Claims Settlement, a thirteenth region for Alaska Natives who are not residents of Alaska. S. 2777. P/S Feb. 4, 1974 (VV)

Bridgeport Indian Colony, California

Declares that 40 acres of land in Mono County, California are to be held in trust for the Bridgeport Indian Colony subject to an easement to the Bridgeport Public Utility District for a sewer main. S. 283. P/S June 5, 1974. (VV)

Cheyenne-Arapaho Tribes, Oklahoma

Conveys to the Cheyenne-Arapaho Tribe of Oklahoma 5 acres of land to be held in trust by the United States. S. 521. P/S May 28, 1974. (VV)

Chippewa Cree Tribe, Montana

Declares that certain mineral interests are held by the United States in trust for the Chippewa Cree Tribe of the Rocky Boy's Reservation, Montana. H.R. 5525. Public Law 93–285, approved May 21, 1974. (VV)

Citizen Band of Potawatomi Indians, Oklahoma

Authorizes the elected officials of the Citizen Band of Potawatomi Indians of Oklahoma to convey seven tracts of land (approximately 280 acres) to the United States to be held in trust for the tribe. S. 3359. P/S May 28, 1974. (VV)

Constitutional rights of Indians

Amends section 701(c) of title VII of the Civil Rights Act of 1968 to authorize the appropriation of funds for the printing of certain legal materials relating to the constitutional rights of American Indians. S. 969. Public Law 93–265, approved Apr. 12, 1974.

Indian Claims Commission

Authorizes such sums as may be necessary for fiscal year 1975 to continue the program of the Indian Claims Commissions. S. 3007. P/S May 28, 1974; P/H amended June 17, 1974; In conference. (VV)

Indian financing

Provides capital to Indian organizations and individual Indians in the form of loans and grants that is needed to promote their economic development; authorizes a $50 million increase for the Revolving Loan Fund; provides a Loan Guarantee and Insurance Program which could generate as much as $200 million in new private capital; authorizes an Interest Subsidy Program; and provides an Indian Business Development Grant Program. S. 1341. Public Law 93–262, approved Apr. 12, 1974.

Indian self-determination

Declares that a major goal shall be to provide the quantity and quality of educational services and opportunities which will permit Indian children and adults to compete and excel in the life areas of their choice, and to achieve the measure of self-determination essential to their social and economic well-being; provides basic authority for the Secretaries of the Interior and Health, Education and Welfare to enter into contracts with tribal organizations; amends the Intergovernmental Service Act of 1970 to bring "tribal governments" within the definition

of "local government," to enable civil service personnel to be assigned to tribal organizations; exempts tribal contracts from Federal Procurement regulations which have served as obstacles to such contracting in the past; provides for a study of the Johnson-O'Malley Act (enrolling Indian children in public schools under contract) to be transmitted to Congress not later than October 1, 1974; amends the Johnson-O'Malley Act to provide criteria governing contracts between the Secretary of Interior and prospective contractors to assure that educational needs of Indian student beneficiaries of such contracts are met; provides criteria for the establishment of parental committees to insure funds expended in public school districts are in accordance with programs and plans developed by the Indian community; authorizes $65 million for each of the fiscal years 1975 and 1976 for education of Indians under the Johnson-O'Malley Act; and authorizes $35 million for assistance in the construction of school facilities serving Federally-recognized Indian children on or near reservations. S. 1017. P/S Apr. 1, 1974, (VV)

Kootenai Tribe, Idaho

Transfers 12.5 acres of Federal land into trust status for the Kootenai Tribe of Idaho. S. 634. P/S May 13, 1974. (VV)

Sisseton and Wahpeton Sioux Tribe, North and South Dakota

Authorizes the Sisseton and Wahpeton Sioux Tribe of North and South Dakota to acquire additional trust lands within its Lake Traverse Reservation, and enables the tribe to mortgage its land, subject to approval of the Secretary of the Interior, in order to consolidate land holdings, alleviate the problem of fractionated heirship of allotted lands, and acquire lands for tribal programs. S. 1411. P/S May 13, 1974. (VV)

Declares that all right of the United States to certain lands in the Lake Traverse Indian Reservation is to be held in trust for the Sisseton and Wahpeton Sioux Tribe, subject to all valid rights of way and subject to a condition that two tracts be utilized by the Secretary of the Interior for operating day schools. S. 1412. P/S June 13, 1974. (VV)

Spokane Tribe, Washington

Deletes the provision of present law which requires that the value of nontrust lands acquired by the Spokane Indian Reservation in any year shall not exceed the value of lands passed from trust status to tax free status in order to enable the Spokane Tribe to consolidate its land base. H.R. 5053. Public Law 93–286, approved May 21, 1974. (VV)

INTERNATIONAL

American Hospital of Paris, Inc.

Amends the Act incorporating the American Hospital of Paris by eliminating the maximum 20 member limitation on the Board of Governors. S. 1836. Public Law 93–266, approved Apr. 12, 1974.

Arms Control and Disarmament Agency

Authorizes $10.1 million for fiscal year 1975 to finance the operations of the Arms Control and Disarmament Agency, and changes the per diem limitation for the payment of consultants and experts from $100 a day to a maximum of $138 per day and extends their fiscal year employment limitation from 100 days to 130 days. H.R. 12799. Public Law 93– , approved 1974. (VV)

China Indemnification Agreement

Authorizes the Secretary of State to conclude an agreement with the Government of the People's Republic of China for indemnification for any loss or damage suffered by objects in the "Exhibition of the Archeological Finds of the People's Republic of China" while in the possession of the United States. S. 3304. Public Law 93–287, approved May 21, 1974. (VV)

Colorado River Basin salinity control

Implements the agreement of August 30, 1973, with Mexico and authorizes the construction, operation, and maintenance of certain desalinization works in the Colorado River Basin to control the salinity of water delivery to users in the United States and Mexico. H.R. 12165. Public Law 93– , approved 1974. (VV)

Foreign disaster assistance

Authorizes $150 million for disaster relief and emergency recovery needs in Pakistan, Nicaragua, and the drought-stricken regions of Africa as follows: $65 million to Pakistan and Nicaragua, and $85 million to the African nations, of which not to exceed $10 million may be used for assistance to Ethiopia. H.R. 12412. Public Law 93– , approved 1974. (VV)

Foreign Service buildings

Authorizes additional appropriations for Foreign Service Buildings of $2,732,000 for fiscal years 1974 and 1975, made necessary in inflation and devaluation of the dollar. H.R. 12465. Public Law 93–263, approved Apr. 12, 1974. (VV)

IDA—Gold ownership—Foreign Service Instructors

Authorizes $1.5 billion (in four annual installments of $375 million each) as the U.S. contribution to the fourth replenishment of the resources of the International Development Association; amends Public Law 93–110 to make the provisions which legalized the private ownership of gold effective September 1, 1974, instead of when the President finds and reports to Congress that the elimination of this requirement would not adversely affect the U.S. international monetary position; and authorizes credit under the civil service retirement system to certain Foreign Service Institute language instructors erroneously employed under nonpersonnel service contracts between June 30, 1948, and July 1, 1960, when in fact functioning as Federal employees and provides that such employees will be required to deposit to the retirement fund amounts equal to the amounts they would have contributed had they been on the Federal rolls. S. 2665. P/S May 29, 1974. (210)

International Court of Justice

Calls on the Secretary of State to submit to the Court any outstanding territorial disputes involving the United States which cannot be resolved by negotiations, and specifically to consider submitting 28 such disputes over desolate and largely uninhabited islands in the Caribbean Sea and the Pacific Ocean. S. Res. 74. Senate adopted May 20, 1974 (VV)

Recommends the inclusion in all future treaties and other international agreements of clauses providing that any dispute arising from the interpretation or application of their provisions, not otherwise settled by agreement between the parties, shall be subject to the jurisdiction of the Court or other appropriate body. S. Res. 75. Senate adopted May 20, 1974. (VV)

Declares that the Secretary of State should give favorable consideration to making use of the various chambers of the Court; calls on the President to take all appropriate measures to attempt to expand the range of international bodies eligible to request advisory opinions of the Court; urges the President to seek to improve the process by which judges are nominated and elected; and advises the President to encourage the Court to exercise its functions outside of the Hague from time to time. S. Res. 76. Senate adopted May 20, 1974. (VV)

Urges the President to direct the Secretary of State to encourage the maximum use of the procedures for the specific settlement of international disputes as outlined in Chapter VI of the Charter of the United Nations, particularly those procedures providing for the reference of legal disputes to the Court. S. Res. 77. Senate adopted May 20, 1974. (VV)

Calls on the Secretary of State to undertake a study examining the various ways of granting direct and indirect access to the Court and other international tribunals to individuals, corporations, non-governmental organizations, intergovernmental organizations, regional organizations, and other natural or legal persons, including the feasibility of establishing a special committee of the United Nations General Assembly with authority to request from the Court advisory opinions on behalf of these groups. S. Res. 78. Senate adopted May 20, 1974. (VV)

International Ocean Exposition '75

Authorizes a supplemental appropriation to the United States Information Agency of $5.6 million, without fiscal year limitation, to fund U.S. participation in the International Ocean Exposition to be held in Okinawa, Japan in 1975. S. 2662. Public Law 93–304, approved June 8, 1974. (VV)

International Wheat Agreement Conference

Expresses the sense of the Senate that the President should call upon the International Wheat Council to request the Secretary-General of the United Nations Conference on Trade and Development to convene a negotiating conference on provisions relating to the prices of wheat and to the rights and obligations of members with respect to international trade in wheat. S. Res. 340. Senate adopted June 21, 1974. (VV)

Japan-United States cultural exchange

Creates a Japan-United States Friendship Trust Fund to promote scholarly, cultural, and artistic activities between Japan and the United States; authorizes therefor the transfer of $32 million from the proceeds of the Okinawa Reversion Agreement of which the interest and up to 5 percent of the principal may be spent annually to support these activities; and establishes a commission to administer the programs. S. 649. P/S June 7, 1974. (VV)

Middle East terrorists

Condemns the terrorist threat made against the lives of 90 Israeli school children as well as all acts of terrorism and urges the President and the Secretary of State to call upon all governments to condemn this inhumane act of violence against innocent victims, and the countries where these groups and individuals are found to take appropriate action to rid their countries of those who subvert the peace through terrorism and senseless violence. S. Res. 324. Senate adopted May 15, 1974. (VV)

Migratory birds

Implements the Convention with Japan concerning migratory birds (Ex. R, 92d–2d) which provides for the protection of certain species of birds common to both countries or which migrate between them; prohibits the taking, sale, purchase or exchange of migratory birds, their eggs or products thereof with certain exceptions including special provisions for Eskimos, Indians, or inhabitants of the Trust Territory of the Pacific Islands; and requires each country to control the exportation or importation of migratory birds, and products thereof, to encourage their conservation, and to preserve and enhance their environment. H.R. 10942. Public Law 93–300, approved June 1, 1974. (VV)

Military assistance to Greece

Prohibits all military grant assistance, sales, credit sales, and guaranties to Greece until (1) the Executive Branch completes a review of United States policy toward Greece with specific attention to whether the Government of Greece is in a position to fulfill its political obligations under the preamble to the North Atlantic Treaty which states "The Parties to this Treaty * * * are determined to safe-guard the free-

dom, common heritage and civilization of their peoples, founded on the principles of democracy, individual liberty and rule of law."; (2) reports the results of such review to the Congress; and (3) the President finds that Greece is in full compliance with its obligations under NATO, except that the President may extend assistance to Greece if he finds that such action would be in the overriding national interest and gives Congress 30 days' advance notice. S. 2745. P/S Jan. 23, 1974. (VV)

Missing in Indochina

States as a sense of the Congress that new efforts should be made by the United States to persuade North and South Vietnam and Laos to comply with their obligations with respect to an accounting of personnel captured, killed or missing during the Vietnam conflict, and further states that every effort should be made to obtain the cooperation of the various parties in the conflict in Cambodia to provide information with respect to missing personnel. S. Con. Res. 81. Senate adopted Apr. 10, 1974; House adopted amended June 3, 1974. (VV)

Missing newsmen

States as the sense of the Senate that the President should make every possible diplomatic effort through the Department of State and other relevant agencies to ascertain the truth of the present whereabouts or fate of United States newsmen missing in Southeast Asia, and obtain the release of those still alive and an accounting of those who may be dead. S. Res. 291. Senate adopted Feb. 26, 1974. (VV)

National Olympic Commission

Establishes a National Commission on the Olympic Games composed of nine members appointed by the President; directs the Commission to (1) review continued U.S. participation in the quadrennial world Olympic Games, (2) conduct a review and oversight of the past performance of the United States Olympic Committee (USOC) in managing U.S. involvement in the Games, (3) examine ways to improve the management of U.S. involvement in the Games, and (4) submit a report of its recommendations to the President and Congress not later than December 31, 1974, or 180 days after the appointment of the ninth member of the Commission, whichever is later; and authorizes therefor $750,000. S. 1018. P/S May 20, 1974. (VV)

Northwest Atlantic Fisheries

Permits U.S. participation in international enforcement of fish conservation in additional geographic areas pursuant to the International Convention for the Northwest Atlantic Fisheries of 1949; requires payment for travel expenses and per diem incident to attendance at meetings of the International Commission for the Northwest Atlantic Fisheries for not more than five members of the industry advisory commission; and requires the Secretary of State to submit an annual report to Congress on the costs incurred to reimburse advisor's expenses. H.R. 14291. Public Law 93———, approved 1974. (VV).

Overseas Private Investment Corporation (OPIC)

Extends until December 31, 1976, the authority of the Overseas Private Investment Corporation to issue political risk insurance to protect private overseas investments against war, expropriation of property and inconvertibility of currency; seeks to promote the transference of OPIC's insurance functions to private insurance companies and multinational organizations by requiring OPIC to cease writing expropriation and inconvertibility insurance after December 31, 1979, and war risk insurance after December 31, 1980, and by authorizing OPIC to assume the role of reinsurer after these dates; and contains other provisions. S. 2957. P/S Feb. 26, 1974; P/H amended May 16, 1974; In conference. (40)

Peace Corps authorization

Authorizes $82,256,000 to finance operations of the Peace Corps during fiscal year 1975; authorizes an additional $1 million for increases in salary, retirement and other employee benefits; authorizes the transfer of $315,000 from any sums appropriated to the Peace Corps for fiscal year 1975 to ACTION'S readjustment allowance account at the Department of Treasury; and authorizes the waiver of claims resulting from the erroneous payments of readjustment allowances to Peace Corps volunteers between March 1, 1961, and February 28, 1973, and relieves the disbursing officers involved from liability for such erroneous payments. H.R. 12920. Public Law 93-302, approved June 1, 1974. (164)

State Department supplemental authorization

Increases the authorization level of the State Department Authorization Act of 1973 in three categories: administration of foreign affairs, international organizations and conferences, and pay raises; reduces the authorization level in four categories: international commissions, educational exchange, devaluation costs, and antiterrorism measures; and increases the permanent authorization for annual contributions to the International Committee of the Red Cross, from $50,000 to $500,000. H.R. 12466. Public Law 93-312, approved June 8, 1974. (VV)

State Department—USIA authorizations

Authorizes $741,915,000 to the Department of State and $238,009,000 to the United States Information Agency for fiscal year 1975 plus any additional funds that may be required for salary and employee benefit increases; reorganizes the annual foreign affairs authorizing legislation beginning in fiscal year 1976; places into law a delineation of the authority and responsibilities of ambassadors; requires Congressional approval of all significant executive agreements pertaining to U.S. military bases abroad and specifically requires such approval regarding the U.S. base on Diego Garcia; requires certain reductions in U.S. personnel stationed abroad under the jurisdiction of American ambassadors; requires that the Administration submit to Congress a detailed plan for future U.S. economic and military assistance to South Vietnam; calls for a review and reformulation of U.S. policy toward Cuba; creates in the State Department a new International Materials Bureau; establishes the requirement that a foreign Service officer's career include two years of non-State Department service in state or local government, public schools, or other public organizations; requires publication in the Congressional Record of political contributions of all ambassadorial nominees; repeals the Formosa Resolution of 1955 which authorizes the President to use the Armed Forces for the protection of Formosa and the Pescadores Islands; authorizes expenditures for an annual trip to and from schools in the United States for dependents of government employees assigned abroad; and contains other provisions. S. 3473. P/S May 20, 1974. (VV)

TREATIES

Customs Convention on the International Transit of Goods

Provides simplified customs control mechanisms and uniform documentation procedures for transport by bonded trailers, railway cars, vessels, and large containers, such carriers to have the option to use the International Transit of Goods procedures or another system if more advantageous. Ex. P, 93d-1st. Resolution of ratification agreed to Jan. 21, 1974. (2)

Extradition treaty with Denmark

Provides for the extradition of fugitives charged with any of 28 specific offenses, including offenses relating to narcotics and aircraft hijacking, as well as conspiracy to commit any of the specified offenses; defines territorial application to include territorial waters and airspace as well as registered aircraft in flight; provides for extradition for offenses committed outside the territory of either party if the offense is punishable under the laws of both parties; provides discretionary power to either party to extradite its own nationals, with the requested state to try the individual when the offense is punishable under its own laws; and permits refusal of extradition unless assurances are received that the death penalty will not be imposed for an offense not punishable by death in the country from which extradiction is requested. Ex. U, 93d-1st. Resolution of ratification agreed to Mar. 29, 1974. (92)

Protocols for the extension of the International Wheat Agreement, 1971

Extends to June 30, 1975, the provisions of the International Wheat Agreement, 1971 constituting (1) the Wheat Trade Convention which provides for the continued operation of the International Wheat Council, an administrative body established for the purpose of providing a mechanism for international cooperation in matters relating to the production and sale of wheat, and (2) the Food Aid Convention which commits its parties to provide minimum annual quantities of food to developing countries. Ex. C, 93d-2d. Resolution of ratification agreed to June 21, 1974. (260)

1980 Winter Olympic Games

Extends an invitation to the International Olympic Committee to hold the 1980 winter games at Lake Placid, New York; expresses the hope that the United States will be selected as the site for these games; and pledges cooperation and support in their successful fulfillment. S. Con. Res. 72. Senate adopted Apr. 8, 1974 (VV)

LABOR

Minimum wage increase

Provides a statutory minimum wage of $2.30 an hour for all covered workers according to the following time schedule:

For those covered prior to 1966, $2.00 on the effective date of this act, $2.10 effective January 1, 1975, and $2.30 effective January 1, 1976;

For nonagricultural employees first covered by the 1966 and 1974 amendments, $1.90 on the effective date of this act, $2.00 effective January 1, 1975, $2.20 effective January 1, 1976, and $2.30 effective January 1, 1977;

For agricultural employees, $1.60 on the effective date of this act, $1.80 effective January 1, 1975, $2.00 effective January 1, 1976, $2.20 effective January 1, 1977, and $2.30 effective January 1, 1978;

Extension of coverage

Extends coverage of the act to employees of individual retail and service establishments (except "Mom and Pop" stores) which are part of enterprises with gross annual receipts of more than $250,000 (thus including individual establishments with gross receipts of less than $250,000 if they are part of a chain with annual receipts over $250,000) with the $250,000 establishment test for smaller stores of large covered chains to be phased out by July 1, 1976;

Brings under the minimum wage and overtime provisions of the Act all employees in private household domestic service earning "wages" ($50 per quarter) for purposes of the Social Security Act, but retains a minimum wage and overtime exemption for casual babysitters and companions and an overtime exemption for live-in domestic service employees;

Extends coverage of Federal employees to most employees including wage board employees, non-appropriated fund employees, certain employees in the Canal Zone and any other civilian employee working for the armed services; and extends coverage of State and local government employees;

Retains the present basis for coverage of agricultural employees, which requires at least 500 man-days (one-man-day being any day during which an employee performs any agricultural labor for not less than one hour) during the peak quarter of the preceding year, but alters the computation of man-days by adding to the definition of "employee" the previously excluded group of all local, seasonal hand-harvest laborers, with such employees and farmworkers under 16 working with a parent continuing to be exempt from the minimum wage if they are paid the adult piece rate;

Child Farm Labor: Amends the Fair Labor Standards Act by prohibiting the employment in agriculture of all children under the age of 12, except those working on farms owned or operated by their parents, or on farms not covered by the act under the 500 man-day test, or on conglomerate farms, with parental consent required for children on noncovered farms; permits children ages 12 through 15 to work only during hours school is not in session, provided that all 12 and 13 year olds must either receive written parental consent or work only on farms where their parents are employed;

Puerto Rico and the Virgin Islands: Provides for the gradual achievement of minimum wage parity for workers in Puerto Rico and the Virgin Islands with workers on the mainland as follows:

For certain hotel, motel, restaurant and food-service employees, as well as employees of the Federal and Virgin Islands Governments, the same as the minimum wage for counter-part mainland employees on the effective date;

For other covered workers, effective on the effective date of the legislation, presently covered employees are to receive: (A) an increase of 12 cents an hour if their wage order rates are less than $1.40 an hour, and (B) an increase of 15 cents an hour if their wage order rates are $1.40 an hour or higher;

For newly covered employees (including commonwealth and municipal employees), wage rates to be set by special industry committees which may not be less than 60 percent of the otherwise applicable rate under section 6(b) or $1.00 an hour, whichever is greater;

For all employees (other than commonwealth and municipal employees), yearly increases beginning one year after the effective date of this legislation as follows: (A) 12 cents an hour yearly if their wage order rates are less than $1.40 and (B) 15 cents an hour yearly if their wage order rates are $1.40 an hour, whichever is greater;

Exemptions: Repeals or modifies a number of present exemptions, including some of the complete minimum wage and overtime exemptions as well as some which apply only to the overtime standard, in relation to: motion picture theaters, small logging crews, shade-grown tobacco, agricultural processing industries, railroads, and pipelines, seafood processing, local transit, hotels, motels, and restaurants, tip allowance, nursing homes, salesmen, partsmen, and mechanics, cotton ginning and sugar processing, catering and food service employees, telegraphic message operations, bowling establishments, and house parents for orphans; sets a certain overtime exemption for police;

Youth Differential: Permits a lower minimum wage for full-time students as follows:

In retail and service establishments of not less than 85 percent of the applicable minimum wage of $1.60, whichever is higher for a period of up to 20 hours per week, and permits the hiring of up to 4 students without the need for the traditional precertification procedure;

In agriculture, the higher of 85 percent of the applicable rate or $1.30 an hour for the same period, and up to 4 students without certification;

And in higher education institutions, 85 percent of the applicable rate of $1.60 for the same period;

Provides that the Secretary of Labor, to the extent necessary to prevent curtailment of opportunities for employment, shall by regulation or orders provide for the employment of learners, apprentices, and for messengers employed primarily in delivering letters and messages, under special certificates at lower wages;

Age Discrimination: Amends the Age Discrimination in Employment Act of 1967 to include within its coverage Federal, State and local government employees (other than elected officials and certain aides not covered by civil service), and to expand coverage from employers with 25 or more employees to employers with 20 or more employees;

And contains other provisions. S. 2747. Public Law 93-259, approved Apr. 8, 1974. (58, 85)

Nonprofit hospital employees

Extends coverage under the National Labor Relations Act to employees of private nonprofit hospitals; establishes certain new procedures governing labor relations in health care institutions (which is defined to include hospitals, nursing homes, health maintenance organizations, extended care facilities, health and medical clinics and other similar institutions caring for the sick, infirm or aged); and contains several provisions designed to facilitate collective bargaining settlement and to provide advance notice of any strike or picketing involving a health care institution as follows: (1) the requirement for notice of termination or expiration of a contract will be 90 days; (2) the Federal Mediation and Conciliation Service (FMCS) must be given 60 days notice of such termination or expiration; (3) in initial contract negotiation a 30 day notice of a dispute to FMCS will be required; (4) the health care institution and labor organization will be required to participate in mediation at the direction of FMCS; and (5) the health care institutions must be given a 10 day notice by a labor organization before any picketing or strike (whether or not related to bargaining) can take place. S. 3203. P/S May 7, 1974; P/H amended May 30, 1974; In conference. (177)

MEMORIALS, TRIBUTES AND MEDALS

B. Everett Jordan, death of

Expresses the sorrow of the Senate in respect to the death of former Senator B. Everett Jordan (D., N.C.). S. Res. 298. Senate adopted Mar. 22, 1974. (VV)

Chief Justice Earl Warren

Authorizes $25,000 for an oil portrait and a marble bust of former Chief Justice Earl Warren to be placed in the United States Supreme Court Building. S.J. Res. 123. P/S June 5, 1974. (VV)

Georges Pompidou, death of

Expresses the congratulations of the Senspect to the death of Georges Pompidou, President of the Republic of France. S. Res. 304. Senate adopted Apr. 4, 1974. (VV)

Hank Aaron home run record

Expresses the congratulations of the Senate to Hank Aaron on hitting his 715th home baseball team, on hitting home run number 714 on April 4, 1974, thereby tying the home run record of Babe Ruth. S. Res. 303. Senate adopted Apr. 4, 1974. (VV)

Expresses the sorrow of the Senate in reate to Hank Aaron, of the Atlanta Braves run on the night of April 8, 1974, thereby surpassing the home run record set by Babe Ruth in 1935. S. Res. 305. Senate adopted Apr. 9, 1974. (VV)

J. Edgar Hoover medals

Directs the Secretary of the Treasury to strike and furnish to the general public national medals honoring the late J. Edgar Hoover who, for 48 years, served as Director of the Federal Bureau of Investigation. H.R. 1817. Public Law 93-309, approved June 8, 1974. (VV)

Lyndon B. Johnson Conservation Corps Center and Lyndon B. Johnson National Grasslands

Renames the Arrowood Civilian Conservation Corps Center, near Franklin, North Carolina, and the Cross Timber National Grasslands, in Wise and Montague Counties, Texas, in honor of Lyndon B. Johnson. S. 2835. Public Law 93-298, approved June 1, 1974. (VV)

NATURAL RESOURCES

Anadromous Fish Conservation

Amends the Anadromous Fish Conservation Act to extend the program for conservation of fish which migrate upstream to spawn in the Great Lakes an additional 5 years, to June 30, 1979; broadens the act to allow for the control of the sea lamprey; increases Federal participation in projects undertaken by an individual State from 50 to 75 percent and in cooperative projects undertaken by two or more States from 60 to 80 percent; and authorizes therefor $20 million for each of fiscal years 1975-1979. H.R. 11295. P/H Jan. 22, 1974; P/S amended June 5, 1974; House requested conference June 18, 1974. (VV)

Big Thicket National Preserve, Tex.

Authorizes the Secretary of the Interior to acquire such lands, waters, and interest on a specified section of land in the state of Texas to consist of not more than 100,000 acres for the establishment of the Big Thicket National Preserve. H.R. 11546. P/H Dec. 3, 1973; P/S amended May 30, 1974. (VV)

Chlorine allocation

Gives the Secretary of Commerce stand-by allocation authority, on a case-by-case basis, to require producers to supply chlorine to meet priority uses of drinking water, waste water treatment systems, food processing and other public health purposes in order to prevent the possibility of a public health disaster caused by an inadequate supply; provides that an authorized applicant with an inadequate supply may apply to the Environmental Protection Agency for a prompt determination of need for chlorine and requires the Secretary, upon a favorable determination, to order that a specified amount of chlorine be supplied to the applicant; requires the Secretary to distribute such order equitably; and provides civil and criminal penalties for violations. S. 2846. P/S June 4, 1974. (VV)

Eastern wilderness

Designates 19 areas in 15 eastern states as wilderness areas within the National Wilderness Preservation System under the management of the Secretary of Agriculture; designates 40 areas in 18 States and Puerto Rico for study by the Secretary for possible inclusion in the wilderness system; amends the Wilderness Act of 1964 to facilitate the administration of the National Wilderness Preservation System, and promote uniformity of management of wilderness areas in the East and West. S. 3433. P/S May 31, 1974. (VV)

Egmont Key National Wildlife Refuge

Designates all of the land on Egmont Key, Florida, except for those lands under the jurisdiction of the Coast Guard and Hillsborough County, as the Egmont Key National Wildlife Refuge. H.R. 8977. P/H Feb. 4, 1974; P/S amended June 20, 1974. (VV)

Fish and Wildlife Service

Abolishes, within the Department of the Interior, the position of Commissioner of Fish and Wildlife, the Bureau of Sport Fisheries and Wildlife and its Office of Director and vests all such duties and responsibilities

in the redesignated United States Fish and Wildlife Service to be headed by a Director at an increased level of pay. H.R. 13542. Public Law 93-271, approved Apr. 22, 1974. (VV)

Harpers Ferry National Monument

Authorizes $1.3 million for the acquisition of 430 additional acres to increase the size of the Harpers Ferry National Park and provide shuttle transportation service within the Park. S. 605. P/S May 28, 1974. (VV)

Indoor recreation facilities

Amends the Land and Water Conservation Fund Act by adding new authority which permits a State to use not more than 25 percent of its total annual allocation from the Fund for the planning and development of sheltered recreational facilities within specified areas thus permitting the enclosure of swimming pools, ice skating rinks, tennis courts, and similar outdoor facilities for year-round use where climate now controls the season or where there is a shortage of available land. S. 2661. P/S May 30, 1974. (VV)

Lone Rock Lake project

Provides for deauthorization of the Lone Rock Lake project on the Buffalo River, Ark., as a modification of the flood control program for the White River Basin, Missouri and Arkansas. S. 1961. P/S Jan. 23, 1974. (VV)

National ocean policy study

Authorizes the Committee on Commerce to make a full and complete National Ocean Policy Study to be undertaken with representative ex officio membership from other standing Committees of the Senate having a jurisdictional interest over the elements of the Study as well as six members from Coastal States to be selected by the President Pro Tempore without regard to Committee membership (such study to include, but not limited to, a thorough examination of the issues involved in the following areas: marine fisheries and other living resources; mineral resources of the seabed and subsoil; coastal zone management; ocean transportation; research and technology; law of the sea; government organization; pollution; Federal budget; and education), and to submit a report of its findings together with any legislative recommendations to the Senate. S. Res. 222. Senate adopted Feb. 19, 1974. (VV)

Recreation use fees

Amends the Land and Water Conservation Fund Act to detail those facilities on Federal recreation lands for which no use fee may be charged and retains general criteria for fee requirements for all other locations. S. 2844. Public Law 93-303, approved June 7, 1974. (VV)

Rivers and harbors—Public works

Authorizes, in title I, water resources development projects; and authorizes, in title II, the River Basin Monetary Authorization Act of 1974, a monetary increase for certain comprehensive river basin plans previously authorized by Congress, at an approximate cost of $1.33 billion, of which $550 million is for title I projects and $780 million is for title II river basins;

Establishes a new procedure for authorization of major water resources development projects of the Corps of Engineers which authorizes the Secretary of the Army, acting through the Chief of Engineers, to undertake the Phase I design memorandum stage of advanced engineering and design of certain named major water resources development projects, substantially in accordance with, and subject to conditions recommended by the Chief of Engineers, and authorizes the Secretary of the Army to undertake advanced engineering and design for the projects after completion of the Phase I stage only upon a finding by the Chief of Engineers, transmitted to the Committees on Public Works of the House and the Senate, that the project is without substantial controversy, is substantially in accordance with the conditions recommended by the Chief of Engineers or the Secretary of the Army, respectively, and that the advanced engineering and design will be compatible with any project modifications which may be under construction;

Provides for deauthorization of projects through the Chief of Engineers, and submission to Congress of a list of those authorized projects which have been authorized for at least 8 years without any congressional appropriations within the last 8 years and which he determines should no longer be authorized, which then become deauthorized unless either the House or Senate Committee on Public Works, within a certain time, adopts a resolution stating that the project shall continue to be an authorized project;

Enacts into law the discount rate of 5⅝ percent approved by the President May 29, 1962, as amended and published in the Federal Register December 24, 1968, and the pre-1968 discount rate for projects authorized prior to 1969 which have assurances as to non-Federal payment of project costs;

Authorizes a streambank erosion control demonstration program and a national shoreline erosion control development and demonstration program;

And contains other provisions. H.R. 10203 (S. 2798). Public Law 93-251, approved Mar. 7, 1974. (7, 35)

Rocky Mountain National Park, Colo.

Revises the western boundary of the Rocky Mountain National Park in the State of Colorado to include an additional 1,556.21 acres, consisting of several parcels in the Kawuneeche Valley. S. 2394. P/S Feb. 25, 1974. (VV)

Saline water conversion authorization

Authorizes $3,029,000 for fiscal year 1975 and maintains the 1974 activity level for the saline water conversion program conducted by the Secretary of the Interior. H.R. 13221. Public Law 93- , approved 1974. (VV)

Sumner Dam and Lake

Renames the Alamorgordo Dam and Reservoir on the Pecos River, New Mexico, as the Sumner Dam and Lake Sumner respectively. S. 2001. P/S June 26, 1974. (VV)

Wild and Scenic Rivers—Chattooga River

Extends for 5 years, to October 2, 1978, the protection period for water resource projects for the 27 rivers now under study for possible inclusion in the national wild and scenic rivers system; increases the funding authorization from $17 million to $37.6 million to permit completion of acquisitions for seven of the eight rivers designated as the first components of the system and establishes a deadline of June 30, 1979, for expenditure of authorized funds; authorizes the Secretaries of the Interior and Agriculture to acquire State land within the river corridors for components of the system not only by donation but also by exchange of Federal land in other areas; removes the authority of either Secretary, without ever reporting to Congress, to terminate a study of, and remove protection for, any river which Congress has designated for study; requires the President to report to Congress on each river study; designates a section of the Chattooga River, North Carolina, South Carolina and Georgia, as a part of the national Wild and Scenic River System and authorizes therefor $2 million for acquisition of lands and interests and $809,000 for development; and contains other provisions. *NOTE:* (The general amendments to the Wild and Scenic Rivers were contained in S. 921 which passed the Senate Sept. 24, 1973.) H.R. 9492. Public Law 93-279, approved May 10, 1974. (VV)

Wild and Scenic Rivers—New River

Amends the Wild and Scenic Rivers Act to designate an approximate 70 mile segment of the New River (which according to geologists is the oldest river in the United States and the only remaining segment of the North American continent's original prehistoric watershed) located in North Carolina and Virginia for study for possible inclusion in the national wild and scenic rivers system, such study not to extend beyond 2 years from the date of enactment of this act. S. 2439. P/S May 29, 1974. (208)

WILDERNESS AREAS

Weminuche Wilderness

Designates approximately 433,745 acres in the Rio Grande and San Juan National Forests, in Colorado, as the "Weminuche Wilderness". S. 1863. P/S Feb. 7, 1974. (VV)

NOMINATIONS

(Action by Rollcall Vote)

Brig. Gen. Charles A. Gabriel to the temporary rank of major general, U.S. Air Force: Nomination confirmed Apr. 24, 1974. (143)

John C. Sawhill, of Maryland, to be administrator of the Federal Energy Administration: Nomination confirmed June 18, 1974. (248)

Maj. Gen. Alton D. Slay to the permanent rank of major general, U.S. Air Force: Nomination confirmed Apr. 24, 1974. (142)

PROCLAMATIONS

American Business Day

Designates May 13, 1974, as "American Business Day". S.J. Res. 195. P/S May 2, 1974. (VV)

First Continental Congress Anniversary

Proclaims October 14, 1974, a day of national observance for the two hundredth anniversary of the First Continental Congress. S. Con. Res. 85. Senate adopted May 14, 1974; House adopted May 16, 1974. (VV)

Honor America

Declares the twenty-one days from Flag Day, June 14, 1974, to Independence Day, July 4, 1974, as a period to honor America. H. Con. Res. 537. House adopted June 13, 1974; Senate adopted June 17, 1974. (VV)

National Agriculture Week

Designates the last full week of March of each year as "National Agriculture Week". S.J. Res. 163. P/S Mar. 19, 1974. (VV)

National Amateur Radio Week

Designates the week beginning June 17, 1974, as "National Amateur Radio Week". S.J. Res. 197. P/S May 2, 1974. (VV)

National Historic Preservation Week

Designates the week beginning May 6, 1974, as "National Historic Preservation Week". S.J. Res. 175. P/S May 2, 1974. (VV)

National Volunteer Week

Designates the week of April 21-27 as "National Volunteer Week". S.J. Res. 179. P/S Mar. 19, 1974. (VV)

TRANSPORTATION-COMMUNICATIONS

Aircraft hijacking

Amends the Federal Aviation Act of 1958 to provide a more effective program to prevent aircraft piracy on both the international and domestic levels; implements, in Title I, the Convention for the Suppression of Unlawful Seizure of Aircraft (Hague Convention—Ex. A [92d-1st]) to which the United States is a party and which came into effect on October 4, 1971; provides the President authority to suspend air service between the United States and any foreign nation he determines is not acting consistently with the provisions of the Hague Convention, in effect imposing, unilaterally, a U.S. air transport boycott; permits the Secretary of Transportation, which the approval of the Secretary of State, to restrict, limit, or revoke the operating authority of any foreign air carrier failing to afford necessary security safeguards to the traveling public; provides, in Title II, for the screening of all passengers and carry on baggage by weapons detecting devices prior to their being boarded on the

aircraft; establishes under the Administrator of the Federal Aviation Administration an Air Transportation Security Force to provide a Federal law enforcement presence at the nation's major airports; and contains other provisions. S. 39. P/S Feb. 21, 1973; P/H amended Mar. 13, 1974; in conference.

Aircraft piracy

Amends the Federal Aviation Act of 1958 to establish specific offenses for imparting or conveying threats to do certain proscribed acts and make more explicit the requisite intent for these felony sanctions; distinguishes "threats" from "false information" prosecutions; broadens current laws by making it a Federal crime for a person to knowingly carry aboard or place aboard an aircraft in air transportation a concealed explosive or other dangerous substance except for law officers and certain other purposes; and contains other provisions. S. 872. P/S Mar. 12, 1974. (VV)

Alien radio station licenses

Amends the Communications Act of 1934, as amended, to permit direct licensing of aliens and corporations with certain alien officers, directors, or stockholders rather than licensing them indirectly as a subsidiary corporation and deletes the requirement that the FCC follow certain prescribed procedures to make an intra-government security check on aliens who apply for permission to operate their amateur radio stations in the United States pursuant to a bilateral agreement extending such privileges to United States citizens on a reciprocal basis. S. 2457. P/S May 2, 1974. (VV)

Communications common carrier charges

Amends the Communications Act of 1934, as amended, to extend from one to two years the period of limitations applicable to proceedings against communications common carriers for the recovery of overcharges or damages not based on overcharges and for actions at law by such carriers for recovery of their lawful charges. S. 1227. P/S May 2, 1974. (VV)

Communications common carrier service applications

Amends the Communications Act of 1934, as amended, to designate (in addition to the Secretary of State) the Secretary of Defense rather than the Secretaries of the Army and Navy, as the person entitled to receive the required official notice whenever a communications common carrier files an application with the Federal Communications Commission for permission to extend its lines, discontinue or curtail existing services or effect certain mergers or consolidations and designates the Secretaries of Defense and State as the persons to whom such notices should be directed with respect to applications involving service to foreign points. S. 1479. P/S May 2, 1974. (VV)

Cumbres and Toltec Scenic Railroad

Grants consent to the Cumbres and Toltec Scenic Railroad Compact between the States of Colorado and New Mexico to provide for the joint operation of an interstate narrow guage scenic railroad which will preserve as a living museum a mode of transportation that helped in the development of the territories and states S. 2362. P/S Mar. 22, 1974. (VV)

FM radios

Authorizes the Federal Communications Commission to require that all AM and FM radios, retailing for $15 or more and being shipped in interstate commerce or imported into the United States, be capable of adequately receiving both AM and FM signals. S. 585. P/S June 13, 1974. (247)

Forest highway funds

Provides that the 1972 apportionments to States for forest highways not yet obligated, which would otherwise lapse on June 30, 1974, shall remain available until expended, S. 3490. Public Law 93, approved 1974. (VV)

Maritime supplemental authorization

Authorizes $23 million in supplemental appropriations for the operating-differential subsidy program of the Maritime Administration for fiscal year 1974. H.R. 12925. Public Law 93-308, approved June 8, 1974. (VV)

SS "Guam Bear" and SS "Hawaii Bear"

Authorizes the Secretary of Commerce through the Maritime Administration to remove all contracts made under the authority of Public Law 91-195 to permit the Pacific East Line, Inc. to sell the vessels SS Guam Bear and SS Hawaii Bear to a purchaser other than its successor in the trade between the West Coast and Guam, or to operate the vessels in some other trade. H.R. 11223. Public Law 93-306, approved June 8, 1974. (VV)

SS "Independence"

Permits the foreign sale of the laid-up United States-flag passenger vessel SS Independence and requires that the existing government mortgage on the ship be paid off in full and the net proceeds of the sale deposited in the owner's capital construction or reserve fund. H.R. 8586. Public Law 93- , approved 1974. (VV)

Tariffs and freight rates

Improves the ability of the Federal Maritime Commission to deal with freight rate disparities which discriminate against American shippers in the foreign trade of the United States by (1) requiring the Commission to develop and adopt a system of uniform commodity descriptions and codes to be used by all common carriers by water and all conferences of such carriers when filing any rate, charge, or tariff and (2) prohibiting common carriers and conferences from filing or maintaining an outbound or inbound rate or charge without including a statement of the applicable reciprocal rate or charge of the identical commodity between the same two points and gives the Commission the power to reject rate filings without the required statement and to suspend for no more than 180 days a filing which is being investigated. S. 1488. P/S Apr. 23, 1974. (VV)

Urban mass transit

Authorizes not to exceed $800 million ($400 million for fiscal year 1974, and an aggregate of not to exceed $800 million for fiscal year 1975) for fiscal years 1974 and 1975 for the Secretary of Transportation, on such terms and conditions as he may prescribe, to make grants or loans to State or local public bodies in order to assist them in maintaining adequate transportation services in urban areas by providing financial assistance (requiring one-third local contribution) to pay operating expenses incurred as a result of providing such services; provides for the establishment of a reasonable fare structure for each area according to its particular local needs; authorizes an additional $20 million for each of fiscal years 1974 and 1975 for research and development, establishment, and operation of demonstration projects to determine the feasibility of fare-free urban mass transportation systems; and contains other provisions. S. 386. P/S Sept. 10, 1973; P/H amended Oct. 3, 1973. Conference report filed.

Vessel tonnage deductions

Amends the present vessel admeasurement laws to allow as deductions from gross tonnage, in determining net or register tonnage, certain non-revenue earning spaces which are used in collecting, processing or carrying shipboard-generated waste materials. S. 1353. P/S Mar. 13, 1974. (VV)

VETERANS

American War Mothers, Inc.

Amends the Act incorporating the American War Mothers, Inc. to permit certain stepmothers and adoptive mothers to be members of that organization. S. 2441. Public Law 93-267, approved Apr. 12, 1974.

Disability compensation and survivor benefits

Provides cost-of-living increases in the rates of disability compensation for service-connected disabled veterans ranging from 15 to 18 percent; provides a 15-percent cost-of-living increase in the rates of additional compensation for dependents for veterans whose disability is rated 50 percent or more; provides a 17 percent cost-of-living increase in the rates payable for dependency and indemnity compensation (DIC), for widows and children, and for additional allowances for those in receipt of DIC and death compensation in need of aid and attendance; extends longstanding presumption of service-connection for wartime veterans to those veterans who served between the end of World War II, December 31, 1946, and before June 25, 1950, the beginning of the Korean conflict thus according to Veterans of this period the same wartime presumption of service-connection; provides for the equalization of the rates of death compensation to the survivors of veterans of peacetime and wartime service where death occurred prior to January 1, 1957, thereby eliminating the distinction between the two periods of service; authorizes a study to be conducted by the Veterans' Administration and submitted to the Congress at the beginning of the 94th Congress of applications for DIC by widows of veterans who had a total and permanent disability at time of death; authorizes the Administrator to make monetary benefit payments to the beneficiary upon the determination that the interest of the beneficiary would be served thereby, notwithstanding that a fiduciary has been appointed and regardless of any legal disability on the part of the beneficiary; and provides that the increases in disability, dependency and indemnity compensation shall be retroactive to May 1, 1974. S. 3072. Public Law 93-295, approved May 31, 1974. (VV)

GI bill benefits

Extends for 30 days the 8 year delimiting date for which an eligible veteran discharged or released from active duty between January 31, 1955, and September 1, 1966, may utilize his educational assistance benefits. S. 3398. Public Law 93-293, approved May 31, 1974. (184)

Extends from 8 to 10 years the period of time following discharge or release from military service within which an eligible veteran may utilize his educational assistance benefits; excludes, in computing the delimiting date for those veteran-civilians held as prisoners of war, the period of time they were hospitalized immediately subsequent to their release; extends from 8 to 10 years the period for wives or widows to utilize their educational benefits under the GI bill; and amends the Vietnam Veterans Readjustment Assistance Act of 1972 (Public Law 92-540), to extend from 8 to 10 years the delimiting period for wives and widows eligible under the GI bill to utilize benefits first granted by the 1972 act. S. 3705. P/S June 26, 1974. (VV)

Life insurance

Provides full time coverage under Servicemen's Group Life Insurance (SGLI) for all members of the Ready Reserve, National Guard, and certain members of the Retired Reserves who are under 60 years of age and have completed at least 20 years of service; provides for the automatic conversion of SGLI to a non-renewable 5-year term policy, the Veterans' Group Life Insurance (VGLI), effective the day coverage under SGLI expires for the veteran (120 days after discharge) and provides coverage under VGLI for any person whose coverage under SGLI terminated less than four years prior to the date the VGLI program became effective for

a period equal to five years less the time elapsing between the two policies; increases the maximum amount of coverage under both programs from $15,000 to $20,000, authorizes the return of excess premiums paid by Korean conflict veterans for Veterans' Special Term Life Insurance as a dividend to the insured; allows the Secretaries of the Army and Air Force to permit allotments from the pay of members of the Air Force, who are not on active duty, to make payment for group life insurance premiums of programs sponsored by the State military department or State associations of the National Guard; and contains other provisions. H.R. 6574. Public Law 93-289, approved May 24, 1974. (117)

POW families, funeral transportation for

Authorizes the Secretary of Defense to pay funeral transportation and living expenses for the families of prisoners of war who died while listed as a POW or MIA in Southeast Asia during the Vietnam conflict. S. 3228. Public Law 93-257, approved Mar. 29, 1974. (VV)

U.S. flag presentation

Authorizes the presentation of a flag to the person designated to direct the disposition of the remains of any member who dies under honorable conditions who was in a Ready Reserve status or who had completed all of their requirements for Reserve retirement but who were not eligible to receive retired pay because they had not reached age 60. H.R. 5621. Public Law 93-292, approved May 28, 1974. (VV)

Vietnam veterans

Increases, as of July 1, 1974, the rates for the monthly educational (or full time apprentice or on-job training) assistance allowance by 18.2 percent for eligible veterans and for eligible wives, widows, and children; increases the monthly allowance for a single veteran with no dependents from $220 to $260; 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; liberalizes eligibility requirements for disabled Vietnam veterans to train under the vocational rehabilitation provisions to equalize them with those in effect for veterans of World War II and the post Korean conflict and so they may qualify for individualized tutorial assistance; extends the maximum entitlement of educational benefits to veterans from 36 to 45 months; extends to ten years the current 8-year delimiting date for veterans and eligible wives and widows to complete their programs of education; liberalizes the veteran-student service programs by raising the maximum work-study allowance from $250 to $625; liberalizes the tutorial assistance program; authorizes direct VA loans of up to $2,000 a year from the National Service Life Insurance Trust Fund to cover educational costs not otherwise provided for; establishes a veterans representative program to station a full time VA employee at each educational institution where at least 500 veterans are enrolled; and contains other provisions. H.R. 12628 (S. 2784). P/H Feb. 19, 1974; P/S amended June 19, 1974; House requested conference June 26, 1974. (252)

ORDER FOR RECOGNITION OF ASSISTANT REPUBLICAN LEADER AND ASSISTANT DEMOCRATIC LEADER ON MONDAY, JULY 8, 1974, AND FOR A PERIOD FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday, July 8, 1974, after the two leaders or their designees have been recognized under the standing order, the assistant Republican leader be recognized for not to exceed 15 minutes, to be followed by the assistant Democratic leader for not to exceed 15 minutes; and that upon the conclusion of the two orders there be a period for the transaction of routine morning business of not to exceed 30 minutes, with statements limited therein to 5 minutes.

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

ADJOURNMENT UNTIL MONDAY, JULY 8, 1974

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the provisions of Senate Concurrent Resolution 96, that the Senate stand in adjournment until 12 o'clock noon, on Monday, July 8, 1974.

The motion was agreed to; and at 5:22 p.m., the Senate adjourned until Monday, July 8, 1974, at 12 o'clock noon.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 27, 1974:

DEPARTMENT OF STATE

Robert Stephen Ingersoll, of Illinois, to be Deputy Secretary of State.

Carlyle E. Maw, of New York, to be Under Secretary of State for Coordinating Security Assistance Programs.

NATIONAL RAILROAD PASSENGER CORPORATION

The following-named persons to be Members of the Board of Directors of the National Railroad Passenger Corporation for the terms indicated:

For a term of 2 years:
Charles Luna, of Texas.
Joseph V. MacDonald, of New York.
For a term of 3 years:
Frank S. Besson, Jr., of Virginia.
Mary J. Head, of Oklahoma.
For a term of 4 years:
Edward L. Ullman, of Washington.

The following-named persons to be members of the Board of Directors of the National Railroad Passenger Corporation for the terms indicated:

For a term of 3 years:
Donald P. Jacobs, of Illinois.
For a term of 4 years:
Robert Galbraith Dunlop, of Pennsylvania.

U.S. RAILWAY ASSOCIATION

The following-named persons to be members of the Board of Directors of the U.S. Railway Association for the terms indicated:

For a term of 2 years:
William W. Scranton, of Pennsylvania.
For a term of 4 years:
Gale B. Aydelott, of Colorado.
James E. Burke, of New Jersey.
For a term of 6 years:
Frank H. Blatz, Jr., of New Jersey.
Samuel B. Payne, of Massachusetts.
W. K. Smith, of Minnesota.

FEDERAL HOME LOAN BANK BOARD

Thomas R. Bomar, of Virginia, to be a member of the Federal Home Loan Bank Board for the term expiring June 30, 1978.

FEDERAL COMMUNICATIONS COMMISSION

The following-named persons to be members of the Federal Communications Commission for the terms indicated:

For the unexpired term of 7 years from July 1, 1968:
Abbott Washburn, of the District of Columbia.
For the unexpired term of 7 years from July 1, 1969:
Glen O. Robinson, of Minnesota.
For a term of 7 years from July 1, 1974:
Robert E. Lee, of the District of Columbia.

(The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

IN THE NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

National Oceanic and Atmospheric Administration nominations beginning Paul M. Duernberger, to be lieutenant commander, and ending David R. McKenzie, to be ensign, which nominations were received by the Senate and appeared in the Congressional Record on June 21, 1974.

HOUSE OF REPRESENTATIVES—*Thursday, June 27, 1974*

The House met at 10 o'clock a.m.

Father James W. McMurtrie, principal, Bishop Dennis J. O'Connell High School, Arlington, Va., offered the following prayer:

Let us pray:

Father, as we gather here today help us to be mindful that You have entrusted the world and all that is in it to the minds and hands of man. Our task is to tend it and develop it. This is the work of no one man but of many. This day, as these leaders come together to consider and care for the needs and desires of their fellow citizens, help them to consider them in this spirit. Help them to be mindful of the visions and hopes, both separate and collected, which first brought us together and made this a nation of greatness. Help these leaders to be responsible to the people; examples of goodness to all they serve. Give them the courage to remember that all we have and are ultimately comes from You. Help them to treat their duties and lives that way and us to give the respect and support they need and deserve.

We ask this through Christ our Lord. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed without