SENATE—*Wednesday, July 17, 1974*

The Senate met at 9:30 a.m. and was called to order by the Acting President pro tempore (Mr. METCALF).

PRAYER

Sister Joan Doyle, B.V.M., president, Sisters of Charity of the Blessed Virgin Mary, Mount Carmel Generalate, Dubuque, Iowa, offered the following prayer:

O God, in this still moment we acknowledge Your presence among us.

We remember with gratitude the gifts You have placed in our hands; the beauty of the Earth, the gift of life, the blessings of home and friendship, the riches of a land that "flows with milk and honey," a land shaped, strengthened, and continually gifted by its people.

We share the questionings and aspirations of all those who want to build a more human world, a world where hunger is no longer the daily fare, a world where peace prevails, a world where all may live in dignity and freedom.

We know ourselves, our frailties, our failures—failures which have often come in our energetic pursuit of good.

We ask Your help, O Lord, as we grapple with the awesome problems that fracture and fragment the people of the world. We ask for sensitivity to suffering and loneliness; for the ability to see the loveliness of all persons. We ask for light to discern what is good and just as we search, debate, and exchange ideas; for courage to act while remaining firm and faithful to a sacred trust.

May all our deeds this day and in the days to come call our sisters and brothers to liberation, to a new life, to a better world.

O God, in this still moment we lift our prayer to You. Amen.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Tuesday, July 16, 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 objections, it is so ordered.

SISTER JOAN DOYLE

Mr. MANSFIELD. Mr. President, at this time I yield to the distinguished Senator from Iowa (Mr. CLARK).

Mr. CLARK. I thank the distinguished majority leader.

Mr. President, I want to commend Sister Joan Doyle for her thoughtful and inspiring remarks at the opening of the Senate this morning. I am sure my colleagues join me in welcoming her and in expressing appreciation to her for serving as our guest Chaplain this morning.

Sister Joan is from Dubuque, Iowa, and she is president of the Sisters of Charity of the Blessed Virgin Mary at Mount Carmel in Dubuque, an order which includes 1,700 members.

Sister Joan's presence here today is indeed an historic occasion. This marks the first time that a Roman Catholic nun has offered the opening prayer in the Senate. It also is only the second time that a woman has done so—the first was the Reverend Wilamina Rowland in 1971, the Chaplain advises me.

I hope that it will not be 3 more years before a women again offers the prayer in the Senate—and that before long this body will hear regularly from women, not only delivering the opening prayer, but as Members of the Senate.

Thank you.

Mr. MANSFIELD. Mr. President, on behalf of the U.S. Senate, I wish to express our pleasure and gratification that Sister Joan Doyle, president of the Sisters of Charity, B.V.M., has delivered the opening prayer in the Senate today.

Sister Joan is the head of one of the outstanding religious orders in the United States. It is an order which has had a close, pleasant, and beneficial, association with the State of Montana, among other States, in the Union.

I am delighted that my distinguished colleague from Montana (Mr. METCALF) is presiding over the Senate on this auspicious occasion.

The Sisters of Charity is an order which is responsible for the founding and the continuation of one of the finest institutions of higher education in this country.

I can speak with some personal knowledge on that score, because I have visited the campus of Clarke College at Dubuque, Iowa, on a number of occasions. Even more important, my wife attended both high school and college at Clarke. She is the main reason, though not the only reason, why I think so highly of that institution. As a graduate of the Clarke High School and her years at the college, she is evidence of the excellence of the educational experience that is to be offered there and testimony to the high order, ability, and achievement which exists among the good Sisters of Charity.

The Sisters of Charity have walked in the path of the Lord and given sustenance, relief, and comfort to many of our people in many of our States. They are as they always have been, dedicated and devout. They are as they always have been, courageous and considerate.

It is a high honor for the Senate of the United States to have Sister Joan Doyle deliver the opening prayer. She is representative in her life and work of a great Christian religion, a great order, great college, and a great Nation.

Mr. HUGH SCOTT. Mr. President, will the distinguished majority leader yield?

Mr. MANSFIELD. I am delighted to yield.

Mr. HUGH SCOTT. Mr. President, I rise also to commend the distinguished Senator from Iowa (Mr. CLARK) for having proposed and made possible the appearance of Sister Joan Doyle here this morning. As he has said, it ought not to be 3 years more before we have other women preside over the Senate. I think that the gentler touch of womankind is needed for the opening session before we enter into the brutal contests of the day. We are most honored indeed that Sister Joan is here. We are honored by her personal presence, by the Sisters of Charity as an organization of which she is an outstanding representative, and by the fact that we have this opportunity to hear her splendidly constructed and compassionate religious appeal to the Deity on behalf of the Senate and the Nation.

I am bound to note, as a Philadelphian, that the first woman chaplain was from my city of Philadelphia in 1971, and I ask forgiveness for that bit of parochiality.

Mr. MANSFIELD. Mr. President, I must say that we would have been better off if we had more women of various denominations giving the opening prayer at the start of the proceedings of the Senate.

FOREIGN SERVICE RETIREMENT AMENDMENTS OF 1974

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendar No. 969, S. 1791.

The ACTING PRESIDENT pro tempore. The clerk will report.

The second assistant legislative clerk read as follows:

A bill (S. 1791) to amend title VIII of the Foreign Service Act of 1946, as amended, relating to the Foreign Service retirement and disability system, and for other purposes.

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

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Foreign Relations with amendments on page 1, in line 4, strike out "1973" and insert in lieu thereof "1974".

On page 5, beginning with line 7, insert:

CONFORMITY WITH CIVIL SERVICE RETIREMENT SYSTEM

SEC. 103. Immediately below section 804 of such Act add the following new section:

"AUTHORITY TO MAINTAIN EXISTING AREAS OF CONFORMITY BETWEEN CIVIL SERVICE AND FOREIGN SERVICE RETIREMENT SYSTEMS

"SEC. 805. (a) Whenever the President determines that it is appropriate for the purpose of maintaining conformity with respect to substantially identical provisions of the Civil Service Retirement and Disability Sys-

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tem and the Foreign Retirement and Disability System, he shall, within thirty days after the date of enactment of any amendment in the civil service system affecting its current or former participants or their survivors, transmit a message to both Houses of Congress on the same day and to each House while it is in session, containing a conforming change in the Foreign Service system. That change shall take effect as of the effective date of such amendment or such later date as may be specified by the President, unless a resolution disapproving the change is passed by either House within the first thirty calendar days of session, from the date of transmittal of the President's message, of that House in which any such resolution is proposed. If the President should determine that any amendment to the civil service system is inapplicable or unnecessary for the Foreign Service system, he shall transmit within thirty days after the date of enactment of such amendment a report to the Congress so indicating.

"(b) Any such conforming change shall have the force and effect of law and shall modify, supersede, or render inapplicable as the case may be, to the extent inconsistent therewith—

"(1) all provisions of law enacted prior to the effective date of the provision of the conforming change, and

"(2) any prior provision of a conforming change issued under authority of this section."

On page 6, at the beginning of line 19, strike out "103" and insert in lieu thereof "104".

On page 8, in line 21, strike out "1973" and insert in lieu thereof "1974".

On page 9, in line 12, strike out "104" and insert in lieu thereof "105".

On page 13, in line 12, strike out "105" and insert in lieu thereof "106".

On page 14, in line 16, strike out "106" and insert in lieu thereof "107".

On page 15, in line 15, strike out "107" and insert in lieu thereof "108".

On page 16, in line 2, after *"Provided"*, insert "That the annuity of a surviving spouse shall not be less than $2,400".

On page 17, in line 19, strike out "108" and insert in lieu thereof "109".

On page 18, in line 2, strike out "109" and insert in lieu thereof "110".

On page 21, beginning with line 11, insert:

"(i) Amounts deducted and withheld from basic salary of a participant under section 811 from the beginning of the first pay period after the participant has completed 35 years of service computed under sections 851 and 853, but excluding service for unused sick leave under paragraph (b) of section 851, together with interest on the amounts at the rate of 3 per centum a year compounded annually from the date of the deduction to the date of retirement or death, shall be applied toward any special contribution due under paragraph (d) of section 811, and any balance not so required shall be refunded in a lump sum to the participant after separation or, in the event of a death in Service, to a beneficiary in the order of precedence specified in paragraph (g) of this section."

On page 22, in line 2, strike out "110" and insert in lieu thereof "111".

On page 22, at the end of line 14, insert "performed after December 21, 1974,".

On page 22, in line 18, after the period, insert:

All service preformed for the Department of State or the United States Information Agency by a United States citizen grantee employed by any Binational Center referred to in paragraph 2(1) of Executive Order 11034 of June 25, 1962, as amended, shall be considered creditable for purposes of this section."

(c) Section 851 of such Act is further amended by adding the following new paragraphs at the end thereof:

On page 23, beginning with line 1, strike out:

"(c)(1) A participant who enters on approved leave without pay to serve as a full-time officer or employee of an organization composed primarily of Government employees may, within sixty days after entering on that leave without pay, file with the employing agency an election to receive full retirement credit for such periods of leave without pay and arrange to pay concurrently into the fund through the employing agency, amounts equal to the retirement deductions and agency contributions on the Foreign Service salary rate that would be applicable if the participant were in a pay status. If the election and all payments provided by this paragraph are not made for the periods of such leave without pay occurring after the effective date of this paragraph, the participant may not receive any credit for such periods of leave without pay occurring after such date.

And insert in lieu thereof:

"(c)(1) A participant who enters on approved leave without pay to serve as a full-time officer or employee of an organization composed primarily of Government employees may, within sixty days after entering on that leave without pay, file with the employing agency an election to receive either one-half credit or full credit toward retirement for such period of leave without pay. If full credit is elected, the participant shall arrange to pay concurrently into the Fund through the employing agency one-half the employee retirement deduction that would have applied if the participant were in a pay status. If one-half credit is elected, no deduction shall be required.

On page 24, in line 4, strike out "in accordance with section 811".

On page 24, in line 9, after the coma, insert "and shall be at one-half the regular contribution rate plus interest in accordance with section 811."

On page 24, in line 13, after "If", strike out "the deposit" and insert in lieu thereof "this contribution".

On page 24, in line 14, after "made," strike out "in full,".

On page 24, at the end of line 14, strike out "so much of the".

On page 25, in line 16, strike out "111" and insert in lieu thereof "112".

On page 26, in line 6, strike out "112" and insert in lieu thereof "113".

On page 27, beginning with line 9, insert:

REEMPLOYED ANNUITANTS

SEC. 114. Section 872(a) of such Act is amended by deleting the phrase "the basic salary such officer or employee was entitled to receive under section 412 or 415 of the Act, as amended, on date of his retirement from the Service." and substituting the following therefor: "the current basic salary authorized by section 412 or 415 of this Act for the class and step such officer occupied or was entitled to occupy on the date of his retirement."

On page 27, in line 19, strike out "113" and insert in lieu thereof "115".

On page 29, in line 2, strike out "114" and insert in lieu thereof "116".

On page 29, beginning with line 24, insert:

"(1) An annuity, except a deferred annuity under section 834 or any other section of this Act, payable from the fund to a participant who retires and receives an immediate annuity, or to a surviving spouse of a deceased participant who dies in Service or who dies after being separated under the provisions of section 634(b)(2), which has a commencing date after the effective date of the then last preceding annuity increase under paragraph (a) of this section shall not be less than the annuity which would have been payable if the commencing date of such annuity had been the effective date of the then last preceding annuity increase under such paragraph (a). In the administration of this subparagraph, the number of days of unused sick leave to an employee's or deceased employee's credit on the effective date of the then last preceding annuity increase under such paragraph (a) shall be deemed to be equal to the number of days of unused sick leave to his or her credit on the day of separation from the Service.

On page 30, in line 18, strike out "(1)" and insert in lieu thereof "(2)".

On page 30, in line 23, strike out "(2)" and insert in lieu thereof "(3)".

On page 31, in line 10, strike out "1973" and insert in lieu thereof "1974".

On page 31, at the beginning of line 15, insert "(A)".

On page 31, in line 15, after "or" insert "(B)".

On page 31, in line 22, strike out "115" and insert in lieu thereof "117".

On page 32, in line 1, strike out "Foreign Service Act".

On page 35, beginning with line 3, insert:

SEC. 206. (a) Section 704 of such Act is amended by adding the following subsections at the end thereof:

"(g) The Secretary shall certify to the United States Civil Service Commission the name and dates of service of each individual who performed service as a language instructor in the Institute under a non-personal-services contract before July 1, 1960, and who, subsequent to such service, performed service creditable under section 8332(b) of title 5, United States Code. Subject to the making of a deposit provided for under section 8334(c) of such title 5, the Commission shall accept the certification of the Secretary for the purpose of computing creditable service under section 8332(b) of such title 5."

(b) Section 8332(b) of title 5, United States Code, is amended—

(A) by striking out "and" at the end of paragraph (8);

(B) by striking out the period at the end of paragraph (9) and inserting in lieu thereof a semicolon and the word "and";

(C) by inserting immediately below paragraph (9) the following new paragraph:

"(10) subject to making a deposit provided for under section 8334(c) of this title, service performed after June 30, 1948, but prior to July 1, 1960, as a language instructor in the Foreign Service Institute, Department of State, under a non-personal-services contract, only if he later becomes subject to this subchapter"; and

(D) by inserting immediately after the fifth sentence thereof the following new sentence: "The Commission shall accept the certification of the Secretary of State con-

cerning service for the purpose of this subchapter of the type described in paragraph (10) of this subsection and performed by an employee."

(c) The amendments made by this section shall apply to individuals separated from Government service prior to, on, or after the date of enactment of this Act, and their survivors; but no annuity or survivor annuity, or increase in any such annuity shall be payable by reason of such amendments for any period prior to the first day of the first month which begins after the date of the enactment of this Act.

SEC. 207. Section 943 of such Act is amended by (A) inserting "(a)" immediately after 943 and (B) by adding the following subsection at the end thereof:

"(b) Until such time as retired Federal employees become eligible for physical examinations under a universal medical program applicable to United States citizens generally, officers and employees of the Service who are citizens of the United States and their spouses who were eligible for medical services under part E, title IX of the Foreign Service Act of 1946, as amended, at the time of the officer or employee's separation from Service, shall be entitled in accordance with such regulations as the Secretary may provide and commencing at age 50, to an annual routine physical examination at a United States Government facility: *Provided,* That the officer or employee was separated with entitlement to an immediate annuity under the Foreign Service or Civil Service retirement system or was separated by selection out under section 633 of the Foreign Service Act of 1946, as amended, or section 625(e) of the Foreign Assistance Act of 1961, as amended. A surviving spouse shall also be entitled to the benefits of this subsection if the officer or employee died in Service.

On page 38, in line 24, after the comma, strike out "That section 9(c) of such Act shall not apply until" and insert in lieu thereof "the transitional schedules contained in Public Law 90–494 will be preserved until September 30, 1975, and that section 9(c) of such Act shall not apply until".

On page 43, in line 10, strike out "procedure" and insert in lieu thereof "precedence".

On page 44, beginning with line 18, insert:

(1) Annuities which commenced between—

(1) the effective date of the last cost-of-living increase which became effective under section 882 of the Foreign Service Act of 1946, as amended, prior to the date of enactment of this Act, and

(2) such date of enactment—

shall be recomputed and, if necessary, adjusted retroactivity to their commencing dates to apply the provisions of new subparagraph (c) (1) added to section 882 of Foreign Service Act by section 116 of this Act."

On page 45, in line 3, strike out "(1)" and insert in lieu thereof "(m)".

On page 46, in line 2, strike out "amendment" and insert in lieu thereof "amendments".

On page 46, at the end of line 2, strike out "subsection (a)" and insert in lieu thereof "sections 202 and 203".

On page 46, beginning with line 8, insert:

(n) Section 103 shall be effective with respect to all amendments to the Civil Service Retirement and Disability System, enacted after January 1, 1974, except that transmittal by the President of any message or report on amendments to that subchapter enacted prior to the date of enactment of this Act shall be transmitted to the Congress within thirty days following the date of enactment of this Act.

(o) Section 114 shall be effective on the first day of the second month following enactment and shall apply to all Foreign Service annuitants then and thereafter employed by the Federal Government.

(p) Section 207, pertaining to physical examinations, applies to Foreign Service personnel already separated as well as to those who separate in the future.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the amendments be considered en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the amendments will be considered en bloc, and are agreed to en bloc.

The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and the third reading of the bill.

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

S. 1791

An act to amend title VIII of the Foreign Service Act of 1946, as amended, relating to the Foreign Service retirement and disability system, 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 "Foreign Service Retirement Amendments of 1974".

TITLE I—AMENDMENTS OF TITLE VIII OF FOREIGN SERVICE ACT

FOREIGN SERVICE STAFF PARTICIPATION

SEC. 101. (a) Section 803 of the Foreign Service Act of 1946 (22 U.S.C. 801–1159) is amended by adding the following subparagraph at the end of paragraph (a) thereof:

"(4) All Foreign Service Staff officers and employees appointed by the Secretary of State or the Director of the United States Information Agency with unlimited appointments."

(b) Section 803 of such Act is further amended by changing the reference at the end of subparagraph (b)(2) from "852(b)" to "811".

(c) Section 803 of such Act is further amended by deleting paragraph (c) thereof.

DEFINITIONS

SEC. 102. (a) The heading of section 804 of such Act is amended to read "DEFINITIONS".

(b) Section 804 of such Act is amended by deleting paragraph (a), the preface in paragraph (b), and subparagraphs (b) (1), (2), and (3) and substituting the following in lieu thereof immediately following the section number:

"When used in this title unless otherwise specified, the term—

"(a) 'Annuitant' means any person including a former participant or survivor who meets all requirements for an annuity from the fund under the provisions of this or any other Act and who has filed claim therefor.

"(b) 'Surviving spouse' means the surviving wife or husband of a participant or annuitant who, in the case of a death in Service or marriage after retirement, was married to the participant or annuitant for at least two years immediately preceding his or her death or is the parent of a child born of the marriage.

"(c) 'Child' except in section 841 means an unmarried child, under the age of eighteen years, or such unmarried child regardless of age who because of physical or mental disability incurred before age eighteen is incapable of self-support. In addition to the offspring of the participant, the term includes (i) an adopted child, (ii) a stepchild or recognized natural child who received more than one-half support from the participant, and (iii) a child who lived with and for whom a petition of adoption was filed by a participant, and who is adopted by the surviving spouse of the participant after the latter's death. 'Child' also means an unmarried student below the age of twenty-two years. For this purpose a child whose twenty-second birthday occurs before July 1 or after August 31 of a calendar year, and while a student is deemed to have become twenty-two years of age on the first day of July after that birthday.

"(d) 'Student' means a child regularly pursuing a full-time course of study or training in residence in a high school, trade school, technical or vocational institute, junior college, college, university, or comparable recognized educational institution. A child who is a student shall not be deemed to have ceased to be a student during any interim between school years, semesters, or terms if the interim or other period of nonattendance does not exceed five calendar months and if the child shows to the satisfaction of the Secretary that he or she has a bona fide intention of continuing to pursue such course during the school year, semester, or term immediately following the interim.

"(e) 'Military and naval service' means honorable active service—

"(A) in the Armed Forces of the United States;

"(B) in the Regular or Reserve Corps of the Public Health Service after June 30, 1960; or

"(C) as a commissioned officer of the National Oceanic and Atmospheric Administration or predecessor organization after June 30, 1961;

but does not include service in the National Guard except when ordered to active duty in the service of the United States."

(c) Section 804 of such Act is further amended (A) by renumbering present subparagraphs "(b) (4)", "(5)" and "(6)" as "(f)", "(g)" and "(i)", respectively and (B) by adding the following as a new paragraph immediately following renumbered paragraph (g):

"(h) 'Foreign Service normal cost' means the level percentage of payroll required to be deposited in the fund to meet the cost of benefits payable under the system (computed in accordance with generally accepted actuarial practice on an entry-age basis) less the value of retirement benefits earned under another retirement system for Government employees and less the cost of credit allowed for military service."

CONFORMITY WITH CIVIL SERVICE RETIREMENT SYSTEM

SEC. 103. Immediately below section 804 of such Act, add the following new section:

"AUTHORITY TO MAINTAIN EXISTING AREAS OF CONFORMITY BETWEEN CIVIL SERVICE AND FOREIGN SERVICE RETIREMENT SYSTEMS

"SEC. 805. (a) Whenever the President determines that it is appropriate for the purpose of maintaining conformity with respect to substantially identical provisions of the Civil Service Retirement and Disability System and the Foreign Retirement and Disability System, he shall, within thirty days after the date of enactment of any amendment in the civil service system affecting its current or former participants or their survivors, transmit a message to both Houses of Congress on the same day and to each House while it is in session, containing a conforming change in the Foreign Service system.

That change shall take effect as of the effective date of such amendment or such later date as may be specified by the President, unless a resolution disapproving the change is passed by either House within the first thirty calendar days of session, from the date of transmittal of the President's message, of that House in which any such resolution is proposed. If the President should determine that any amendment to the civil service system is inapplicable or unnecessary for the Foreign Service system, he shall transmit within thirty days after the date of enactment of such amendment a report to the Congress so indicating.

"(b) Any such conforming change shall have the force and effect of law and shall modify, supersede, or render inapplicable as the case may be, to the extent inconsistent therewith—

"(1) all provisions of law enacted prior to the effective date of the provision of the conforming change, and

"(2) any prior provision of a conforming change issued under authority of this section."

CONTRIBUTIONS

SEC. 104. (a) The heading of part B of title VIII of such Act is amended to read "CONTRIBUTIONS TO THE FUND".

(b) Section 811 of such Act is amended by adding the following paragraphs at the end thereof:

"(c)(1) If an officer or employee under another retirement system for Government employees becomes a participant in the System by direct transfer, such officer or employee's total contributions and deposits that would otherwise be refundable on separation including interest accrued thereon, except voluntary contributions, shall be transferred to the Fund effective as of the date such officer or employee becomes a participant in the System. Each such officer or employee shall be deemed to consent to the transfer of such funds and such transfer shall be a complete discharge and acquittance of all claims and demands against the other Government retirement fund on account of service rendered prior to becoming a participant in the System.

"(2) No officer or employee, whose contributions are transferred to the Fund in accordance with the provisions of paragraph (c)(1) of this section, shall be required to make contributions in addition to those transferred, for periods of service for which required contributions were made to the other Government retirement fund, nor shall any refund be made to any such officer or employee on account of contributions made during any period to the other Government retirement fund, at a higher rate than that fixed by paragraph (d) of this section.

"(d) Any participant credited with civilian service after July 1, 1924 (1) for which, for any reason whatsoever, no retirement contributions, deductions, or deposits have been made, or (2) for which a refund of such contributions, deductions, or deposits has been made which has not been redeposited, may make a special contribution to the Fund equal to the following percentages of basic salary received for such services:

Service	Percent of basic salary
From July 1, 1924, to October 15, 1960, inclusive	5
From October 16, 1960, to December 31, 1969, inclusive	6½
On and after January 1, 1970	7

Notwithstanding the foregoing, a deposit for prior nondeposit service as a National Guard technician which would be creditable under subchapter III, chapter 83, title 5, of the United States Code toward civil service retirement and for which a special contribution has not been made, shall be equal to the deposit for such service computed in accordance with the above schedule multiplied by the percentage of such service that is creditable under section 851. Special contributions shall include interest computed from the midpoint of each service period included in the computation, or from the date refund was paid, to the date of deposit or commencing date of annuity, whichever is earlier. Interest shall be compounded at the rate of 4 per centum per annum to December 31, 1974, and as 3 per centum per annum thereafter. No interest shall be charged on special contributions made after the date of enactment of the Foreign Service Retirement Amendments of 1974 for any period of separation from Government service which began before October 1, 1956. Special contributions may be paid in installments when authorized by the Secretary.

"(e) For purposes of a survivor annuity, a survivor of a deceased participant or annuitant may make a special contribution.

"(f) No contributions shall be required for any periods of military or naval service.

"(g) A participant or survivor may make a special contribution any time before receipt of annuity and may authorize payment by offset against initial annuity accruals."

COMPUTATION OF ANNUITIES

SEC. 105. (a) The heading of part C of title VIII of such Act is amended to read "COMPUTATION AND PAYMENT OF ANNUITIES".

(b) Paragraph (a) of section 821 of such Act is amended (A) by striking the phrase "for which full contributions have been made to the Fund" each time it appears and by striking the commas immediately preceding and following such phrase the first time it appears. (B) by striking ", 852" and (C) by adding the following sentence at the end: "The annuity shall be reduced by 70 per centum of any special contribution described in section 811(d) due for service for which no contributions were made and remaining unpaid unless the participant elects to eliminate the service involved for purposes of annuity computation."

(c) Paragraph (b) of section 821 of such Act is amended to read as follows:

"(b) (1) Unless elected in writing to the contrary at the time of retirement, any married participant shall receive a reduced annuity and provide a maximum survivor annuity for his or her spouse. Such a participant's annuity or any portion thereof designated in writing by the participant as the base for the survivor benefit shall be reduced by 2½ per centum of the first $3,600 plus 10 per centum of any amount over $3,600. If an annuitant entitled to receive a reduced annuity under this paragraph dies and is survived by a spouse, a survivor annuity shall be paid to the surviving spouse equal to 55 per centum of the full amount of the participant's annuity computed under paragraph (a) of this section, or by 55 per centum of any lesser amount the annuitant designated at the time of retirement as the base for the survivor benefit.

"(2) An annuity payable from the fund to a surviving spouse shall commence on the day after the annuitant dies and shall terminate on the last day of the month before the survivor's (A) remarriage prior to attaining age sixty or (B) death. If a survivor annuity is terminated because of remarriage under (A) above, it shall be restored at the same rate commencing on the date such remarriage is terminated provided any lump sum paid upon termination of the annuity is returned to the fund."

(d) Paragraph (d) of section 821 of such Act is amended by adding the following sentence at the end: "If the annuity to a surviving child is initiated or resumed, the annuities of any other children shall be recomputed and paid as though the annuity to such child had never been discontinued."

(e) Paragraph (e) of section 821 of such Act is amended to read as follows:

"(e) The annuity payable to a child under paragraph (c) or (d) of this section shall begin on the day after the participant dies or if the child is not then qualified, on the first day of the month in which the child becomes or again becomes a student. A child's annuity shall terminate on the last day of the month which precedes the month in which eligibility ceases."

(f) Paragraph (f) of section 821 of such Act is amended by (A) changing "50" to "55" in the first sentence and (B) changing the last sentence to read as follows: "The annuity payable to a beneficiary under the provisions of this paragraph shall begin on the day after the annuitant dies and shall terminate on the last day of the month preceding the survivor's death."

(g) Section 821 of such Act is further amended by adding the following new paragraphs at the end:

"(g) An annuitant who was unmarried at retirement and who later marries may, within one year after such marriage, irrevocably elect in writing a reduced annuity with benefit to any surviving spouse who qualifies under section 804(b). The reduction in annuity shall be effective the first day of the month after notice of the election is received by the Secretary. Receipt by the Secretary of notice of an election under this paragraph voids prospectively any election previously made under paragraph (f). The reduction in annuity required by an election under this paragraph shall be computed and the amount of the survivor annuity shall be determined as if the election were made under paragraph (b)(1). The annuity reduction or recomputation shall be effective the first day of the month after notice of the election is received by the Secretary.

"(h) A surviving spouse shall not become entitled to a survivor annuity or to the restoration of a survivor annuity payable from the fund unless the survivor elects to receive it instead of any other survivor annuity to which he or she may be entitled under this or any other retirement system for Government employees.

"(i) Any married annuitant who reverts to retired status with entitlement to a supplemental annuity under section 871 shall, unless the annuitant elects in writing to the contrary at that time, have the supplemental annuity reduced by 10 per centum to provide a supplemental survivor annuity for his or her spouse. Such supplemental survivor annuity shall be equal to 55 per centum of the annuitant's supplemental annuity and shall be payable to a surviving spouse to whom the annuitant was married at the time of reversion to retired status or to whom the annuitant had been married for at least two years at the time of death or who is the parent of a child born of the marriage."

PAYMENT OF ANNUITIES

SEC. 106. Part C of title VIII of such Act is further amended by adding the following new section at the end:

"SEC. 822. (a) Except as otherwise provided, the annuity of a participant who has met the eligibility requirements for annuity shall commence on the day after separation from the Service or on the day after pay ceases. The annuity of a former participant who is entitled to a deferred annuity under section 834 or under any other section of this Act shall begin on the day he or she reaches age sixty.

"(b) The annuity to a survivor shall become effective as otherwise specified but shall not be paid until the survivor submits an application therefor supported by such proof of eligibility as the Secretary may require. If such application or proof of eligi-

bility is not submitted during an otherwise eligible person's lifetime, no annuity shall be due or payable to his or her estate.

"(c) An individual entitled to annuity from the fund may decline to accept all or any part of the annuity by submitting a signed waiver to the Secretary. The waiver may be revoked in writing at any time. Payment of the annuity waived may not be made for the period during which the waiver was in effect.

"(d) Recovery of overpayments under this title may not be made from an individual when, in the judgment of the Secretary, the individual is without fault and recovery would be against equity and good conscience."

DISABILITY ANNUITIES—TECHNICAL CHANGE

SEC. 107. Section 831 of such Act is amended (A) by striking the phrase "that is credited in accordance with provisions of section 851 or 852(a)(2)" from paragraph (a) thereof; (B) by striking "(a)" following "section 841" in paragraph (c) thereof; (C) by amending paragraph (d) thereof to read as follows: "(d) No participant shall be entitled to receive an annuity under this Act and compensation for injury or disability to himself or herself under subchapter I of chapter 81, title 5, United States Code, covering the same period of time except that a participant may simultaneously receive both an annuity under this section and scheduled disability payments under section 8107 of title 5, United States Code. This provision shall not bar the right of any claimant to the greater benefit conferred by either this Act or such subchapter for any part of the same period of time. Neither this provision nor any provision of such subchapter shall be so construed as to deny the right of any participant to receive an annuity under this Act and to receive concurrently any payment under such subchapter by reason of the death of any other person."; and (D) by striking the phrase "section 14 of the Act of September 16, 1916, as amended" from paragraph (e) thereof and substituting "5 U.S.C. 8135" in lieu thereof.

DEATH IN SERVICE

SEC. 108. (a) Section 832 of such Act is amended by revising paragraphs (a), (b), (c), and (d) to read as follows:

"(a) In case a participant dies and no claim for annuity is payable under the provisions of this Act, the lump-sum credit shall be paid in accordance with section 841.

"(b) If a participant who has at least eighteen months of civilian service credit toward retirement under the System dies before separation or retirement from the Service and is survived by a spouse, such surviving spouse shall be entitled to an annuity equal to 55 per centum of the annuity computed in accordance with the provisions of paragraph (e) of this section and of section 821(a): *Provided,* That the annuity of a surviving spouse shall not be less than $2,400.

"(c) If a participant who has at least eighteen months of civilian service credit toward retirement under the system dies before separation or retirement from the Service and is survived by a wife or a husband and a child or children, each surviving child shall be entitled to an annuity computed in accordance with paragraphs (c)(1) and (d) of section 821.

"(d) If a participant who has at least eighteen months of civilian service credit toward retirement under the system dies before separation or retirement from the Service and is not survived by a wife or husband, but by a child or children, each surviving child shall be entitled to an annuity computed in accordance with paragraphs (c) (2) and (d) of section 821."

(b) Section 832 of this Act is further amended by adding the following new paragraphs at the end:

"(f) If an annuitant who elected a reduced annuity dies in Service after being recalled under section 520(b) and is survived by a spouse entitled to a survivor annuity based on such an election, such survivor annuity shall be computed as if the recall service had otherwise terminated on the day of death and the deceased's annuity had been resumed in accordance with section 871. If such a death occurs after the annuitant has completed sufficient recall service to attain eligibility for a supplemental annuity, a surviving spouse, in addition to any other benefits, shall be entitled to a supplemental survivor annuity computed under section 821(1) as if the recall service had otherwise terminated. If the annuitant had completed sufficient recall service to attain eligibility to have his or her annuity determined anew, a surviving spouse may elect, in lieu of any other benefit under this title, to have the annuitant's rights redetermined and to receive a survivor annuity computed under paragraph (b) of this section on the basis of the annuitant's total service.

"(g) Annuities that become payable under this section shall commence, terminate, and be resumed in accordance with paragraphs (b)(2) or (e) of section 821, as appropriate."

DISCONTINUED SERVICE—TECHNICAL CHANGE

SEC. 109. Section 834 of such Act is amended (A) by striking "(a)" immediately following "SEC. 834."; (B) by striking the phrase "that is credited in accordance with the provisions of section 851 or 852(a)(2)" from the first paragraph thereof; and (C) by deleting paragraph (b) thereof.

LUMP-SUM PAYMENTS

SEC. 110. Part E of title VIII of such Act is amended to read as follows:

"PART E—LUMP-SUM PAYMENTS

"SEC. 841. (a) 'Lump-sum credit' as used in this title means the compulsory and special contributions to a participant's or former participant's credit in the Fund plus interest thereon compounded at 4 per centum per annum to the date of separation or December 31, 1974, whichever is earlier, and after such date for a participant who separates from the Service after completing at least one year of civilian service and before completing five years of such service, at the rate of 3 per centum per annum to the date of separation. Interest shall not be paid for a fractional part of a month in the total service or on compulsory and special contributions from an annuitant for recall service or other service performed after the date of separation which forms the basis for annuity.

"(b) Whenever a participant becomes separated from the Service without becoming eligible for an annuity or a deferred annuity in accordance with the provisions of this Act, the lump-sum credit shall be paid to the participant.

"(c) Whenever an annuitant becomes separated from the Service following a period of recall service without becoming eligible for a supplemental or recomputed annuity under section 871, the annuitant's compulsory contributions to the fund for such service together with any special contributions the annuitant may have made for other service performed after the date of separation from the Service which forms the basis for annuity, shall be returned without interest.

"(d) If all annuity rights under this title based on the service of a deceased participant or annuitant terminate before the total annuity paid equals the lump-sum credit, the difference shall be paid in the order of precedence shown in paragraph (g) of this section.

"(e) If a participant or former participant dies and is not survived by a person eligible for an annuity under this title or by such a person or persons all of whose annuity rights terminate before a claim for survivor annuity is filed, the lump-sum credit shall be paid in accordance with paragraph (g) of this section.

"(f) If an annuitant who was a former participant dies, annuity accrued and unpaid, shall be paid in accordance with paragraph (g) of this section.

"(g) Payments authorized in paragraphs (d) through (f) of this section shall be paid in the following order of precedence to such person or persons surviving the participant and alive on the date entitlement to the payment arises, upon the establishment of a valid claim therefor, and such payment shall be a bar to recovery by any other person:

"(1) To the beneficiary or beneficiaries last designated by the participant before or after retirement in a signed and witnessed writing received by the Secretary prior to the participant's death. For this purpose a designation, change, or cancellation of beneficiary in a will or other document not so executed and filed shall have no force or effect;

"(2) If there be no such beneficiary, to the surviving wife or husband of such participant;

"(3) If none of the above, to the child or children of such participant (including adopted and natural children but not stepchildren) and descendants of deceased children by representation;

"(4) If none of the above, to the parents of such participant or the survivor of them;

"(5) If none of the above, to the duly appointed executor or administrator of the estate of such participant;

"(6) If none of the above, to other next of kin of such participant as may be determined in the judgment of the Secretary to be legally entitled thereto except that no payment shall be made pursuant to this subparagraph until after the expiration of thirty days from the death of the participant or annuitant.

"(h) Annuity accrued and unpaid on the death of a survivor annuitant shall be paid in the following order of precedence, and the payment bars recovery by any other person: First, to the duly appointed executor or administrator of the estate of the survivor annuitant; second, if there is no such executor or administrator, payment may be made, after the expiration of thirty days from the date of death of such survivor annuitant, to such person as may be determined by the Secretary to be entitled under the laws of the survivor annuitant's domicile at the time of death.

"(i) Amounts deducted and withheld from basic salary of a participant under section 811 from the beginning of the first pay period after the participant has completed 35 years of service computed under sections 851 and 853, but excluding service for unused sick leave under paragraph (b) of section 851, together with interest on the amounts at the rate of 3 per centum a year compounded annually from the date of the deduction to the date of retirement or death, shall be applied toward any special contribution due under paragraph (d) of section 811, and any balance not so required shall be refunded in a lump sum to the participant after separation or, in the event of a death in Service, to a beneficiary in the order of precedence specified in paragraph (g) of this section."

CREDITABLE SERVICE

SEC. 111. (a) The heading of section 851 of such Act is amended to read as follows: "CREDITABLE SERVICE".

(b) Paragraph (a) of section 851 of such Act is amended to read as follows:

"(a) Except as otherwise specified by law, all periods of civilian and military service and periods of absence and separation therefrom completed by a participant through the date of final separation from the Service that would be creditable, as determined by the Secretary, under section 8332 of title 5, United States Code, toward retirement under the civil service retirement and disability system, if performed by an employee under

that system, shall be creditable for purposes of this title. Conversely, any such service performed after December 31, 1974, that is not creditable under specified conditions under section 8332 of title 5, United States Code, shall be excluded under this title under the same conditions. All service performed for the Department of State or the United States Information Agency by a United States citizen grantee employed by any Binational Center referred to in paragraph 2(1) of Executive Order 11034 June 25, 1962, as amended, shall be considered creditable for purposes of this section."

(c) Section 851 of such Act is further amended by adding the following new paragraphs at the end thereof:

"(c)(1) A participant who enters on approved leave without pay to serve as a full-time officer or employee of an organization composed primarily of Government employees may, within sixty days after entering on that leave without pay, file with the employing agency an election to receive either one-half credit or full credit toward retirement for such period of leave without pay. If full credit is elected, the participant shall arrange to pay concurrently into the Fund through the employing agency one-half the employee retirement deduction that would have applied if the participant were in a pay status. If one-half credit is elected, no deduction shall be required.

"(2) A participant may make a special contribution for any period or periods of approved leave without pay while serving, before the effective date of this paragraph, as a full-time officer or employee of an organization composed primarily of Government employees. Any such contribution shall be based upon the suspended Foreign Service salary rate, and shall be at one-half the regular contribution rate plus interest in accordance with section 811. A participant who makes such a contribution shall be allowed full retirement credit for the period or periods of leave without pay. If this contribution is not made, retirement credit shall be allowed for periods of leave without pay, as do not exceed six months in the aggregate in any calendar year.

"(d) A participant who has received a refund of retirement contributions (which has not been repaid) under this or any other retirement system for Government employees covering service which may be creditable, may make a special contribution for such service pursuant to section 811. Credit may not be allowed for service covered by the refund unless the special contribution is made.

"(e) No credit in annuity computation shall be allowed for any period of civilian service during which a participant was covered under another retirement system for Government employees unless (1) the right to any annuity under the other system which is based on such service is waived and (2) a special contribution is made covering such service pursuant to section 811.

"(f) A participant who during the period of a war, or of a national emergency as proclaimed by the President or declared by the Congress, leaves the Service to enter the military service is deemed, for the purpose of this title, as not separated from the Service unless the participant applies for and receives a lump-sum payment under section 841. However, the participant is deemed to be separated from the Service after the expiration of five years of such military service."

FUNDING NORMAL COST

SEC. 112. Section 865 of such Act is amended (A) by inserting "(a)" immediately after "SEC. 865." and (B) by adding the following new paragraph at the end thereof:

"(b) At the end of each fiscal year, the Secretary shall notify the Secretary of the Treasury of the amount of the Foreign Service normal cost for that year which was not met by contributions under section 811(a). Before closing the accounts for that year, the Secretary of the Treasury shall credit such amount to the Fund as a Government contribution out of any money in the Treasury of the United States not otherwise appropriated. The Secretary shall report to the President and to the Congress the sums credited to the fund under this section."

ANNUITY ADJUSTMENT FOR RECALL SERVICE

SEC. 113. Section 871 of such Act is amended to read as follows:

"SEC. 871. Any annuitant recalled to duty in the Service in accordance with the provisions of section 520(b) shall, while so serving, be entitled in lieu of annuity to the full salary of the class in which serving. During such service, the recalled annuitant shall make contributions to the fund in accordance with the provisions of section 811. On the day following termination of the recall service, the former annuity shall be resumed adjusted by any cost-of-living increases under section 882 that became effective during the recall period. If the recall service lasts less than one year, the annuitant's contributions to the fund during recall service shall be refunded in accordance with section 841. If the recall service lasts more than one year, the annuitant may, in lieu of such refund, elect a supplemental annuity computed under section 821 on the basis of service credit and average salary earned during the recall period irrespective of the number of years of service credit previously earned. If the recall service continues for at least five years, the annuitant may elect, in lieu of having his or her former annuity resumed and supplemented as provided in this paragraph, to have his or her annuity determined anew under section 821. Any annuitant who is recalled under section 520(b) may, upon written application, count as recall service any prior service that is creditable under section 851 that was performed after the separation upon which his or her annuity is based."

REEMPLOYED ANNUITANTS

SEC. 114. Section 872(a) of such Act is amended by deleting the phrase "the basic salary such officer or employee was entitled to receive under section 412 or 415 of the Act, as amended, on date of his retirement from the Service." and substituting the following therefor: "the current basic salary authorized by section 412 or 415 of this Act for the class and step such officer occupied or was entitled to occupy on the date of his retirement."

VOLUNTARY CONTRIBUTIONS

SEC. 115. (a) Amend paragraph (a) of section 881 of such Act by deleting the portion of such paragraph that precedes subparagraph (1) thereof and substitute the following in lieu thereof:

"(a) The voluntary contribution account shall be the sum of unrefunded amounts heretofore voluntarily contributed by any participant or former participant under this section or under a prior corresponding provision of law, plus interest compounded at the rate of 3 per centum per annuam to date of separation from the Service or in case of a participant or former participant separated with entitlement to a deferred annuity to the date the voluntary contribution account is claimed, or to the commencing date fixed for the deferred annuity or to the date of death, whichever is earlier. A participant's or former participant's account shall, effective on the date the participant becomes eligible for an annuity or a deferred annuity and at the participant's election, be—"

(b) Section 881 of such Act is further amended by deleting paragraphs (c) and (d) thereof and by adding the following new paragraph in lieu thereof:

"(c) A voluntary contribution account shall be paid in a lump sum following receipt of an application therefor from a present or former participant provided application is filed prior to payment of any additional annuity. If not sooner paid, the account shall be paid at such time as the participant separates from the Service for any reason without entitlement to an annuity, or a deferred annuity or at such time as a former participant dies or withdraws compulsory contributions to the fund. In case of death, the account shall be paid in the order of precedence specified in section 841(g)."

COST-OF-LIVING ADJUSTMENTS

SEC. 116. (a) Paragraphs (a), (b), and (c) of section 882 of such Act are amended to read as follows:

"(a) A cost-of-living annuity increase shall become effective under this section on the effective date of each such increase under section 8340(b) of title 5, United States Code, as amended. Each such increase shall be applied to each annuity payable from the Fund which has a commencing date not later than the effective date of the increase.

"(b) The first annuity increase under this section after the effective date of this paragraph shall equal 1 per centum plus the per centum rise in the price index, adjusted to the nearest one-tenth of 1 per centum, between the month last used to establish an increase under this section and the base month used to establish the concurrent increase under section 8340(b) of title 5, United States Code, as amended. Each subsequent annuity increase under this section shall be identical to the corresponding percentage increase under section 8340(b) of title 5, United States Code, as amended.

"(c) Eligibility for an annuity increase under this section shall be governed by the commencing date of each annuity payable from the Fund as of the effective date of an increase except as follows:

"(1) An annuity, except a deferred annuity under section 834 or any other section of this Act, payable from the fund to a participant who retires and receives an immediate annuity, or to a surviving spouse of a deceased participant who dies in Service or who dies after being separated under the provisions of section 634(b)(2), which has a commencing date after the effective date of the then last preceding annuity increase under paragraph (a) of this section shall not be less than the annuity which would have been payable if the commencing date of such annuity had been the effective date of the then last preceding annuity increase under such paragraph (a). In the administration of this subparagraph, the number of days of unused sick leave to an employee's or decreased employee's credit on the effective date of the then last preceding annuity increase under such paragraph (a) shall be deemed to be equal to the number of days of unused sick leave to his or her credit on the day of separation from the Service.

"(2) Effective from its commencing date, an annuity payable from the Fund to an annuitant's survivor, except a child entitled under section 821(c) or 832 (c) or (d) shall be increased by the total per centum increase the annuitant was receiving under this section at death.

"(3) For purposes of computing or recomputing an annuity to a child under section 821 (c) or (d) or 832 (c) or (d), the items $900, $1,080, $2,700 and $3,240 appearing in section 821(c) shall be increased by the total per centum increases by which corresponding amounts are being increased under 5 U.S.C. 8340 on the date the child's annuity becomes effective."

(b) Section 882 of such Act is further amended by adding the following new paragraph at the end thereof:

"(f) Effective with the first day of the second month which begins after the date of enactment of the Foreign Service Retirement Amendments of 1974 or on the com-

mencing date of an annuity whichever is later, the annuity of each surviving spouse whose entitlement to annuity resulted from the death—

"(1) before enactment of the said amendments, of (A) a participant or (B) a former participant entitled to benefits under section 634(b); or (2) of an annuitant who, prior to enactment of the said amendments, elected a reduced annuity under this or any other Act in order to provide a spouse's survivor annuity—

is increased by 10 per centum."

REPEALS

SEC. 117. Such Act is further amended by deleting sections 833, 852, and 854 and the headings thereto.

TITLE II—OTHER AMENDMENTS

RECALL

SEC. 201. (a) The heading of section 520 of such Act is amended to read "REAPPOINTMENT AND RECALL".

(b) Paragraph (b) of section 520 of such Act is amended to read as follows:

"(b) Whenever the Secretary determines it to be in the public interest, any retired officer or employee of the Service may be recalled for active duty on a temporary or limited basis to any appropriate class in his or her former category, except that a retired Foreign Service officer may not be recalled to a class higher than he or she held at the time of retirement."

RETIREMENT OF CAREER AMBASSADORS

SEC. 202. Section 631 and the heading thereto of such Act are amended to read as follows:

"FOREIGN SERVICE OFFICERS WHO ARE CAREER AMBASSADORS

"SEC. 631. Any Foreign Service officer who is a career ambassador, other than one occupying a position as chief of mission or any other position to which appointed by the President, by and with the advice and consent of the Senate, shall be retired from the Service at the end of the month in which the officer reaches age sixty-five and receives retirement benefits in accordance with the provisions of section 821, but whenever the Secretary shall determine it to be in the public interest, such an officer may be retained on active service for a period not to exceed five years. Any such officer who completes a period of authorized service after reaching age sixty-five shall be retired at the end of the month in which such service is completed."

RETIREMENT OF PARTICIPANTS WHO ARE NOT CAREER AMBASSADORS

SEC. 203. Section 632 and the heading thereto of such Act are amended to read as follows:

"PARTICIPANTS IN THE FOREIGN SERVICE RETIREMENT AND DISABILITY SYSTEM WHO ARE NOT CAREER AMBASSADORS

"SEC. 632. Any participant in the Foreign Service Retirement and Disability System, other than one occupying a position as chief of mission or any other position to which appointed by the President, by and with the advice and consent of the Senate, who is not a career ambassador shall be retired from the Service at the end of the month in which the participant reaches age sixty and receive retirement benefits in accordance with the provisions of section 821, but whenever the Secretary shall determine it to be in the public interest, such a participant may be retained on active service for a period not to exceed five years. Any such participant who completes a period of authorized service after reaching age sixty shall be retired at the end of the month in which such service is completed."

SELECTION-OUT BENEFITS—TECHNICAL CHANGE

SEC. 204. Paragraph (b) of section 634 of such Act is amended by striking from subparagraph (2) thereof:

(A) ", with interest" after the words "Disability Fund" the first time the latter appears;

(B) "(a)" after "section 841" the first time the latter appears;

(C) "that is credited in accordance with the provisions of section 851 or 852(a)" after "naval service";

(D) ", with interest as provided in section 841(a)," after "Disability Fund" the last time the latter appears; and

(E) "(b)" after "section 841" the last time the latter appears.

SEPARATION FOR CAUSE—TECHNICAL CHANGE

SEC. 205. Section 637 of such Act is amended by striking from the first sentence of paragraph (b) thereof—

(A) ", with interest" after "Disability Fund";

(B) "(a)" after "section 841"; and

(C) "that is credited in accordance with the provisions of section 851 or 852(a)" after "naval service". Such paragraph (b) is further amended by striking the last sentence thereof in its entirety.

SEC. 206. (a) Section 704 of such Act is amended by adding the following subsections at the end thereof:

"(g) The Secretary shall certify to the United States Civil Service Commission the name and dates of service of each individual who performed service as a language instructor in the Institute under a non-personal-services contract before July 1, 1960, and who, subsequent to such service, performed service creditable under section 8332 (b) of title 5, United States Code. Subject to the making of a deposit provided for under section 8334(c) of such title 5, the Commission shall accept the certification of the Secretary for the purpose of computing creditable service under section 8332(b) of such title 5."

(b) Section 8332(b) of title 5, United States Code, is amended—

(A) by striking out "and" at the end of paragraph (8);

(B) by striking out the period at the end of paragraph (9) and inserting in lieu thereof a semicolon and the word "and";

(C) by inserting immediately below paragraph (9) the following new paragraph:

"(10) subject to making a deposit provided for under section 8334(c) of this title, service performed after June 30, 1948, but prior to July 1, 1960, as a language instructor in the Foreign Service Institute, Department of State, under a non-personal-services contract, only if he later becomes subject to this subchapter"; and

(D) by inserting immediately after the fifth sentence thereof the following new sentence: "The Commission shall accept the certification of the Secretary of State concerning service for the purpose of this subchapter of the type described in paragraph (10) of this subsection and performed by an employee."

(c) The amendments made by this section shall apply to individuals separated from Government service prior to, on, or after the date of enactment of this Act, and their survivors; but no annuity or survivor annuity, or increase in any such annuity shall be payable by reason of such amendments for any period prior to the first day of the first month which begins after the date of the enactment of this Act.

SEC. 207. Section 943 of such Act is amended by (A) inserting "(a)" immediately after 943 and (B) by adding the following subsection at the end thereof:

"(b) Until such time as retired Federal employees become eligible for physical examinations under a universal medical program applicable to United States citizens generally, officers and employees of the Service who are citizens of the United States and their spouses who were eligible for medical services under part E, title IX of the Foreign Service Act of 1946, as amended, at the time of the officer or employee's separation from Service, shall be entitled in accordance with such regulations as the Secretary may provide and commencing at age 50, to an annual routine physical examination at a United States Government facility: *Provided*, That the officer or employee was separated with entitlement to an immediate annuity under the Foreign Service or Civil Service retirement system or was separated by selection out under section 633 of the Foreign Service Act of 1946, as amended, or section 625(e) of the Foreign Assistance Act of 1961, as amended. A surviving spouse shall also be entitled to the benefits of this subsection if the officer or employee died in Service."

TITLE III—TEMPORARY AND TRANSITIONAL PROVISIONS

CONVERSION TO FOREIGN SERVICE RETIREMENT SYSTEM

SEC. 301. (a) In accordance with such regulations as the President may prescribe, all Foreign Service staff officers and employees with unlimited appointments who (a) have been appointed by the Secretary of State or the Director, United States Information Agency, and (b) are participants in the Civil Service Retirement and Disability System on the effective date of this section, shall be transferred to the Foreign Service Retirement and Disability System effective on such date. Their retirement contributions shall be transferred in accordance with section 811 of the Foreign Service Act of 1946, as amended, by this Act.

(b) Mandatory retirement at age 60 as prescribed in section 632 of the Foreign Service Act of 1946, as amended, shall not apply to any Foreign Service staff officer or employee appointed by the Secretary of State who becomes a participant in the Foreign Service Retirement and Disability System pursuant to paragraph (a) of this section until such officer or employee completes ten years of continuous service in the Foreign Service of the Department of State, exclusive of military service.

(c) Any Foreign Service staff officer or employee appointed by the Director of the United States Information Agency who becomes a participant in the Foreign Service Retirement and Disability System under paragraph (a) of this section, shall, for purposes of determining the date of mandatory retirement under section 9(c) of the Act of August 20, 1968 (82 Stat. 812), be deemed to have become a participant pursuant to section 9(b) of such Act: *Provided*, That the transitional schedules contained in Public Law 90-494 will be preserved until September 30, 1975, and that section 9(c) of such Act shall not apply until such an officer or employee completes ten years of continuous service, exclusive of military service, in the Foreign Service of the United States Information Agency.

(d) Any Foreign Service staff officer or employee who becomes a participant in the Foreign Service Retirement and Disability System pursuant to paragraph (a) of this section who is age fifty-seven or over on the effective date of this section may retire voluntarily at any time prior to mandatory retirement and receive retirement benefits under section 821 of the Foreign Service Act of 1946, as amended.

(e) Section 9(b) of the Act of August 20, 1968 (82 Stat. 812), is repealed on the effective date of this section.

GRANTS TO CERTAIN WIDOWS AND SURVIVOR ANNUITY ELECTIONS

SEC. 302. (a) A Foreign Service annuitant who was married at the time of retirement, whose service terminated prior to October 16, 1960, and who has not elected any survivor benefit, may, within one hundred and twenty days after the date of enactment of this Act, elect a reduction in his or her annuity of $300 per annum and provide survivor benefit of $2,400 per annum payable to the annuitant's surviving spouse provided the marriage had been in effect for at least two years at

the time of death or resulted in the birth of a child. The survivor annuity shall commence, terminate, and be resumed as if it had been elected under section 821(b) of the Foreign Service Act of 1946, as amended by this Act.

(b) An annuitant who makes an election under paragraph (a) of this section shall pay into the Foreign Service Retirement and Disability Fund an amount equal to $25 times the number of full months between the commencing date of his or her annuity and the first of the month following receipt of notice of the election by the Secretary of State. This amount may be paid into said Fund by deduction from annuity in multiples of $25 per month. The annuity reduction under paragraph (a) of this section and the deduction under this paragraph shall commence effective the first of the month following receipt of notice of the election by the Secretary of State. The deduction under this paragraph shall continue until the required amount has been paid into said Fund or until the annuitant's death, whichever occurs first; and if the latter, any remaining portion of such required amount shall be deemed to have been paid.

(c) If a Foreign Service annuitant who separated from the Foreign Service prior to October 16, 1960, died before the date of enactment of this Act or dies within one hundred and twenty days after such date of enactment leaving a spouse to whom married at retirement who is not entitled to receive a survivor annuity under the terms of 5 U.S.C. 8133 or any law authorizing payment from the Foreign Service Retirement and Disability Fund and who qualifies under section 821(h) of the Foreign Service Act of 1945, as amended by this Act, the Secretary of State shall grant such surviving spouse, if not remarried prior to age sixty, an annuity, to be payable from such Fund in the amount of $2,400 per annum adjusted by all cost-of-living increases received by widows granted annuities under section 4 of the Act of October 31, 1965 (79 Stat. 1130). An annuity to a surviving spouse who remarried prior to age sixty may be initiated or resumed under this paragraph in accordance with the provisions of paragraphs (b) and (h) of section 821 of the Foreign Service Act of 1946, as amended, if such remarriage has terminated or terminates in the future.

EFFECTIVE DATES

SEC. 303. (a) Section 301 of this Act and sections 803 and 881 of the Foreign Service Act of 1946 as amended by this Act shall be effective on the first day of the first pay period which begins more than ninety days after enactment of this Act.

(b) Effective on the last day of the first month which ends after the enactment of this Act, all Foreign Service survivor annuities then in effect shall terminate on the last day of a month in accordance with the provisions of paragraphs (b)(2), (e) and (f) of section 821 of the Foreign Service Act of 1946 as amended by this Act.

(c) The amendment of section 804 of the Foreign Service Act of 1946 made by this Act broadening eligibility for children's survivor annuities shall apply to all surviving children regardless of the date of death of the principal.

(d) Paragraph (g) of section 821 of the Foreign Service Act of 1946 as added by this Act shall apply to both present and future Foreign Service annuitants. Any annuitant who married after retirement but prior to the date of enactment of this Act may make an election under said paragraph (g) provided notice of the election is received by the Secretary of State within one year after such date of enactment.

(e) If an annuitant dies on or after January 8, 1971, who, prior to enactment of this Act, elected a reduced annuity with a benefit to a surviving spouse, and is survived by a spouse acquired after such election who qualifies under section 804(b) of the Foreign Service Act of 1946, as amended by this Act, such surviving spouse shall be entitled to an annuity computed under the law in effect at the time of such election and in accordance with all other applicable statutes. Such an annuity shall commence, terminate, and be resumed in the same manner as an annuity payable under section 821(b) of the said Foreign Service Act.

(f) Paragraph (a) of section 822 of the Foreign Service Act of 1946 as added by this Act shall be effective on the first day of the first month which begins on or after enactment of this Act.

(g) Paragraph (a) of section 841 of the Foreign Service Act of 1946 as amended by this Act shall not apply to participants separated from the Foreign Service prior to the date of enactment of this Act nor to their survivors. All payments from the Foreign Service retirement fund that become due on and after such date of enactment shall be paid in the order of precedence specified in such section 841 irrespective of the date of separation.

(h) Paragraph (c) of section 851 of the Foreign Service Act of 1946 as added by this Act shall be effective on the first day of the first pay period that begins more than thirty days after enactment of this Act. A participant who is on approved leave without pay and is serving as a full-time officer or employee of an organization composed primarily of Government employees on such effective date shall have sixty days from such date to file an election under paragraph (c) of said section 851.

(i) Paragraph (f) of section 851 of the Foreign Service Act of 1946 as added by this Act shall apply, in addition to present participants, to former participants who separated from the Foreign Service to enter the Armed Forces within the five-year period immediately preceding the date of enactment of this Act and who are members of the Armed Forces on such date of enactment.

(j) The annuity of a survivor who becomes immediately eligible for an annuity under paragraph (c) of section 302 of this Act or paragraph (c) or (e) of this section shall become effective the first day of the first month which begins after enactment of this Act. However, payment shall be made only after receipt by the Department of State of such application for annuity and such proof of eligibility as the Secretary may require. If such application and proof of eligibility are not submitted during an otherwise eligible person's lifetime, no annuity shall be due or payable to his or her estate.

(k) The amendment of paragraphs (a) and (b) of section 882 of the Foreign Service Act of 1946 made by this Act shall be effective on the fifteenth day of the third month which begins after enactment of this Act.

(l) Annuities which commenced between—

(1) the effective date of the last cost-of-living increase which became effective under section 882 of the Foreign Service Act of 1946, as amended, prior to the date of enactment of this Act, and

(2) such date of enactment—

shall be recomputed and, if necessary, adjusted retroactively to their commencing dates to apply the provisions of new subparagraph (c)(1) added to section 882 of the Foreign Service Act by section 116 of this Act."

(m) The amendments of sections 631 and 632 of the Foreign Service Act of 1946 made by this Act are effective upon enactment, except that any Foreign Service officer who is or becomes a career minister and who is not occupying a position to which appointed by the President, by and with the advice and consent of the Senate, shall be mandatorily retired for age in accordance with the schedule below and receive benefits under section 821 of the Foreign Service Act of 1946, as amended, unless the Secretary determines it to be in the public interest to extend such officer's service for a period not to exceed five years:

RETIREMENT SCHEDULE

(1) Any career minister who reaches age sixty-five during the month of enactment of this Act shall be retired at the end of such month.

(2) Other career ministers who are age sixty or over as of the date of enactment of this Act shall be retired at the end of the month which contains the midpoint between the last day of the month of enactment of this Act and the last day of the month during which the officer would reach age sixty-five, counting thirty days to the month.

(3) On the last day of the thirtieth month which ends after the date of enactment of this Act, all other career ministers who are age sixty or over shall be retired, and thereafter the amendments made by sections 202 and 203 shall be applicable in all cases.

(4) Any career minister who completes a period of authorized service after he reaches mandatory retirement age as provided in the above schedule shall be retired at the end of the month in which the officer completes such service.

(n) Section 103 shall be effective with respect to all amendments to the Civil Service Retirement and Disability System, enacted after January 1, 1974, except that transmittal by the President of any message or report on amendments to that subchapter enacted prior to the date of enactment of this Act shall be transmitted to the Congress within thirty days following the date of enactment of this Act.

(o) Section 114 shall be effective on the first day of the second month following enactment and shall apply to all Foreign Service annuitants then and thereafter employed by the Federal Government.

(p) Section 207, pertaining to physical examinations, applies to Foreign Service personnel already separated as well as to those who separate in the future.

Mr. HUGH SCOTT. Mr. President, S. 1791, Calendar No. 969, which we have just passed, is a bill which extends to the Foreign Service a long-needed equalization with the civil service with respect to the pension rights and benefits to be received by those who are in the Foreign Service who have become entitled to them either under retirement by achievement of sufficient time in service or under disability.

This is an act of justice which our committee considered very carefully, and this bill, I am glad to say, deserves passage. I hope it will become law because it is a fair and just recognition that Foreign Service officers are entitled to be treated better than they have been.

ORDER OF BUSINESS

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

THE ECONOMY: AN ACUTE SHORTAGE OF CONFIDENCE

Mr. TALMADGE. Mr. President, I stood on the Senate floor 10 months ago to talk about the chaotic state of the economy.

Today, I regret that I must again focus attention on this matter. The problem not only persists. The situation has clearly gotten worse.

As chairman of the Committee on Agriculture and Forestry, I see new danger signals with each passing day for our basic farm and forest industries.

The productive capability of our Nation's agriculture is threatened. Industries which rely on our national renewable resources are in disarray.

As the ranking member of the Finance Committee, I am distressed to say that the outrageous prime interest rates of last September would almost be welcome, given the current rates of over 12 percent.

The high cost of money is placing increasing burdens on American consumers and businesses.

High interest rates make it impossible for some businesses to continue. High interest is feeding the inflationary psychology that promises disastrous effects in the future.

The persistent escalation of food prices has continued, despite a sharp downturn in prices to the farmer.

The problems of the housing market have not been solved since last September. They also have intensified.

With each passing day, fewer and fewer Americans can afford to buy a home, and those who can very often cannot get financing.

The real incomes of our people have steadily eroded as inflation has gained momentum.

Businesses and industries which were threatened by high prices and shortages of materials in September face an even worse situation today.

Wholesale prices of industrial commodities have increased 20 percent in the past year. In some cases shortages of materials are more pronounced.

When you add to this situation the high interest rates, prices are driven up to the sky, as we have seen by the recent 15 percent increase in steel prices.

Although unemployment levels have held fairly steady, small increases in the jobless rate in the past few months may be a warning. As businesses fail, or find it impossible to continue operation at normal levels, layoffs are bound to increase.

More and more we see businesses in financial trouble because of higher production costs. This situation cannot be expected to ease quickly, because of advances in the wholesale price index.

When firms try to finance expansions or refinance existing debt, they either find that the money market has dried up or they face interest rates that are often twice what they were a few months ago.

It is no wonder that loan defaults and business failures are on the increase.

The problem does not stop there. According to experts in the field, the number of personal bankruptcies is increasing, and, for the first time, there is clear evidence that inflation is the cause.

Thus far, the phenomenon of personal bankruptcy has been limited largely to the working poor. But it can be expected to inch up the income ladder as more people exhaust their savings and still find it impossible to make ends meet.

The loss of real income and climbing costs have been particularly noticeable in the housing market. The median price of a new house has risen about $4,000 in the past year.

This increase, plus higher interest rates, means that Americans are faced not only with higher downpayments, but higher monthly payments.

Monthly payments on the average family home are nearly $100 more today than a year ago.

The financial exclusion of people from the housing market is against all the policies we have ever set in our housing legislation. It is imperative that the housing market continue to be viable, and that good housing be within the financial reach of Americans.

But the 40-percent decline in housing starts is just a beginning. As fewer houses are built, there will be less demand for drapes, carpets, appliances and furniture. This break in demand will sooner or later mean declines in general economic activity.

Thus far, labor must be commended for its restraint during this price spiral madness. In March, wages were only up 7 percent from March of 1973. This is only slightly above the trend line for wage increases.

In real terms, this means that the average income of a worker has declined.

The patience of working men and women is being tried. So is mine. Unless we get inflation under control, we can expect workers to demand and get higher wages.

A surge in strikes and higher wage settlements is already evident. In fact, the average wage settlement in May and June was for an increase of roughly 13 percent.

I can understand workers' frustrations and I recognize the limited number of alternatives open to them. But a surge in wage and benefit settlements can only add to inflation and endanger small businesses which are unable to control costs or prices.

Probably more than any other sector, agriculture is faced with an immediate crisis.

Because of the mindless handling of grain exports, and misguided market interference by the Government, farmers have become the focus of consumer anger.

But the record farm incomes of last year have been plowed back into land, livestock, and machinery.

Farmers used over $12 billion from savings and $10 billion of borrowed capital to expand their capacity to feed America and the world.

This is a wonderful effort by family farmers in response to the growing demands for food. The Agriculture and Consumer Protection Act of 1973 opened the door to fuller use of these investments and greater farm production.

But this year's expected record crops are in danger because of shortages in fertilizer, farm chemicals, machinery and uncertainties of the weather.

Livestock producers are losing money daily, even though consumers are seeing only marginal declines in meat prices.

High interest rates are making further expansion of food production too precarious for the small farm operator.

The current price-cost squeeze is threatening agricultural viability and it endangers long-term production.

If agriculture begins to fail now, just as supplies of commodities are being rebuilt, a new round of upward pressure will be put on food prices and the total economy.

Farmers represent only 5 percent of our population. But abundant supplies of food at reasonable prices are basic to our way of life.

At this point, I must remind those who are inclined either to ignore or tinker around with the American food machine that the economic strangulation of the farmer in the twenties led finally to a total collapse of the national economy.

The farmer must be kept viable. He must be able to get a fair return on his investment. We must keep him able to do that thing which he loves to do most—produce.

A recent Harris poll indicated that 82 percent of the American people feel the economy is in trouble. As I said last September, I see the sorry state of the economy as our greatest national problem.

In this respect, I am in agreement with the rhetoric of the administration: the economy is in trouble; and inflation is the major cause.

I have pledged my total support to this administration in the battle against inflation.

Congress has taken positive action.

In response to wildly fluctuating commodity prices, that appear in part to be the result of inadequate regulation, the House has passed legislation which proposes to correct problems with the Commodities Exchange Act. The Senate will shortly follow suit.

The Senate developed emergency legislation to save the livestock industry in record time to insure adequate production and supply of meat for the American dinner table.

When the question of fertilizer shortages surfaced, we immediately held hearings to determine the magnitude of the problem. My committee followed these up with field surveys and other action which resulted in additional fertilizer being made available for farmers.

But shortages persist, not only shortages of fertilizer, but of twine, baling wire, pesticides and just about every possible input necessary for full food production.

Thirty companies have contacted me personally about shortages of natural gas, petrochemical feedstocks, steel, propane, and tin cans.

We have been able to help a few firms by seeing to it that fairer allocations of supplies are made. But neither I, nor any other Member of the Senate, can create these products.

Therefore, we are working with the Federal Power Commission, and representatives of basic suppliers in an effort to assure either adequate supplies or fair allocation of materials in short supply.

We have been forced to take these actions because of inertia by the executive branch.

The staff of the Committee on Agriculture and Forestry is now looking into the entire problem of petrochemical supplies for agriculture, and at the same

time, this effort will identify other problem areas.

I would note in this regard that prices for propane are beginning to climb once again, just as we begin to approach the time when this gas will be needed to dry grain from the harvest.

Mr. President, the Committee on Agriculture and Forestry is also looking into the problems of marketing and transportation of the crop once it is harvested to see what is necessary to insure that the gigantic traffic snarl that devastated our transportation industry last year will not occur again.

In this regard, I am pleased to note that we have seen considerable evidence that shippers and carriers have been meeting together in many places for the past several months to smooth the way for the new crop.

The committee is also proceeding with oversight hearings and investigations to assure timely and effective movement of farm products.

In spite of our efforts, the economic situation has become worse rather than better.

While Congress must attempt to pass the best possible legislation, the "action" function of government lies with the administration.

Thus far, I have seen little action by the executive branch on the domestic front.

The Harris survey I cited a moment ago reveals that the American people feel the administration's economic policies are doing more harm than good. I am afraid I must agree.

White House spokesmen have stressed the importance of the economy, a balanced budget, and the free market system since 1968.

Their misadventures with economic policy have caused a steady deterioration of all three. Lately we have even seen public bickering among the President's men over budget policy.

International relations have preempted the domestic economy as the priority item with the White House, while the marketplace has experienced continual disruption with on-again off-again policies which reflect indecision and confusion.

In the 8 months prior to August 1971, inflation was running at just over 4 percent on an annual basis. In May it rose at over three times that rate.

Lately there have been a number of statements by the administration explaining that we are not in a recession, because their definitions say we are not.

They seize upon a few individual bright spots to proclaim that a better day is coming.

Among other things, they point out that our inflation rate is slower than in other countries—which is like saying we only have a slight case of cancer.

I doubt that any of this is much of a salve to small businessmen who have gone broke, or to unemployed workers, or to housewives who watch $20 fill only one sack of groceries.

The men of this administration have talked about the "new ball game."

The only parallel I see between our economic situation and a ball game is a constant shuffling of lineups.

To a man, administration spokesmen are calling for an attack on inflation. Some have cited the need for so-called classical measures to combat the problem.

In essence, this means a balanced Federal budget, no major tax revision and a restrictive monetary policy.

I have long supported fiscal responsibility by the Government as basic. But the administration's priorities are not necessarily mine.

First of all, in the administration's effort to be all things to all nations, I detect a return to the old policy that if we give other nations enough of our money and technology they will be our friends. This has never worked before. I see no reason why the Santa Clause approach should work this time.

But let me return to the subject of inflation.

The Federal Reserve System, under the leadership of Mr. Burns, has clearly moved against inflation by imposing a stringent policy of tight money.

Since one of the causes of inflation is expanding money, and because Mr. Burns has a limited arsenal of weapons, his move was necessary.

But Mr. Burns must be aware of the impact of what he has done because another classical economic relationship suggests that rising interest rates will slow investment.

Rising interest rates have already moderated investment decisions, and as I pointed out, forced some investment plans to be abandoned.

Capital expenditure plans of major firms declined slightly in the first quarter of this year. In dollar terms it was nominal, but in real terms, because of rapidly rising costs, expansion plans are being trimmed substantially.

Lack of production capacity has resulted in supply shortages of many items, including steel, machine tools, switches, gaskets, and other integral parts.

This has slowed our economy and has contributed to price increases. We need investment for capital expansion to get the capacity and production levels needed for normal growth—and subsequent relief from inflationary pressures.

The Federal Reserve action also affects existing business operations greatly.

Many firms over the past few years have been forced to borrow short-term money because of the lack of availability of long-term money.

These firms, which may have borrowed at 8- or 9-percent interest a couple of years ago are now being faced with interest charges of 15 and 16 percent when they try to refinance.

Another problem is the Federal Reserve's primary dependence for implementation of monetary policy through its Federal open market operations—that is, the buying and selling of bonds to control money supply.

The Board suggests that this is the most neutral of their various policy instruments, but it is certainly not neutral in its effect.

While this policy is not so troublesome for big companies with alternative sources of credit here and abroad, small businesses, rural banks, farmers, and consumers do not have these options.

Therefore, it is the little man who bears the brunt of these buying and selling decisions.

I do not want to dissuade the Federal Reserve from its efforts to slow inflation; but I call on the Governors to use the full range of policy instruments; to establish a longer term policy direction; and to respond to local and area problems in the spirit of the original Federal Reserve Act and under the Emergency Loan Guarantee Act of 1971.

The administration has pointed often to its significant foreign policy achievements, but there also have been some glaring errors.

A little over a year ago the dollar was under attack worldwide, and our balances of trade and payments were negative and declining.

As a result of dollar devaluations and grain exports, these trends were reversed. For a brief time there was a positive trade balance. But in May we saw another trade deficit of nearly $800 million—the second largest monthly deficit in history.

The dollar devaluation did make U.S. agricultural products more appealing to our customers abroad. And theoretically, devaluation should slow import demand and stimulate exports. But we have come to depend on foreign supply for many items such as small cars and televisions. Therefore in the short run, import plans and consumption patterns cannot be totally changed. As a result, U.S. consumers were only faced with sharply higher prices.

At the same time, the devaluation gave foreign buyers an advantage in competing with Americans for our scarce commodities, such as nitrogen fertilizer.

This increased demand pressure has effectively driven up prices for U.S.-produced goods, especially wholesale prices. And this will continue to impact on consumer prices for some time to come.

What was demonstrated here, as in the Russian wheat deal and many other ill-considered actions by the administration, is that you cannot idly pull at loose threads in the economic fabric of the Nation without consideration of all the resulting reactions.

Further, it is ironic that while our own agricultural production is threatened by shortages of fertilizer, the administration, through the Export-Import Bank, has committed $180 million for the Soviet Union to build fertilizer plants at the same time that the administration refuses to resolve policy priorities for natural gas, so that the United States can increase its production capabilities.

My mail indicates that American farmers and consumers do not think much of that deal.

Much the same situation exists in the area of drilling equipment and pipe. The availability of adequate supplies of fuel and energy is a critical matter. But our drillers and producers are prevented from seeking the goal of energy self-sufficiency because of the lack of basic materials.

Once again, dollar devaluation has given foreign buyers a competitive edge in the market for U.S. products. It seems silly to further subsidize foreign pur-

chases with low-interest loans, especially for critical materials and commodities.

I offer these points not merely to condemn, but also to point out needs.

The responsibilities for the current economic situation probably rest with us all.

We have heard many charges and countercharges tossed about. There has been talk of Executive irresponsibility; congressional irresponsibility; Federal Reserve irresponsibility; and consumer and corporate irresponsibility.

There is plenty of blame to be shared by all of us.

It is now time for all people and all institutions to muster the fortitude and awareness to begin to put our house in order.

Fiscal responsibility is essential. Congress and the White House must cooperate in this effort.

The Congress also must be careful not to pass legislation which compounds, rather than reduces inflationary pressures.

But at the same time, we cannot sacrifice people, businesses or institutions that are essential for the long-term growth and welfare of this country.

The Federal Reserve Board cannot control inflation alone. The Administration must be aware of this fact. The administration men must also remember that credit and stability are imperative for investment, which in turn is necessary to satisfy demand for goods and slow the rise in prices.

While I understand the terrible problems of working people in trying to cope with the current mess, I call on labor to hold the line a little longer so that their previous efforts would not be wasted.

We must return insofar as possible to an open market economy. However, we should also be aware that a free market assumes that there is equality among all participants.

It is clear that farmers, ranchers, and small businessmen do not have the same economic power that is held by the processors, the large oil companies and the food chains.

If we sacrifice American agriculture and small business for the well-being and profits of hugh multinational corporations that is not a return to the free market concept.

Mr. J. A. Livingston in the American Banker notes one of our Nation's most serious shortages is an acute shortage of confidence. I see this as the most dangerous shortage of all.

A noted economist said a while back that we will have our next depression when there are enough people who do not remember the last one.

I think that is true. It is also why this is no time for permissiveness. The burden is on all of us to begin today to restore the confidence of the American people in the Government and our economy.

Since the departure of George P. Shultz as the administration's economic czar, there has been a huge gap in the Nation's economic policymaking process. Currently, the press is full of accounts of the struggle for power among the President's top economic advisers.

It is time for the President to put an end to such bickering and to focus his attention on the Nation's No. 1 problem—inflation. I call on the President to develop within his administration a strong economic policymaking mechanism with clear lines of authority; and to establish a Government Advisory Commission of respected labor leaders, business leaders, and Members of Congress to help him chart this Nation's long-term economic course as well as to deal with our immediate short-term crises.

The United States is full of greatness. We have the capacity to reach any goal if we have the will. Therefore, I urge all Americans not to walk away from our critical problems just because we happen to have a temporary case of the national blahs.

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

WHAT IS RIGHT WITH THE FEDERAL GOVERNMENT: HEALTH RESEARCH AND BIOMEDICAL TECHNOLOGY

Mr. PROXMIRE. Mr. President, today as I offer the 20th in my series on "What Is Right With the Federal Government," I give credit to the Congress and the Executive for their significant role in making revolutionary progress in developing our biomedical technology through support of activities which extend our knowledge as well as our lives.

We have seen remarkable things happen in medical technology since I came to the Senate in 1957, and I am sure that Mrs. Betty Anick of West Allis, Wis., shares in my awe at our resourcefulness in this area. Mrs. Anick is now the world's third longest surviving heart transplant patient. Since she received it on October 21, 1968, in St. Luke's Hospital in Milwaukee, her new heart has beat nearly 2 billion times and has already lengthened her life by 5 years and 9 months. Mrs. Anick is only one inspiring proof of the results of medical research and technology and of the spirit of American optimism which has made so many advances in all fields.

This does not mean that we can not economize by cutting some so-called health spending. We have waste and extravagance and mismanagement in health, just as we have in the military or space programs. We can and should cut some health spending. We can and should kill some health programs that have not worked. We can and should take a long, hard, jaundiced look at the way the medicare and medicaid programs have been administered.

We can and should inspire our people to live far healthier lives, to eat less, to exercise more, to learn to relax, to be responsible for their own health to a far greater degree than we have. If we do so we can save literally billions in health care and have a stronger, more productive and happier country.

The health of the people is really the foundation upon which all their happiness and all their powers as a State depend.

Benjamin Disraeli made this assertion in a speech made 97 years ago this month and I concur with him. The health of its citizens should properly be a primary concern of a government, and the monetary investment it makes toward that goal is money well spent.

The wisdom which keeps us healthy goes a long way to making us wealthy. A great contribution is made to economic growth by improvement of the health of people. Consider the costs of rearing a child in developing him to be a part of a productive labor force—and the investment that is lost if an early death occurs. Consider further the potential contribution of health programs to a worker's annual output which in turn contributes to the Nation's economic growth. And we must not forget the present value of future work that may be gained through health programs and technology.

Because of our improvement in such programs, the population employed in the United States in 1960 would have been about 13 million less if death rates had not declined since the turn of the century. The labor product of the additional 13 million people amounts to more than $60 billion additional national income when valued at average earnings in 1960. If the future work of these people through their lifetime is considered, the gain is $820 billion.

Since 1960, our technology in the health area has developed so strikingly that we may well predict economic growth in the future as a direct result, if no negative factors distort this gain.

IMPACT OF RECENT BIOMEDICAL TECHNOLOGY

Since I came to the Senate in 1957, the accomplishments of federally sponsored or assisted biomedical research and application have been modern miracles. The conquest of poliomyelitis represents one of the most recent examples of the role of biomedical research in the spectacular attainment of a practical goal. With the vaccines developed by Salk in 1955 and by Sabin in 1958, the effects of federally sponsored mass immunization were dramatic by the early 1960's. Prior to immunization, the annual incidence of polio in the United States had been 14.6 cases per 100,000 population, or more than 20,000 cases per year. By 1961, the rate had plunged to 1.8 cases per 100,000 and by 1965 only 61 cases were reported in the entire country. When one considers that at the time immunization began, the number of polio patients requiring continuing care had exceeded 100,000, one realizes how great a menace to national health was virtually eliminated.

Since this technology saved lives primarily of young people rather than extended the life of older citizens, its economic implications are far-reaching. Since the time massive immunization has begun, we might project that nearly half a million individuals who might have been crippled by the disease, are now alive and well and contributing to the labor force. Rather than requiring public and private care, these individuals are earning money, adding to our production power, and paying taxes.

If we use $8,000 as the average working person's yearly earnings, the worth of goods and services produced by those

who would have been disabled polio victims if not for the vaccine is increased annually by $16 million. Of that amount, approximately $4 million would be contributed to the government in the form of taxes.

Organ transplant was another remarkable development of the past two decades. In 1956, the first successful kidney transplant was performed. As of 1971, more than 4,300 had occurred, and last year alone, 2,800 transplants were performed. Federal grants and contracts from the National Institutes of Health research establishment have supported research on the use of drugs to suppress the body's natural tendency to reject transplants and the use of tissue matching techniques—both of which have played an important role in this technology.

Although approximately 55,000 people die each year of kidney disease, the increasing use and success of kidney transplanation is saving many of these patients. Another successful technology developed for use over the past 15 years is dialysis therapy—a technique of removing toxic and electrolyte substances from the blood of patients with diseased kidneys. This therapy has evolved rapidly with the development of increasingly more efficient kidney dialysis machines. By 1960, the clinical usefulness of the artificial kidney was no longer in doubt. Since then, the development of blood cleansing devices has been rapid. Today, thousands of people with terminal renal failure can be successfully rehabilitated. It is estimated that within a few years, approximately 40,000 patients will be kept alive through this technology, at a cost of between $600 and $800 million.

The major portion of artificial kidney research is sponsored by the Federal Government through the National Institute of Arthritis, Metabolism, and Digestive Diseases. The original thrust for Federal involvement had originated in the artificial kidney-chronic uremia program established by Congress in 1965. As a result of this program, anticipated improvements in dialysis therapy will enhance the medical rehabilitation of patients and render the currently costly and lengthy treatment briefer and more effective. The ultimate result of these improvements will be a substantial saving in Federal funds expended for the care of kidney patients.

Beginning in July, 1973, legislation provided medicare funds for all terminal kidney disease patients covered by social security, or their dependents, who require dialysis treatment or kidney transplantation.

With heart disease still the Nation's leading killer, technology in this area has been particularly important in the advance of medicine. In 1957, the first crude external cardiac pacemaker—a device which stimulates a diseased heart to maintain its beat rhythm—was put into use. Two years later, the first implantable cardiac pacemaker was developed. Today, thanks to considerable R. & D. support from the National Heart and Lung Institute—HEW—more than 100,000 people are enjoying extra years of life through such devices. With the future development of nuclear power sources and smaller power packages for pacemakers, the number of beneficiaries with crippling or fatal heart disease will increase to several hundreds of thousands.

To deal with the tremendous explosion of information in the biomedical sciences, the National Library of Medicine in 1964 put into operation its computerized medical literature and retrieval system to produce "Index Medicus" and other publications. As a secondary service, this system provided on-demand searches of the literature for individuals. In 1971, the Library introduced Medline, a worldwide bibliographic retrieval system with a telephone/typewriter-like terminal, which allows instantaneous searching of over 400,000 citations to the international biomedical literature. By 1974, the Medline data bases had been expanded to include toxicology information and descriptive cataloging information on monographs and serials. Author abstracts and the addition of audiovisual information are activities planned for accomplishment by the end of fiscal year 1975. Medline is now available in 46 States, 10 Canadian Centers, Sweden, the United Kingdom, France, Finland, Norway, Denmark, and—in cooperation with the Pan American Health Organization—Brazil.

Although the development and operation of these systems have cost the Federal Government many millions of dollars, their worth to the international biomedical community is incalculable. These international data handling systems are complemented by exchange programs involving medical research personnel between the United States and such nations as the Soviet Union, the People's Republic of China and others—also supported by the National Institutes of Health.

For patients in remote areas, such as in Alaskan villages, recent telecommunications technology has saved countless lives. Over the last decade, telemedical systems have bridged the gap between remote clinic-like facilities—often staffed only with paramedical personnel—and a hospital or medical center. One of the first telemedical systems was that between the Massachusetts General Hospital in Boston and Boston's Logan International Airport. The staff at Logan make preliminary diagnosis and prepare patients for medical conferences, via cable, with physicians at the hospital site, should such treatment be required. The Logan Airport-Mass General link has served thousands of patients since its inception in the late 1960's.

The Lister Hill National Center for Biomedical Communications of the National Institutes of Health is also involved in telemedicine. One of its projects involves an orbiting satellite system which provides links between physicians in Alaska and health aides in remote villages.

The Veterans' Administration is currently making extensive use of cable telecommunications systems for diagnosis, treatment, and consultations between its hospitals and other medical facilities. It is estimated that about 3 million veterans and their dependents are provided service through this technology each year. Because of the need for complete privacy of its medical information, the VA has chosen closed circuit cable systems instead of CATV. If the latter were used, there would be a possibility of medical communications being picked up by other subscribers to the system. The VA has 11 operating closed circuit cable systems in the Omaha; Temple, Tex.; Cincinnati; Chicago; Buffalo; and Bedford, Mass., areas. Six more systems are scheduled for the St. Louis and Kansas City areas.

The prospects are bright for the use of cable technologies for the practice of telemedicine and for increased medical education and public information purposes. Such technology has the potential for bringing adequate medical treatment to significant segments of the Nation's population for the first time.

Even urban planning technology has applied itself to medical assistance. Under a grant from the National Science Foundation's research applied to national needs program, MIT made a study in 1972 to explore innovative planning in urban public safety systems. One finding revealed mismatches between the rated capacities and actual workloads of emergency rooms in nine Boston hospitals. The result was a revamped ambulance dispatching system in the city which reviewed emergency room workloads as well as travel time and the specialties of each hospital.

MEDICAL TECHNOLOGY THROUGH THE SPACE PROGRAM

Despite my apprehensions about the role of our space program today, I acknowledge that NASA's efforts in space biology and technology may have helped to write a new chapter in the field of medicine. For example, NASA has organized three biomedical teams in North Carolina, California, and Texas which identify, define, and attack problems based upon data assembled through space technology. Because of the work of these teams, doctors can now watch a computerized movie of the beating of a diseased heart, and can clearly isolate the specific malfunctioning parts.

One of the teams has aided the National Cancer Institute's leukemia program in devising a blood pressure monitoring system that provides an early detection of physiological shock.

As a consequence of NASA sensoring techniques developed in space, respiratory distress in infants can be monitored and treated promptly before further complications arise. A sensor is attached with a microminiature connector to the air passage of the newborn infant; and if the child experiences difficulties in breathing, the transmitter sends a signal to the nurses' station where remedial action can be taken.

The use of a supersensitive infrared detector developed through the space program has proved useful in some instances in the early detection of cancer. Other physiological measuring devices designed for astronauts in flight have been successful in the early diagnosis of

such crippling ailments as Parkinson's disease.

PROGRESS TOWARD NEW TECHNOLOGIES FOR CURE OF DISEASES

I have so far reviewed only a few of the most spectacular accomplishments of the federally supported biomedical research programs. These accomplishments have already affected millions of people and will undoubtedly affect billions more in present and future generations who would otherwise be disabled, crippled, or not alive at all. However, not all progress in biomedical research can be expressed in terms of spectacular breakthroughs which are directly translatable to large segments of the world population. Indeed, progress in this field is often painfully slow, requiring years of elaborate experiments. And frequently, what progress is made is not immediately apparent to the public.

Take, for example, the area of cancer drug therapy which is being extensively researched under the National Cancer Institute. While progress in this field has fallen short of a complete breakthrough in the cure of various cancers, advancements continue to be exciting and striking. Drug therapy, in which drugs are used alone or in combination, continues to show strong positive results in patients with fast-growing tumors of the bone, connective tissue, and muscle. The use of a five-drug combination in treating advanced breast cancers, a disease which affects nearly 100,000 women a year, has produced objective results in 50 to 80 percent of the patients treated. And the discovery of a breast cancer virus, announced just a few days ago, offers the promise of eventually preventing this dread cancer entirely.

The problems of cancer are multiplied by the fact that more than 100 clinically distinct types of cancer have been identified, each with a unique set of symptoms requiring its own course of therapy. Yet, vastly increased Federal sponsorship by research through the National Cancer Institute, and cooperation between the Federal government and private organizations such as the American Cancer Association, have contributed greatly in translating significant research findings into therapeutic practice. Much has already been learned about certain of the many cancers relating to their cause, detection, diagnosis, prevention, treatment, and rehabilitation.

For example, today half the children with acute lymphocytic leukemia are alive 5 years after the disease was detected, whereas, 20 years ago, this disease took the lives of these young victims within a few months. Radiotherapeutic techniques applied to Hodgkins disease, when detected at an early stage, produce 5-year survival rates of more than 90 percent. Deaths from cancer of the uterus continue to steadily decline to a level of one-third the rate of 35 years ago. These improvements in cure rates for certain cancers are highly promising, and it is likely that ongoing research under the authority of the National Cancer Act of 1971 will result in even more amazing advances in the conquest of cancer within the next few years.

Recently, both the House and Senate have passed bills, the National Cancer Act Amendments of 1974, to extend the authority of the 1971 act through 1977. The amendments would authorize an increase in the appropriation for the National Cancer Institute from $640 million in the present fiscal year to $807 million in fiscal year 1975 to be spent for cancer research, detection, and treatment programs. Over the following 3 years, this authorization will be increased to more than $1 billion for these programs.

Under the National Heart and Lung Institute, progress continues toward the goal of developing a tiny, completely implantable engine to provide power for both artificial heart replacement devices and artificial heart assist devices. The nuclear engine, which uses radioisotope fuel, offers promise for artificial hearts which could run for 10 years or longer. Such a completely implantable power source would enable persons afflicted with serious heart disease to achieve a significant degree of rehabilitation. Nuclear powered heart pacemakers which will last for 10 years or more have already been developed and are not being tested in human subjects.

While there have not as yet been any real breakthroughs in the prevention of heart disease or hypertension, several advances of considerable clinical importance have been made. These include new combinations of diuretic and blood pressure lowering drugs which reduce the troublesome side effects of individual drugs. A new operation, saphenous vein bypass, has been designed to help prevent heart attacks or their recurrence. Segments of veins are taken from the patient's legs and connected from the aorta to the obstructed coronary arteries, just "downstream" from the site of obstruction. Already, tens of thousands of heart patients are benefiting from this new surgical approach.

Under the National Institute of Dental Research, considerable progress is being made toward the prevention of dental caries, which affect an estimated 200 million Americans in all stages of life. Research supported by the institute has led to the identification of specific micro-organisms which are responsible for the problem. There has also been considerable success against pit and fissure caries which has been achieved by coating the chewing surfaces of the teeth with plastics to prevent food particles and bacteria from being trapped in these susceptible areas.

The National Institute of Arthritis, Metabolism, and Digestive Diseases continues to make progress against diabetes, a disease which affects some 4½ million Americans. Scientists have recently investigated the transplantation of insulin-producing beta cells from normal to diabetic animals. The transplanted cells have been found to take root, grow, and produce insulin to the benefit of the diseased animal. It is hoped that continued research in this area will eventually lead to human applications. In another development, the use of prosthetic devices to replace the knee joints of persons afflicted with arthritis has been very promising. So far, more than 300 total knee replacements have been performed.

Promising advances in immunology have been made under the National Institute of Allergy and Infectious Diseases. It has been confirmed in the laboratory that allergies are genetically controlled and the commonly accepted assumption that allergies run in families is now beginning to acquire solid scientific basis. There is a great deal of interest in the role of immunology in cancer. There is now good evidence that the immune mechanism of the body is detecting cancer cells and is combating them. It is suspected that a malfunction of this immune surveillance mechanism may be responsible for the development of a cancer. Continuing research in immunology supported by the NIH research establishment may therefore provide an important key to the prevention and treatment of many kinds of cancer in the not too distant future.

There has been considerable progress in the area of genetics. In a disease such as sickle cell anemia, where the genetic aspects are now known, it is possible to counsel prospective parents carrying the trait.

I have reviewed only a few of the most noteworthy developments which have occurred as a direct result of federally sponsored research programs over the past 15 to 20 years. We still face enormous problems. Encouraged by our progress so far, we must proceed to meet the challenge of preventing and eradicating such killers and cripplers as cancer, heart disease, and diabetes. The Federal investment in biomedical research has been great, but the greatest challenges lie ahead.

BRIEF OVERVIEW OF EXTENT OF FEDERAL INVOLVEMENT IN HEALTH RESEARCH

Although our Federal investment in biomedical research conducted by the National Institutes of Health has nearly reached the $2 billion mark, this represents only about 2 percent of the Nation's total budget for health, education, and welfare. What has been the Federal commitment to health care and biomedical research during recent years?

According to the Social Security Administration, the total Federal budget for health care in 1960 was $25.9 billion, which constituted 5.2 percent of the GNP. Today, that commitment has more than quadrupled to a figure of $111 billion, which constitutes more than 7 percent of GNP. Accordingly, the annual rate of increase in the Nation's expenditures for health care was 8.4 percent between 1960 and 1966 and has grown by more than 12 percent between 1966 and the present. The total increase in HEW outlays for fiscal year 1975 is $14 billion over fiscal year 1974. Almost all of this is for financial assistance to individuals, which now accounts for $97 billion or 87 percent of the HEW budget. A total of $2.7 billion out of the $14 billion increase is for medicare and medicaid alone.

Health research can ultimately lead to application of our knowledge and the development of technologies which will reduce our health care costs. The increase

in the Federal commitment to biomedical research has been as spectacular as that to health care. When I first came to the Senate in 1957, the Federal Government contributed to medical research some $229 million, or 52 percent of the total dollars expended in that area. By 1973 Federal expenditures increased tenfold to more than $2.2 billion, or 63 percent of total efforts of both the public and private sector.

The National Institutes of Health support a high proportion of total Federal expenditures for medical research. Of the $229 million, the Government spent in 1957, $125 million, or 55 percent, was for NIH research. In 1973 NIH accounted for $1.3 billion of the total Federal expenditure of $2.2 billion, or nearly 70 percent. As a consequence, during my tenure in the Senate, there has been a steady expansion of the NIH research establishment itself. I have seen a rapid sequence of new institutes and the conversion of the names of some of them, so that today, the NIH establishment consists of 10 separate entities, having started from just 2. They are separate and relatively autonomous entities identified by specific diseases and organs.

The recent rapid expansion of the NIH research establishment since 1960 has been directly brought about by the legislative efforts of Congress. Beginning in 1960, the Public Health Service Act was amended to provide for general support of research and research training in nonprofit institutions. The same year, the International Health Research Act was passed, leading to an expansion in NIH international research programs. In 1961, the Center for Research in Child Health was established. In 1962, the Division of Research Facilities and Resources was established and the National Library of Medicine was transferred from the Public Health Service to NIH. In 1963, two new institutes were established: the National Institute of General Medical Sciences and the National Institute of Child Health and Human Development. In 1964, the Division of Computer Technology was established and a special virus/leukemia research program was initiated. In 1965, the NIH research Triangle Park site was selected in North Carolina. During that same year, NIH received a supplemental appropriation from Congress of $20 million to expand research in heart disease, cancer, and stroke. In 1966, the Division of Environmental Health Sciences was established which was later, in 1969, destined to become the National Institute of Environmental Health Sciences. The year of 1968 was a particularly active year for NIH: the Fogarty International Center for Advanced Study in the Health Sciences was established and the National Eye Institute was created. At the same time, the National Institute of Neurological Diseases was changed to the National Institute of Neurological Diseases and Stroke. In 1969, the National Heart Institute was changed to the National Heart and Lung Institute. In 1970, the Public Health Act was again amended to provide for an extension of research authority in areas of public health.

Since 1970, many pieces of major legislation have been enacted by the Congress to further expand the scope and utility of the NIH research establishment. In fiscal year 1971, the Congress authorized a supplemental $100 million to expand cancer research. Later that year, the National Cancer Act of 1971 was passed as was the Health Manpower Act. In 1972, the National Sickle Cell Anemia Control Act of 1972 and the National Cooley's Anemia Control Act was passed.

At the same time, the status of certain of the Institutes was changed: the National Institute of Arthritis Metabolic Diseases was renamed to include Digestive and Blood Act expanded the authorities of the National Heart and Lung Institute to augment the national effort against heart, lung, and blood diseases. Appropriations of $375 million for 1973 were authorized with further increases in subsequent years. In 1973, the Emergency Medical Services System Act amended the Public Health Service Act to provide assistance and encouragement for the development of comprehensive regional emergency medical services systems. Most recently, in 1974, the authority of the National Cancer Act has been extended to 1977, during which time, appropriations for research on cancer will be increased to a level of more than $1 billion, a level exceeding the total NIH budget as authorized in 1966.

Congress and the Executive have appropriately increased their support of medical research and the American people have been the beneficiaries of the resulting technological breakthroughs. Already, the past investment has been repaid handsomely by the technology which has improved the quality of human life not only in America but the world over.

WHY JOIN THE ARMY?

Mr. PROXMIRE. Mr. President, in today's New York Times appears an excellent letter by Secretary of the Army Callaway, indicating the great values of service in the U.S. Army for our young people.

The point that Secretary Callaway makes which I think is so telling is that here is an opportunity for every young man in America, who is physically qualified, to enter the U.S. Army and to be paid very well, because, of course, Army pay has increased greatly during the last couple of years. In the peacetime Army, the young man can spend most of his time receiving an education, developing skills, developing maturity, leadership, and the opportunities which are denied many people who do not have a chance to go into the U.S. Army.

This is a fine letter by Secretary Callaway. I hope it has the widest possible exposure among our young people and that many of them will recognize the great opportunity that service in the U.S. Army affords.

Recently, I delivered a speech on what is right in the military, and I should like to add this as an additional opportunity. I believe that the volunteer Army has a tough road to hoe in this country, but I am most hopeful that it will succeed. I think that the report that Secretary Callaway has given us in his letter to the New York Times indicates that there are real prospects for this.

The Army offers a marvelous opportunity for young people not only to earn a good living but also, in the process, to develop skill and education which will make them more productive citizens and give them much better income after they retire from the Army.

Mr. President, I ask unanimous consent to have Secretary Callaway's letter printed in the RECORD.

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

WHY JOIN THE ARMY?

(By Howard H. Callaway)

WASHINGTON.—There is a remarkable inconsistency between the common perception that Army service is an interruption in a young person's life and the fact that nearly 2,000 young men and women freely decided to join the Army last year. These young people were not deceived. They were not lured by promises of ease or an easy way.

Why do people join the Army? Almost without exception, they join because it is a stepping stone toward the rest of their lives. For a disadvantaged person, the Army represents a chance to make something of himself.

For those whose background offers more advantages and prospects, it represents a chance to move further along the path toward their life's goals—sometimes helping them to sharpen their goals, to plan more concretely for their future. And it provides a way for young people to take these steps on their own. As soldiers, they can get ahead without depending on their parents.

The dominant theme in the Army, at least when the Army is not at war, is learning. Besides teaching skills, the Army also provides a learning environment that helps young men and women become more confident and self-reliant, more aware of the value of teamwork and self-discipline, more conscious of the importance of personal responsibility. In short, it is an intensive course in maturity. After even a short while in the Army, they recognize that they have become the adult they had only suspected was inside them.

During their term of service they learn skills. In effect, they become journeymen. Some skills are purely military and have no counterpart in civilian life. But for many, the skills they learn are technical, mechanical or administrative ones they can make use of in later life.

Apart from achieving greater maturity and learning specific skills, most new soldiers will have an opportunity for two kinds of learning experiences: They can learn something of leadership, and they can continue their academic education.

The Army operates on the basis of decentralized leadership. We try to push the authority and responsibility for decisions down the chain to the lowest echelon possible. That means that as early as their basic training, some soldiers will become leaders. Later, as relatively junior soldiers in their units, they may be put in charge of specific tasks and details, and be required to get a job done by leading and directing others. Over a period of time, as they demonstrate their leadership capacity, they can earn formal leadership positions, initially as team or section leaders.

The Army constantly looks for leadership qualities in every man and woman, and deliberately promotes and develops leadership in those who show potential. In the Army, there are no dead ends for capable leaders.

Then there is the opportunity for continued formal schooling. A soldier who has not completed high school can expect a genuine opportunity to earn a high school

diploma, at least partly and often wholly on duty time. Nearly 70,000 soldiers enrolled in a formal high school education program in the last half of 1973.

Those young men and women who are high school graduates can expect to find opportunities to work toward college degrees. In the last half of 1973, over 80,000 soldiers enrolled in college-level programs, most supported by sizable tuition contributions from the Army or the Veterans Administration.

In a cooperative program with junior and community colleges all over the country, a qualified soldier can expect special consideration with regard to admission and residency requirements. He can also receive academic credit for relevant military training and experience. Through such programs, today's soldier can earn up to two years of college credit in a three-year enlistment—again at least partly on duty. There are also plans to extend this program to enable qualified soldiers to earn baccalaureate degrees if they wish.

These opportunities and challenges make sense to young men and women, and they make sense to parents. If we look at the Army through the eyes of a 17- or 18-year-old high school graduate or his parents, we can see the attraction. A chance for independence. A maturing experience that is widely respected in our country, especially by employers and educators. A means of developing leadership ability and self-confidence.

More concretely, the Army offers a chance to earn a decent wage—say, $12,000 plus room and board in a three-year enlistment—and allows the individual to gain two years of college credit during that time at little or no personal cost.

When he leaves the service, the veteran has still other educational benefits. The G. I. bill of rights is probably the largest scholarship system in the world. It offers the single veteran up to 36 monthly payments of $220 for continuing his education—in effect, an $8,000 scholarship. And that amount is increased if the veteran is married or has other dependents.

Is Army service an interruption in a young man or woman's life? Hardly. A golden opportunity is more nearly the truth.

ORDER OF BUSINESS

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

WESTERN COAL FOR EASTERN POWERPLANTS

Mr. DOMENICI. Mr. President, the Subcommittee on Environmental Pollution of the Committee on Public Works recently held oversight hearings on the implementation of the Clean Air Act Amendments of 1970. These hearings were particularly timely because the deadline for compliance with primary air quality standards is just a year away. I commend our distinguished colleague from the State of Maine (Mr. MUSKIE) not only for his central role in framing those amendments, but for his foresight in choosing this time to investigate the problems of compliance with the clean air law.

It came as no surprise to us that there are serious problems, although some of the specific ones we heard about could not have been anticipated at the time the act was amended. I assume that some of these problems will be worked out in committee and will be presented to this body formally as requests for legislation. Others, I am sure, will be discussed here on the Senate floor by Senator MUSKIE and other members of the committee.

Today, I would like to call to the attention of my colleagues one problem which I find particularly disturbing. It is the very real danger that we, as a nation, will become locked into a policy of exploiting the West to clean up the air in the East.

The standards prescribed by EPA in accordance with the Clean Air Act require that, for new powerplants, emissions of sulfur dioxide shall be less than 1.2 pounds per million Btu's of energy supplied to the boilers. Some States have adopted plans which apply that standard, or an even more stringent one, to existing powerplants as well as new ones. The result is that power companies are actively searching for new ways to meet these standards.

Until last fall, the answer which many had adopted was to use low sulfur oil, some of it imported from the Arab world. The oil embargo demonstrated that this solution was unreliable and expensive. Congress has just made it illegal as well, in some cases, by the provisions of the Energy Supply and Environmental Coordination Act of 1974.

Another way to meet the standards is to remove the sulfur dioxide from the exhaust gases before they leave the stack. Last fall, the EPA held extensive hearings on the status of the technology for flue gas desulfurization equipment, the so-called scrubbers. On the basis of the evidence presented at those hearings. the EPA concluded that scrubber technology has been demonstrated to be effective and reliable, and that scrubbers were available as a means of controlling sulfur dioxide emissions.

EPA's judgment has been questioned by many. Whether it is correct or not, the evidence has failed to convince the Federal Power Commission, many State public utility commissions, and the management of many power companies. As an example, Louisville Gas and Electric Co. took a chance and installed a scrubber on one small unit. They believe it was effective, and they want to put scrubbers on two more larger units. The Kentucky Public Service Commission, however, has barred them indefinitely from doing that. Partly on the basis of testimony by a representative of the Federal Power Commission, the Kentucky Commission ruled that scrubbers were not proven to be reliable, and a major investment in them by the company would be unfair to its consumers.

An alternative solution, which many utility companies find attractive, is the use of low-sulfur coal. While much low-sulfur coal exists in the East, we were told that production from existing mines is generally committed to metallurgical uses. We have some special coal of that kind in New Mexico, which is mined near Raton and sent to steel mills in California. It would be wasteful to divert such coal whether it be from the West or the East from its most productive use, for which there is no reasonable substitute.

It will take 4 to 6 years to open new low-sulfur coal in the East. Since they would be underground mines, the coal will be expensive and hazardous to produce. So the power companies are turning to what one of them calls, the western provinces. Commonwealth Edison is using coal from Montana and Wyoming in plants in Illinois and Indiana. Detroit Edison will soon begin to fire boilers with western low-sulfur coal. American Electric Power Co. told the Public Works Committee that they intended to develop western sources of low-sulfur coal for new and existing powerplants in Indiana in addition to their existing use of Montana coal in West Virginia plants. Oddly enough, they testified that western coal would be "impractical for use in their Ohio powerplants."

The coal rush is on. As a Senator from a western coal-producing State, I am pleased with the prospect that our resources will be developed and contribute to the solution of our national problems. But I will not stand by and see those resources exploited in a manner which leaves us with environmental problems and little in the way of economic benefit. Our State has had that experience already.

New Mexico ranks fourth in the Nation in production of natural gas; it ranks sixth in the production of oil. We have not benefited from the use of those resources as much as we should have. New Mexico's per capita income is 47th among the 50 States, 78 percent of the national average, the same relative position it held in 1948, before the oil and gas resources were developed. Simply pumping them up and shipping them out has provided only minimum income and few jobs and few resources. I do not want to see the same thing happen with our coal. I know others in this body who have similar concerns for their States. In addition, the environmental problems associated with coal production are even more acute than with oil and gas production.

Our concern is not simply parochial. It is only when you look at the national implications of solving eastern air problems with western coal that the disadvantages of such an approach become clear. A look at some specific details will demonstrate what I mean.

In February, 1974, 88 percent of the fuel for Commonwealth Edison's Will County Station in Illinois was low-sulfur Montana coal. The cost was 75 cents per million Btu, delivered at the plant. Four percent of the fuel was Illinois high sulfur coal, costing 50 cents per million Btu. To operate that plant for a year on Montana coal at 1,000 megawatts would require spending $45 million for fuel. Using Illinois coal, the cost works out to $30 million, or $15 million less.

To meet air quality standards with Illinois coal, of course, scrubbers would have to be installed. The Will County Station has had an experimental scrubber operating on one unit since February, 1972. It cost about $100 per kilowatt to install and a penny per kilowatt to operate. Extrapolating these figures, it would cost $100 million to fully equip the station with scrubbers, plus $8.7 million annually to operate them. These costs, plus depreciation on the capital investment and the cost of Illinois coal work out to be about equal to the cost of west-

ern coal over a reasonable 30-year depreciation period. But the installation cost and operating expenses of the experimental scrubber at Will County are probably two or three times as great as would be the case with commercial units. More than that, the cost of western coal so far does not reflect the true transportation costs. Up to this point, the coal trains have been using cars which had been idle in recent years. Any further development of Western coal for Eastern powerplants will require new cars, new locomotives, and new roadbeds.

Here are some of the details of the transportation problem that impress me. Montana coal must be moved 1,500 miles to Will County, Ill., 10 times the distance required for Illinois coal. To supply just that one power station, it takes 250 trainloads of coal annually. These are trains of 100 cars, carrying 100 tons of coal in each car. A single train carrying Illinois coal could service two such powerplants. At least five trains must be dedicated to serving just the Will County station with Montana coal. An argument against scrubbers has been made that we could not possibly build enough of them to fit all the powerplants that need them, even if everyone agreed that they worked. I can assure you that if we follow a no-scrubber strategy using western coal, which would require 10 times as many hopper cars as a local coal strategy, there is not a chance of having enough cars to serve those plants.

Another point is that those trains need fuel, too. Each train serving the Will County station from Montana will use about 2,000 barrels of diesel fuel, plus another 1,000 barrels for the return trip with empty cars. That is three-fourths of a million barrels of oil per year just to get the fuel to this one power station, and that is a rather revealing fact.

But we are faced with the possibility that 50 to 100 such plants may prefer to switch than fight. One thing on which EPA and FPC agree pretty well is the magnitude of the problem. They estimate that between 70,000 to 90,000 megawatts of power production will not be able to meet 1975 air standards without scrubbers or low-sulfur coal.

What would be the impact of supplying 70,000 megawatts by burning western coal? There would be a mile-long coal train rumbling east every half hour, and another empty one headed west. There would be 35,000 hopper cars dedicated to this service, plus 1,500 locomotives. More than a billion dollars would be tied up in rolling stock alone. And all this will need to be done at a time when steel is already in short supply. Steel industry sources see no chance that the supply picture will improve soon.

These trains will require 60 million barrels of diesel fuel each year, diesel fuel we are already seeking to conserve. They will spew 20,000 tons of air pollutants into the skies between the Rocky Mountains and the Mississippi River.

The western coal these trains carry would be substituting for eastern coal, for the most part. Even after allowing for the fact that eastern coal has a higher heat content than most western coal, that is 150 million tons a year that will not be mined in the East, nearly one-third of the total eastern production in recent years. I am sure that some of my colleagues from West Virginia, Kentucky, or some of the other coal-producing States could provide details of the dramatic effect that would follow from the loss of jobs and income if the demand for eastern coal dropped by that much.

We in the West would gain no advantage from that. Our coal is going to be used anyway. New powerplants in six Rocky Mountain States alone will raise the demand for coal up to 100 million tons per year by 1982. That is about all we are likely to be able to produce without drastic measures. But the country as a whole would be the loser if our eastern coal industry were pushed back into depression just as it is beginning to climb out.

Then there is the environmental effect of mining the coal. One of the witnesses before the Subcommittee on Environmental Pollution, which I referred to before, said:

> Coal is the only answer to our energy problems today and for many years into the future. We must begin a crash program to dig it and to put it to work as quickly, cleanly and efficiently as possible.

I translate that statement to mean it is intended to do the quickest, cheapest job of strip mining possible. That simply is not acceptable. Much of the western reserves of coal can only be recovered by surface mining, but it must be carefully regulated so that it is done in an environmentally acceptable manner and so that the land is properly reclaimed. There is still much to be learned about reclaiming western range land; the problems are quite different than those encountered in Illinois or West Virginia. A study just released by the National Academy of Sciences states that there is a very low probability of rehabilitating land in areas where the annual rainfall is less than 10 inches per year. The fact is that most of the strippable coal reserves are in such areas. A "crash program" to dig the coal is not likely to be accompanied by a crash program to learn how to restore the land from which it is gouged.

Mr. President, this strategy is economically, energetically, and environmentally irrational. The economy of the eastern coal-producing States will be ruined and put in jeopardy, and eastern power consumers will still pay more than if eastern coal and scrubbers were used. Scarce steel and oil will be wasted in building and moving trains. A substantial amount of air pollution will be generated in the attempt to stop air pollution. And our western lands will be laid open before we have learned how to heal the wounds.

Mr. President, I do not believe that we need to back away from our national goals. We must continue to press for the cleanest air possible coming from our stacks; we must still aim for abundant energy at reasonable cost. To do these things, we need to develop our national resources rationally. We need to provide a climate for the power industry which allows them to seek the best long-range solutions. Most important, we must avoid getting locked into policies which provide short-range compliance with our goals, but long-range problems for both the East and the West.

Time is the element which complicates the picture. As a result of the Clean Air Act Amendments of 1970, deadlines were set for compliance with the standards for stationary sources that were established. July 1, 1975, is the first of those deadlines. Although extensions have been granted by the Congress and by the EPA, many companies must decide very soon how they are going to meet those standards. The figures I have presented show that those decisions will commit them to expenditures of hundreds of millions of dollars. Whether they choose eastern or western coal, they will have to sign contracts which will commit them for up to 30 years. Like the sorcerer's apprentice, these companies will be setting in motion a variety of activities, from raising capital to digging mines, which they will have little ability to change once they are started. This is why it is so important that the long-range consequences of the various alternatives be made as clear as possible, as quickly as possible.

The Federal Government, in my opinion, has at least a dual role to play. It must keep the pressure on to find solutions. But it must also help in developing the alternatives. For example, I am very wary of the so-called intermittent control systems, under which pollutants would be emitted from tall stacks except when weather conditions were such that a temporary shift to low-sulfur fuel would be necessary. But there may be places where this is an acceptable solution. Some people argue that it could even have beneficial effects, by providing needed sulfur to agricultural soils in certain parts of the country. The crucial point seems to be the health effect of sulfates which form downwind from the pollution source. The Federal Government must move as quickly as possible, consistent with developing reliable conclusions, to resolve that question.

On the other hand, I am becoming convinced that EPA, the National Academy of Sciences or anyone else can declare until they are blue in the face that scrubbers are available and reliable, but the utilities and their regulatory commissions will not believe it until they see some actual examples which have been operating on full scale installations for reasonable lengths of time with acceptable reliability and maintenance costs. We have no time to waste on arguments which do not lead to clarification of the facts. We need agreement among potential users as to what would be a convincing demonstration, and then we must get those demonstration units into operation. Some companies see the handwriting on the wall and are ready to pay for those demonstrations with their own money. At the very least, we should clear the way for them.

A more positive result is likely if the Federal Government helps to reduce the risk involved in getting the bugs out of this new technology. I propose that the EPA be authorized to build full-scale scrubber installations on several power

plants, chosen partly to demonstrate different operating conditions and problems, and partly on the basis of the commitment by their management to make them work. EPA would continue to fund modifications, until it was agreed that the system was satisfactory for long-term service. Then the installation would be sold to the power company at a price equal to what other companies pay to have the same system installed on their power stations, now that it is a commercially acceptable investment and the bugs have been eliminated.

Another alternative to achieve clean air is to remove the sulfur from coal before it is burned. The technology closest to commercial use is gasification. The Department of the Interior is already sponsoring research to adapt the old Lurgi process to eastern coals, and newer processes promise better economics and less need for large quantities of water, which is important for western applications. Along these lines, and picking up my earlier theme of benefit to the coal-producing State, an analysis of some current activities in New Mexico, and their implications, provides some dramatic insights.

Two producers have obtained the mineral rights to enable them to build coal gasification plants in the Four Corners area of our State. The producers are cooperating with State and local authorities in anticipating problems which may result from this development. They have done an extensive study of the possible construction of a new town—and ways to keep it from becoming a "company town." During the construction phases, which will continue until 1983, up to 7,000 persons will be employed in building the gasification facilities. They will employ more than 1,500 people for their operation, twice as many as will be working in the coal mines. The annual payroll will be $20 million. The presence of these workers will, of course, require stores, gas stations, housing construction, and all other services needed for a viable economy, meaning additional jobs and income. Housing alone will probably cost $50 million, with retail trade running to $10 million each year.

These projections do not even take into account the possibility of building additional plants to process the byproducts of the gasification process. Coal tar can be converted into raw materials for dyes and medicines; the gasification plants will produce 2 million barrels of coal tar each year. The plants will also turn out 95,000 tons of ammonia solution, which can be processed into fertilizer, needed for the nearby Navajo Indian Irrigation Project. The potential benefits seem endless.

This is what I call beneficiation of our coal resource, in the sense of the Spanish word from which that term is derived: "To benefit or profit from working the land or a mine." If the coal were simply being dug up and loaded in hopper cars headed for Illinois or Michigan, the benefits to the people and State of New Mexico and similar States in the Southwest and West would be jobs for less than 1,000 people, an annual payroll of $10 million and royalties of $2 million per year. By processing the coal locally, our benefits increase on the order of 5 to 10 times. And the gas produced just from the first units, due to be on stream in 1977 would be enough to fuel all of the existing gas-fired powerplants in New Mexico, Arizona, and Colorado. This new source comes none too soon; at the rate they are now being depleted, New Mexico's gas reserves will be gone in 10 years.

The rest of the Nation stands to gain, too. The business and personal taxes will be 5 to 10 times as great as they would have been if the coal were simply shipped East and burned. Further, many of the jobs created by the coal treatment complexes will be filled, by the unemployed and the underemployed, in my State members of the Navajo peoples, whose current unemployment rate runs around 30 percent. They will regain the dignity which comes with earning a living instead of subsisting on welfare. Their income will have a multiplying effect in allowing the Navajo nation to deal with its own problems, far beyond the help that would be provided by the royalties on the coal alone.

Mr. President, it is this kind of development that I think we would all like to see for the resources in our respective States. It is indeed encouraging. As I say, we would like that, and I believe it would be, over the long haul, better for the whole country. I am confident that my neighbors to the north feel the same way. We want to do our part in solving the Nation's energy problems. But we want to do it in a way that leaves us with something more than problems 20 years from now, or even sooner if those who are so anxious to get Western coal now should change their minds the first time the contracts come up for renewal. With a proper mixture of toughness and flexibility, the problems of burning Eastern coal in Eastern powerplants can be solved without having to exploit the so-called western provinces. We need to work toward that kind of solution, not just what appears to be the easiest way out. That approach has already failed in the switch to Arab oil. Let us not get trapped again because we failed to look at all the consequences of our decisions today.

Mr. President, I reserve the balance of the time that the distinguished Senator from Michigan has given to me.

Mr. GRIFFIN. Mr. President, I suggest the absence of a quorum with the time to be charged against my time.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

Mr. GRIFFIN. Mr. President, I yield back any remaining time under my special order.

The PRESIDING OFFICER. Under the previous order, the Senator from New York is recognized for a period not to exceed 15 minutes.

(The remarks Senator JAVITS made at this point on the introduction of S. 3771, the Economic Review Act of 1974, are printed in the RECORD under Statements on Introduced Bills and Joint Resolutions.)

ORDER OF BUSINESS

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

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

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Perry, one of its reading clerks, announced that the House has passed the bill (S. 3679) to provide emergency financing for livestock producers, with amendments, in which it requests the concurrence of the Senate.

The message also announced that the House has passed the bill (H.R. 3903) to direct the Secretary of the Interior to convey certain public land in the State of Michigan to the Wisconsin Michigan Power Co., in which it requests the concurrence of the Senate.

ENROLLED BILL SIGNED

The message further announced that the Speaker has affixed his signature to the enrolled 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.

HOUSE BILL REFERRED

The bill (H.R. 3903) to direct the Secretary of the Interior to convey certain public land in the State of Michigan to the Wisconsin Michigan Power Co. was read twice by its title and referred to the Committee on Interior and Insular Affairs.

PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS

The PRESIDING OFFICER (Mr. HOLLINGS). Under the previous order there will now be a period for the transaction of routine morning business for not to exceed 15 minutes, with statements limited therein to 5 minutes.

ESTABLISHMENT OF LEGAL SERVICES CORPORATION—CONFERENCE REPORT—LIMITATION OF DEBATE TOMORROW ON MOTION TO INVOKE CLOTURE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow the 1 hour of debate under rule XXII on the motion to invoke cloture begin running at 12 o'clock noon.

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

Mr. ROBERT C. BYRD. I yield.

Mr. JAVITS. Mr. President, I thoroughly agree with that request, but I would like, as one of those who sought to motivate this matter, to express the hope that the leadership might be able to arrange for a peaceful vote on this matter. Last night we were caught pro-

visionally without the opponents here, so we had to do what we did. There is no adversary feeling about it but I hope the Senator can make this arrangement.

Mr. ROBERT C. BYRD. I share the Senator's hope.

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

ORDER FOR ADJOURNMENT

Mr. ROBERT C. BYRD. Mr. President, for the time being, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 9:30 a.m. tomorrow.

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

Mr. ROBERT C. BYRD subsequently said: Mr. President, I ask unanimous consent that the order for the convening of the Senate at 9:30 a.m. tomorrow be vacated and that the Senate convene instead at the hour of 11 a.m. tomorrow.

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

QUORUM CALL

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

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. 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.

SCHOOL INTEGRATION HIGHEST IN SOUTH

Mr. ALLEN. Mr. President, the people of the South have complied in good faith with the Supreme Court decision requiring desegregation of southern schools. The South has led the Nation in achieving desegregation of the public schools. The Supreme Court has engaged in legalistic sophistry in not requiring similar action in areas throughout the Nation outside the South. What is needed is a uniform policy of desegregation of public schools, fairly and equally applied throughout the Nation, plus sincere efforts to the end that all of the Nation's children, wherever located, may have the benefit of a good education.

The millions of dollars squandered annually in forced busing of schoolchildren should be spent on improving and upgrading our school system. Freedom of choice and the right to attend neigborhood schools should be the right of all schoolchildren.

Mr. President, I ask unanimous consent that an article entitled "School Integration Highest in South," appearing in the Washington Post of July 16, 1974, be inserted at this point in the RECORD.

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

[From the Washington Post, July 16, 1974]

SCHOOL INTEGRATION HIGHEST IN SOUTH

(By Bart Barnes)

Public schools in the Deep South, once the stronghold of resistance to racial integration, are now virtually the only school systems in the nation that continue to reflect substantial progress towards desegregation.

According to figures released by the U.S. Office of Education, movement towards desegregation of the public schools in the Northern and Western states has all but halted.

But in the 11 states of the Old Confederacy, which have the highest percentage of black students of any region in the country, there continues to be increasing numbers of blacks and whites attending school together.

The latest figures, compiled every two years by the Office of Education, reflect public school enrollments in September of 1972. However, spokesmen for both the Office of Education and civil rights organizations said the figures generally hold true for today.

What the figures demonstrate is that the 11 former Confederate states—Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Texas and Virginia—had the highest degree of racial integration in the nation, in those states, 46.3 per cent of all black public school students were attending schools that were 50 per cent or more white. Only 29.9 per cent of the black students in those states were attending schools that were 80 per cent or more black. Blacks accounted for 26.3 per cent of all public school students in the 11 Southern states in the fall of 1972.

By contrast, in the Northern and Western states, only 28.7 per cent of the black students were attending schools that were 50 per cent or more white. In the border states, Delaware, Maryland, Kentucky, West Virginia, Missouri and Oklahoma, plus the District of Columbia, only 31.8 per cent of the black students were in schools that were more than half white. In both regions, the majority of black students were in schools that were more than 80 per cent black—59.8 per cent in the border states and D.C., and 55.9 per cent in the northern and western states.

William L. Taylor, director of the Center for National Policy Review and a former staff director of the U.S. Civil Rights Commission, said the data released by the Education Office indicates a "pattern of nonenforcement in the north and west."

Taylor said this is one of the central conclusions of a nationwide study the center is just finishing on desegregation in the public schools.

Outside of the District of Columbia, which has a 95.5 per cent black student enrollment, the figures showed Illinois to be the most highly segregated state in the nation. More than 77 per cent of the black students in that state were enrolled in schools in which more than 80 per cent of the students were black.

Although not has highly segregated as Illinois, virtually all the industralized states of the North remained heavily segregated in the public schools. More than half of the black public school students in New York, New Jersey, Pennsylvania, Ohio, Michigan and Indiana were enrolled in schools that were 80 per cent or more black.

In three of those states, New York, New Jersey and Pennsylvania, the degree of segregation actually increased between 1970 and 1972 with more students enrolled in 80 per cent or more black schools.

By contrast, none of the former Confederate states had school systems that were as heavily segregated as the public schools of the industrialized north. North Carolina—where court-ordered busing for school desegregation began in Charlotte—had the highest degree of racial integration with only 7.4 per cent of the black students in that state attending schools that were 80 per cent or more black. Schools in both Alabama and Mississippi were more fully integrated than those in New York.

Virginia, where state officials once endorsed a campaign of "massive resistance" to school desegregation, had only 12 per cent of its black students in schools that were 80 per cent or more black.

Mr. ALLEN. Mr. President, I would like to read from the newspaper article I have just inserted into the RECORD.

In three of those states, New York, New Jersey and Pennsylvania, the degree of segregation actually increased between 1970 and 1972 with more students enrolled in 80 percent or more black schools.

By contrast, none of the former Confederate States had school systems that were as heavily segregated as the public schools of the industrialized North. North Carolina—where court-ordered busing for school desegregation began in Charlotte—had the highest degree of racial integration with only 7.4 percent of the black students in that State attending schools that were 80 percent or more black. Schools in both Alabama and Mississippi were more fully integrated than those in New York.

I think that would be of interest to Members of the Senate and to the public generally. Continuing:

Virginia, where State officials once indorsed a campaign of "massive resistance" to school desegregation, had only 12 percent of its black students in schools that were 80 percent or more black.

Whereas in many areas of the North segregation in the public schools is increasing, it is increasing because the ruling of the Supreme Court has actually fostered, protected, and preserved segregation in the public schools of the North, at the same time demanding immediate, forced desegregation of public schools in the South, and having that policy implemented by forced busing of school children, hither and thither, from one end of the county or one end of the city to another end of the county or another end of the city.

It is certainly to be hoped that in the not-too-distant future the Supreme Court will see fit to apply the same rules for desegration of public schools equally, fairly, and uniformly throughout the entire United States.

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

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

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the ACTING PRESIDENT pro tempore (Mr. METCALF):

A petition by several citizens of Iowa urging the elimination of the oil depletion

allowance. Referred to the Committee on Finance.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

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

S. 3190. A bill to authorize appropriations for fiscal year 1975 for carrying out the Board for International Broadcasting Act of 1973 (Rept. No. 1019).

EXECUTIVE REPORTS OF COMMITTEES

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

By Mr. SPARKMAN, from the Committee on Banking, Housing and Urban Affairs:

William D. Eberle, of Connecticut, to be Executive Director of the Council on International Economic Policy.

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

SUBMISSION OF A CONFERENCE REPORT ON H.R. 8217, DUTY EXEMPTION FOR CERTAIN VESSELS (S. REPT. NO. 93-1018)

Mr. TALMADGE submitted a report from the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8217) to exempt from duty certain equipment and repairs for vessels operated by or for any agency of the United States where the entries were made in connection with vessels arriving before January 5, 1971, which was ordered to be printed.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

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

By Mr. JAVITS:

S. 3771. A bill to provide for monitoring of the economy, establish an Economic Review Board, and to increase national productivity. Referred to the Committee on Banking, Housing, and Urban Affairs.

By Mr. SPARKMAN:

S. 3772. A bill for the relief of Benjamin Hill Clark. Referred to the Committee on Finance.

By Mr. BENNETT:

S. 3773. A bill to authorize the Secretary of the Interior to pay a portion of the cost of corrective work on the Starvation Reservoir Bridge, Utah. Referred to the Committee on Interior and Insular Affairs.

By Mr. EASTLAND:

S. 3774. A bill for the relief of Au Yeung, Sui Cheung. Referred to the Committee on the Judiciary.

By Mr. BUCKLEY (for himself and Mr. BROOKE):

S. 3775. A bill to provide for the monthly publication of a Consumer Price Index for the Aged which shall be used in the provision of cost-of-living benefit increases authorized by title II of the Social Security Act. Referred to the Committee on Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. JAVITS:

S. 3771. A bill to provide for monitoring of the economy, to establish an Economic Review Board, and to increase national productivity. Referred to the Committee on Banking, Housing and Urban Affairs.

Mr. JAVITS. Mr. President, I am speaking today on the national economic crisis which involves also the international economic crisis, and, before I am through, I will offer a bill to deal with our national problems.

Our country—and indeed our world—is adrift on perilous economic seas. Some economists believe—and there are some strong indicators to confirm this belief—that the world is on a collision course with a serious economic depression and that in the United States we could be facing continued serious inflation accompanied by deepening unemployment.

Indeed, I am concerned that our current national economic policy of no policy could move us closer to the collision course some see as inevitable.

My other concern regarding our economy is that the current crisis of leadership associated with Watergate would prevent the formulation and implementation of effective economic policy.

For we face a sharp and extremely serious erosion of confidence in our ability to deal with our political and economic problems. The economic profession is in disarray. The administration seems to have exhausted its stock of economic remedies and is publicly advertising for alternatives and seems caught on the shoals of what Dr. Herbert Stein calls the oldtime religion—orthodox fiscal and monetary restraint. Since these tired old dogmas do not take into account the numerous new factors contributing to our national and world economic problems, it should surprise no one that their stringent application may induce a real recession without winning the battle against inflation. Although I would agree that it is necessary to pursue strict monetary and fiscal policies, to do this alone without attending to the fundamental causes of our economic plight is like treating a deep wound with aspirin and bandaids.

Also, it is time to stop hunting for scapegoats. Congress is always a likely target, witness the President's latest swipe based on his "fear" that Congress will pass "silly" and "dangerous" legislation if the administration sits on its hands and lets the economy deteriorate. The administration has also tried to pass the buck to the American people, who also according to Dr. Stein have refused to accept tax increases, although the administration has consistently been seeking to reduce taxes. What the administration refuses to recognize is that inflation is the most regressive tax of all, and that it has been forced most unjustly on the American people, particularly on those who can afford it the least.

Now, as to what can be done. Although the movement for direct wage and price controls has no momentum in Congress at this time, the necessity for a monitoring body over wages and prices has been vastly neglected. When we have wage contracts averaging 10 percent per annum increase being signed, and steel prices doubling, the least that should be done is to have some way to bringing this to the attention of the people so that industries or unions that act irresponsibly with respect to the public interest may be called on to explain and to justify their actions.

For the impact that these large increases in wages and prices will have in generating a new round of "cost push" inflation cannot be overestimated. The most recent wholesale price index shows that the price of industrial commodities has increased 34 percent in the last 6 months alone. These price increases will reveal themselves in consumer prices in the months to come, assuring us that the end of this inflation is not in sight.

Now, Mr. President, in order to deal with these or some of these matters, I am introducing today a bill, which I send to the desk for appropriate reference, which does the following things:

It sets up an economic review precedure and an agency for the purpose of carrying on that economic review which will do the following things:

To spot and try to remedy supply bottlenecks;

To review industrial capacity in the various sectors in an effort to restrain prices;

Cooperate with labor and management in improving the structure of collective bargaining;

Improve wage and price data bases;

Monitor the economy or appropriate segments by requiring such reports on wages, productivity, prices, sales, profits, imports and exports as are needed for price and wage stability and are not already available; and most importantly;

To conduct public hearings on inflationary and supply problems in the various sectors;

Cooperate with labor and management in improving the structure of collective bargaining; and

Improve wage and price data bases. That is title I of the bill, Mr. President.

Title II of the bill will allow the establishment of industry and regional productivity councils to seek to improve productivity under the National Productivity Council. We had 5,000 of such labor-management productivity councils in World War II, and they worked very well; and, as productivity is the very key to dealing with inflation, Mr. President, it seems inconceivable that we should not at least seek to get the benefit of that experience at this time.

In this respect I note the very disturbing announcement by the Department of Labor on the sharp decline in productivity in the first quarter of 1974.

Mr. President, I ask unanimous consent that the release by the Department of Labor be printed in the RECORD.

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

PRODUCTIVITY AND COSTS IN NONFINANCIAL CORPORATIONS, FIRST QUARTER 1974 (AND REVISED FIGURES FOR THE TOTAL PRIVATE ECONOMY, FIRST QUARTER 1974)

Productivity in nonfinancial corporations fell 6.2 percent at a seasonally adjusted annual rate in the first quarter of 1974, following a 3.3 percent decline in the preceding quarter, the Bureau of Labor Statistics of the U.S. Department of Labor announced today. The decrease in productivity (or output* per man-hour) was the largest reported since this series began in 1958. The decline reflected decreased in both output—8.7 percent—and man-hours—2.7 percent—at annual rate.

The revised productivity measures for the total private and nonfarm sectors showed declines of 6.4 percent and 4.5 percent, respectively, from the preceding quarter at annual rates. These downward revisions in the output per man-hour measures—earlier reported as declines of 5.5 percent and 3.5 percent, respectively—reflected downward revisions in the output measure combined with smaller downward revisions of the man-hour measure. Revised figures for the total private, nonfarm, and manufacturing sectors are summarized in table A; details are in tables 1–3.

Mr. JAVITS. I make provision, Mr. President, in respect of this measure for $50 million to carry its costs.

Now, in title 1 I am proposing no radical new scheme of control. It is, in fact, almost the proposal the administration itself made to Congress in February of this year but then backed away from. But it is an important step and an immediate step.

While on this topic, I would like to note that Federal Reserve Board Chairman Arthur Burns, in testimony before the House Ways and Means Committee on Monday, advocated the reimposition of voluntary wage and price controls. I have advocated a maintenance of wage and price control authority, and I want to go on record again saying that I favor this idea as a partial stopgap respecting inflation.

Realistically, I discern no support for wage or price controls in the Congress. But when we have wage contracts averaging 10 percent per annum, and steel prices doubling, the least that should be done is to have some way of bringing this to the attention of the people so that industries or unions that may act irresponsibly with respect to the public interest may be called on to explain and to justify their actions.

The monitoring agency I am proposing will achieve this objective. I might say that Chairman Burns has also suggested a cooling off period on wages and prices in the jurisdiction of such a monitoring agency.

Although it is not contained in my bill, I am certainly open to any such concept by way of an amendment to the bill if that should develop some support in Congress.

Also Chairman Burns suggested adjustments in capital gains taxes to encourage more business investment, and a $10 billion cut in Federal spending as aids in the fight on inflation.

I thoroughly agree that we should encourage capital investment to increase productivity, and fiscal responsibility in the Federal budget is critical.

But it is, in my judgment, unrealistic to expect that these measures alone can break the back of inflation. I believe that in order to do that we have to really get down to fundamentals. Hence, my Economic Review Act of 1974, and its importance.

Mr. President, we need also in respect of the fight on inflation to do something on the international front. I believe it is essential that the major central banks publicly recognize the serious strains being put on the world financial system, and give assurance that they will actively pursue the needed policies to shore up individual banks should these strains threaten to impair the functioning of the credit system.

A constructive step toward this end was taken last weekend with the announcement in Basel that through the Bank for International Settlements major central bankers had agreed in principle to provide emergency assistance to financially troubled banks where needed to maintain confidence in the international banking system.

The announcement on July 8 is a first step; but a step which needs to be given substance by positive actions.

The international financial system is now very uneasy. The recent failure of the Herstatt Bank in West Germany proves once again how interconnected is the world's financial system with banks in the United States, Great Britain, and Israel taking losses in the Herstatt failure. The price we pay for inaction is so great that it can hardly be imagined. Rising protectionism, a contraction of international trade, social unrest and perhaps a worldwide depression are the direct consequences of a breakdown in our system of money and credit. The time has come for concerted action by the central banks of the developed nations and by international financial institutions to meet the situation.

I have one final point to make with regard to the economy. This final point has to do with a disturbing trend I have observed in projections of the grain harvest emanating from the Department of Agriculture.

The Department has revised its grain forecasts downward 4 times since May 9, of this year, with production estimates dropping from 2.172 billion bushels on May 9, to 2.091 billion on June 11, to 2.074 billion on June 24, down to a low of 1.925 billion bushels on July 11.

Further, the head of the National Corn Growers Association said recently that this year's crop is in worse shape than any other in a decade.

I do not know if these revised estimates and poor forecasts are the result of faulty data at the outset of the year, but I do know that all of this points to renewed food price increases and indicates the utter lack of any national food policy to provide for our own people and ensure reasonable supplies for the rest of the world.

Hence the passage of effective legislation to establish such a national food policy is vital to determine what we have available for food, for export and for reserve This is especially important at a time when famine is affecting large portions of Africa, and American exports will be required there and in Asia.

Mr. President, in conclusion I wish to state that we are all very interested and excited about the drama of Watergate. But it does not hold a candle in pragmatic terms, although it has become the dominant moral issue, in the effect upon this world of inflation that we are now experiencing, and what we do about it.

Mr. President, we have an enormous task of great immediacy in this respect. I have tried to suggest some ways of getting at it; others have tried to suggest other ways of getting at it.

Whatever way we choose is not nearly as material as the fact that we need a dynamic, effective, working policy, not a no-policy on the part of our Government, both in Congress and in the executive branch. But I see a disquieting tendency to accept no-policy as a policy. It is for that reason I have introduced this legislation and made this speech today.

Mr. President, I ask unanimous consent to have printed in the RECORD a news article which was published in the New York Times financial section of last Sunday, July 14, 1974, which I consider to be a rounding up of a highly expert group of suggestions respecting inflation. The article contains recommendations of a host of individuals, economists, and other experts on how to deal with the inflationary dangers we face.

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

[From the New York Times, July 14, 1974]

HOW TO FIGHT INFLATION: A SURVEY

(NOTE.—Last Thursday President Nixon opened a "national dialogue" on how to cope with inflation. He invited 31 businessmen and economists to discuss with him the worldwide disease that has been plaguing ordinary citizens and national economies, threatening political leaders and shredding the reputations of pundits whose remedies don't seem to work.

(The New York Times conducted its own sampling of opinion among businessmen, economists and representatives of labor and the consumer. They were asked, "What recommendations would you make for dealing with our inflation-prone economy?"

(There seems to be a consensus that inflation is a serious illness and probably not susceptible to cure. Perhaps, like alcoholism, it may only be controllable and then through enormous exercise of will and self-discipline.

(At all stages of the spectrum, there is recognition of the political elements in both the causes and suggested prescriptions for inflation. Capital investment to spur production and mitigate inflationary scarcities of goods and commodities was repeatedly cited.)

WALTER E. HOADLEY—BANK OF AMERICA

There are no quick answers to today's inflation. Moreover, any solutions must now be both multinational and national and encompass critical attention to political, psychological and social as well as economic forces.

Unquestioning dependence on conventional wisdom from the past could aggravate

the present situation rather than help it. At least six steps need to be taken promptly in the United States:

Open recognition by national leadership that inflationary trends and especially inflationary psychology have begun to change public behavior and confidence, creating mounting danger—if inflation is not brought under control—to both the economy and ultimately our political stability.

Urgent official attention to setting some clear-cut national priorities.

Firm monetary and fiscal policy, with sensitive surveillance of the precise consequences in the marketplace.

Major surgery on unproductive Government and private expenditures.

Vigorous new emphasis on additions to productive capacity to help offset two generations of national stimulation of demand.

A clear-cut challenge for virtually every business and public agency to play a specific local role in the fight against inflation.

WILLIAM C. FREUND—N.Y. STOCK EXCHANGE

Economists share with the Federal government responsibility for misjudging our economy's inflation potential. Too much reliance was placed on statistics purporting to show a plentiful supply of industrial capacity and labor.

We know how misleading these indicators proved to be when industrial capacity and our labor force were actually stretched to the full. On top of that came the calamity in oil prices and agricultural scarcities.

One lesson clearly is the need for better systems of economic intelligence. But inflation will now recede only if supply deficiencies are permitted to adjust. This will require reducing the pressure of overall demand and stimulating, as Treasury Secretary Simon has urged, the flow of savings into productive investments.

Government fiscal policy can play an important role in stimulating savings and investments. So can tax policy. Limiting the money supply should not be the sole means of combating inflation.

EDWARD E. CARLSON—UNITED AIR LINES

Reducing the present rate of inflation to a tolerable level without simultaneously causing severe damage to the consumer and business sectors of the economy is one of the most difficult tasks ever to face the world's political, business and labor leaders.

It is a task that requires the utmost cooperation between key leaders in labor, business and government at every level—national, state and local. Many believe that the present steps of monetary restraint, as important as they are, will really not be effective in curing the basic problem and that somehow steps must be found to use all of the economic tools on a broad basis rather than relying solely on monetary strength.

High on the priority list is the necessity of guaranteeing protection to wage earners and others on fixed incomes in order that their savings will not be further eroded. This is politically difficult but essential.

I am not an economist, but as one who has spent many years in the business world I feel that basic to the problem is the passage of legislation which will require a balanced Federal budget—again politically difficult but essential to the basic problem.

NAT GOLDFINGER—A.F.L.-C.I.O.

We recommend a selective monetary policy in which the Federal Reserve System would allocate a significant portion of available bank credit at reasonable interest rates for housing and community facilities and at the same time curb the flow of credit for such activities as land speculation, gambling casinos, conglomerate take-overs and foreign subsidiaries.

We call for a general reduction in the level of interest rates combined with this less tight monetary policy.

We think that the entire Federal tax structure cries out for revamping in terms of tax justice and that there is a need to establish a fair means of raising the required volume of Federal revenue. We urge the elimination of major loopholes in the Federal tax structure and adoption of an excess-profits tax, which could raise as much as $30-billion of additional revenue that could provide the basis for a genuine tax break for middle- and lower-income taxpayers.

We recommend Government controls on the exports of agricultural and crude materials in short domestic supply to be maintained until shortages are ended and pressures on prices subside.

LEON KEYSERLING—ECONOMIST

Obsessive preoccupation with price inflation, instead of rational treatment, has ignored the true function of price trends, neglected ultimate purposes far more important than price trends and aggravated price inflation.

From early 1969 through the first quarter of 1974, by deficient economic performance, we have forfeited about $513-billion of gross national product, measured in 1970 dollars; almost $128-billion of public revenues, which might have been used to meet the great priorities of public needs, and 11-million man-years of employment. Further worsening now threatens and could bring economic social and civil evils of unpredictable magnitude.

The first step toward rectification should be a $7-billion-to-$10-billion tax cut for middle- and low-income families, and a $7-billion-to-$10-billion increase in public outlays for the great domestic priorities, including overcoming shortages in fuel and food.

Even with the high multiplier of 3, this would stimulate total national production about $42-billion to $60-billion, very conservative in view of a current G.N.P. gap of at least $100-billion, annual rate.

The money supply should be expanded in accord with economic restoration needs.

GUY E. NOYES—MORGAN GUARANTY TRUST

This is not the time to look for novel policy initiatives in the hopes that they will bring an early end to either inflationary pressures or muted economic growth. Both these conditions are likely to be with us for some time to come and the greater danger may well be that of adopting measures that would exacerbate one or the other of them.

For example, in the present circumstances any effort to significantly stimulate the rate of economic expansion would almost certainly create renewed upward pressure on the prices of sensitive materials and commodities.

On the other hand, the upward momentum of the economy seems too fragile to risk measures which would sharply curtail final demand.

The severest of the money market pressures associated with the Federal Reserve's efforts to contain the growth of money and credit are being felt now and some relief in this area will occur without overt action by the authorities.

Any effort to reintroduce direct controls would be counterproductive.

RALPH NADER—CONSUMER ADVOCATE

We have to have short-run and long-run policies.

Short term: a restraint on consumer spending which would include selective consumer boycotts and specific advisories from the Government to consumers as to what not to buy where consumer gouging or monopolistic pricing is suspected. An inflationary period is characterized by shortages. The best antidote is a constructive consumer shortage.

People always overconsume, whether it's paper or gasoline. Both consumer-initiated boycotts and Government advisories to help them would have both concrete and psychological effect on sellers.

Put a limit on certificates of deposits. Now banks are paying 11½ or 12 percent [to obtain funds to relend]. If a limit of, say, 10 per cent was set, more money would flow into the housing market. C.D.'s go for big business, not for housing.

Longer term: strong antitrust enforcement. Such enforcement 20 years ago would have prevented a lot of this oil pricing, a lot of this paper pricing, this lockstep situation where one manufacturer raises prices and then others follow.

Another way to curb inflation would be to obtain leadership in the White House. There is nobody in charge.

That's why my suggestions are not in the context of the Galbraithian approach of wage and price controls because this Administration is not capable of presenting them except in the context of a cruel charade.

In addition, cut that part of Government spending which supports corporate welfare systems, including direct and indirect subsidies to business such as maritime subsidies and tax loopholes.

HAROLD J. HAYNES—STANDARD OIL OF CALIFORNIA

The major cause of current inflation is an imbalance in the supply-demand equation for many basic materials and manufactured goods. This imbalance has resulted from Government adherence to demand economics for the past 25 years. These policies have assumed that if demand was created, supply would be available to meet it. At the same time, the Government took frequent steps which reduced supply. Notable examples of this are agricultural policies and natural gas regulations.

Long lead time is required to plan and construct facilities to eliminate supply shortages and it is essential that the Government develop policies which encourage investment by insuring a free marketplace and consistency of policies over many years.

BERYL W. SPRINKEL—HARRIS TRUST & SAVINGS BANK

The economic solution to inflation is elementary and well known, but the political solution is nearly impossible.

First, economics. Inflation throughout the ages has been essentially a monetary phenomenon. There is inevitably a close and positive relation between the rate of inflation and growth in the money supply per unit of real output. The greater the growth in money, the greater the inflation, since more money stimulates final demand.

Hence, the indispensable policy ingredient for eventually controlling our inflation is to reduce gradually United States monetary growth from the current 7.3 per cent a year to a rate nearer 3 per cent.

But restrictive action is politically difficult because of the fear of recession. A program to ease the political problem should include:

Strict control of the budget, since deficits encourage the Fed to create too much money.

Frank discussion by political leaders, pointing out that reducing inflation is a painful two- to four-year task.

Avoidance of the temptation to use price and wage controls, since they attack systems while creating shortages.

Adoption of more liberal income supports so that the cost of the inevitable economic slowdown is born equitably by all members of society, not just the poor.

JAMES P. MCFARLAND—GENERAL MILLS

The Government must take leadership in the present economic situation to return this country to the sound basis of free and competitive enterprise which has been so uniquely successful. Specifically, the Government should take the following actions.

Make a positive commitment to a free competitive marketplace without the burden of threat of controls. Controls inhibit the innovation and flexibility that permit the system to adapt to new challenges. Threats of imminent freezes or controls force management to operate on a basis of potential controls rather than marketplace fundamentals and often result in higher price increases than would otherwise be the case.

Continue the current Federal Reserve policy of monetary restraint. The prevailing liquidity positions of businesses and banks must be carefully monitored so that proper lead time to alter monetary restraints may be possible as the economy cools.

Get the Government in its entirety, the Administration as well as Congress, to restrain fiscal expenditures. Monetary policy alone cannot do the job.

Take actions to assure stability in tax provisions needed to encourage investments without fear of adverse tax changes. Businesses do not need additional incentives, but they do need to know the basis on which their investment decisions are made.

GEORGE WEYERHAEUSER—WEYERHAEUSER COMPANY

We must recognize first of all that a major surge of capital investment in new and more productive capacity is absolutely essential if this country is going to bring demand-pull inflation under control.

Today, the United States has the lowest personal savings rate and the highest taxes on capital gains of any developed nation. We have developed a tax system and an economic psychology that discourages capital formation for new investment, which instead encourages immediate consumption. The Federal Government has the ball on tax policy; business and industry themselves must help reverse the overconsumption psychology.

We also need to act quickly on a trade bill. America must increase its exports significantly to bring the trade balance back into equilibrium. This somehow has to be accomplished in a period of growing protectionism in Congress.

Finally, of course, the Federal budget must be brought into balance if we are to lessen the pressure on credit creation to finance capacity expansion.

HARRY HELTZER—3M COMPANY

Our present inflation problem has been building for more than a decade and it does not lend itself quickly to simplistic solutions. Inflation is worldwide. To bring it under control, all nations, including our own, will have to learn to live within their means, keeping governmental budgets and money supplies under prudent rein.

We can alleviate shortages of goods and services which have driven up costs and prices by taking a number of actions. For example, we can increase supplies of many items by encouraging a freer trade policy. We can increase domestic output by encouraging capital expenditures for plant and equipment.

All of these things should be done while we achieve a prime objective of increased productivity.

Meanwhile, we must curb our demand for social services and must fix priorities. We cannot fulfill all our appetities for all of these services without producing chronic economic indigestion—inflation.

ROBERT KAVESH—NEW YORK UNIVERSITY

There are no magic cures for inflation. All the suggested remedies have been around for many years. The only change is that lately they don't seem to be working.

Clearly we are putting too much stress on monetary policy right now. We are giving lip service to tighter fiscal policy but few people are taking these promises seriously.

And that's the key—nobody believes or listens to anything emanating from Washington these days. The nation is drifting and inflation is more a symptom than a disease.

Is there any hope? Perhaps not. But if there is it must be found in measures to increase productivity at all levels.

The administration should organize and promote productivity councils for American industry, encourage workers and managers to seek ways of expanding supply and cutting costs and reward these people directly and liberally.

What it comes down to is that the ultimate antidote for inflation is pride.

D. WAYNE HALLSTEIN—INGERSOLL-RAND

Inflation is caused when demand exceeds supply. Government efforts thus far have been directed for the most part at limiting demand. Perhaps this is acceptable for nonessential goods, but for vitally needed materials, clearly we need to increase the available supply.

Investment in basic industries in the United States for many years has been grossly insufficient. Is it any wonder that we now find ourselves paying the price with inadequate productive capacity in many key areas, and consequent shortages of necessary materials?

Why has this come about? Because of too little reward for the individual willing to save and invest. Public and private action is needed to shift resources into construction of new productive capacity. This will require a massive increase in savings and investment. Taxation and other Government policy must be redirected to favor the producer, which in the long run can only benefit all of us as consumers.

A. GILBERT HEEBNER—PHILADELPHIA NATIONAL BANK

It is time to make more active use of fiscal policy in fighting inflation and take some of the burden off monetary policy.

In addition to cutting Federal spending, I would propose an increase in personal income tax rates or an income tax surcharge, with exemption for lower income groups. The President should also be given continuing authority to raise or lower personal and corporate income taxes within specified limits, subject to veto by Congress.

To offset the rise in unemployment that might be associated with tax increases, it would be well to construct standby Federal employment programs. The Government could then become an employer of last resort to a limited extent.

While I am against price and wage controls, I would recommend that the Cost of Living Council be re-established to formulate price and wage guidelines related to productivity, to monitor price and wage behavior and to focus public attention on excessive increases in either area.

By Mr. BUCKLEY (for himself and Mr. BROOKE):

S. 3775. A bill to provide for the monthly publication of a Consumer Price Index for the Aged which shall be used in the provision of cost-of-living benefit increases authorized by title II of the Social Security Act. Referred to the Committee on Finance.

Mr. BUCKLEY. Mr. President, today I am introducing a bill to require the creation of a cost-of-living index for the aged. There is no doubt that the elderly have certain special consumer needs and interests not generally shared by the public at large. Such items as medical care, medicine, personal services, heating oil and housing are examples of goods or services of which the elderly often have a greater and continuing need. The costs of some of these special items have risen significantly faster and higher even in recent years than the general price index, which itself has shot upward as a result of rampant inflation. A good example of this problem is the cost of health care, which rose 50 percent more than the overall Consumer Price Index between 1965–70. For instance, between 1965 and 1970, the daily hospital service charge cost nearly 70 percent. On the average the cost of hospital care is the largest single item—nearly 50 percent—on the annual health bill of an elderly person.

That the need for, and cost of, health care impacts much more heavily on the elderly is demonstrated by the fact that, in fiscal year 1969, the average health bill for a person 65 or older was six times that for a youth, and 2½ times that for a person aged 19–64.

The elderly also spend more on food. The most recent survey of consumer expenditures, 1960–61, found that a couple over 65 spent 25 percent of their income on food, while a couple between the ages of 35 and 44 spent only 22 percent on food. In addition, the cost of food rose by 43 percent from 1965 to 1970, while the Consumer Price Index rose by only 31 percent during the same period.

Household costs is another area that impacts heavily on the elderly. Such costs comprised about 37 percent of the BLS budget constructed to reflect an adequate standard of living for a retired couple with a moderate income in 1972 compared to 31 percent for a young family of four persons.

Housing costs have also risen sharply in recent years. In many communities, for example, property taxes have doubled and even tripled within the past 10 years. Housing costs rose nearly 40 percent more than the Consumer Price Index from 1965 to 1970.

A more thorough documentation of the special cost of living problems of the lderly can be found in the extensive hearings held during the past several years by the Senate Special Committee on Aging, entitled, "Economics of Aging: Toward a Full Share in Abundance."

This bill, which is identical to an amendment I offered to H.R. 3153, the Social Security Amendments Act of 1973, last November, would provide for two things:

First, it would require the Secretary of Labor to develop a Consumer Price Index for the aged which would more accurately reflect the actual cost experience of the aged than does the existing Consumer Price Index which reflects norms for the entire population.

Second, it would require that the Consumer Price Index for the aged be employed to adjust the benefits received by social security recipients to reflect changes in the index on a quarterly basis. The bill would provide that in no case shall benefits received under the provisions of this legislation be less than those received under existing provisions of law.

Mr. President, I believe that the enactment of this legislation would insure that future cost of living increases under the Social Security Act are more attuned to, and accurately reflect, the actual needs and special expenses of the aged.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 2022

At the request of Mr. TUNNEY, the Senator from Missouri (Mr. EAGLETON) was added as a cosponsor of S. 2022, the Flexible Hours Employment Act.

S. 3277

At the request of Mr. DOMENICI, the Senator from New Jersey (Mr. WILLIAMS) was added as a cosponsor of S. 3277 to amend the Solid Waste Disposal Act, to encourage full recovery of energy and resources from solid waste, to protect health and the environment from the adverse effects of solid waste disposal, and for other purposes.

S. 3357

At the request of Mr. BURDICK, the Senator from Wisconsin (Mr. NELSON) was added as a cosponsor of S. 3357, a bill to restore to Federal civilian employees their rights to participate, as private citizens, in the political life of the Nation, and for other purposes.

S. 3412

At the request of Mr. MONTOYA, the Senator from Montana (Mr. MANSFIELD) and the Senator from New Mexico (Mr. DOMENICI) were added as cosponsors of S. 3412, a bill to establish a temporary national commission on alien labor to conduct a comprehensive study of certain matters relating to the use of alien, agricultural labor.

S. 3568

At the request of Mr. BENTSEN, the Senator from Texas (Mr. TOWER) was added as a cosponsor of S. 3568 to authorize the Secretary of the Interior to construct, operate, and maintain the Cibolo project, Texas, and for other purposes.

S. 3625

At the request of Mr. DOMENICI, the Senator from Maine (Mr. HATHAWAY) was added as a cosponsor of S. 3625 to provide for the recycling of used oil, and for other purposes.

S. 3641

At the request of Mr. MONTOYA, the Senators from Washington (Mr. MAGNUSON and Mr. JACKSON), the Senator from Mississippi (Mr. EASTLAND), the Senator from Montana (Mr. MANSFIELD), the Senator from Wyoming (Mr. MCGEE), the Senator from Maine (Mr. MUSKIE), the Senator from North Dakota (Mr. BURDICK), the Senator from Alaska (Mr. GRAVEL), the Senator from Texas (Mr. BENTSEN), the Senator from Iowa (Mr. CLARK), the Senator from Hawaii (Mr. INOUYE), the Senator from Rhode Island (Mr. PASTORE), the Senator from Wisconsin (Mr. NELSON), the Senator from Louisiana (Mr. JOHNSTON), and the Senator from North Dakota (Mr. YOUNG) were added as cosponsors of S. 3641, a bill to amend the Public Works and Economic Development Act of 1965 to extend the authorizations for a 3-year period, and for other purposes.

S. 3663

At the request of Mr. BEALL, the Senator from California (Mr. CRANSTON) was added as a cosponsor 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. 3680

At the request of Mr. TUNNEY, the Senator from Texas (Mr. TOWER) was added as a cosponsor of S. 3680, a bill to prevent the unfair taxation of recent college graduates.

S. 3686

At the request of Mr. BEALL, the Senator from New Mexico (Mr. DOMENICI), the Senator from Indiana (Mr. BAYH), the Senator from North Dakota (Mr. YOUNG), the Senator from Wyoming (Mr. MCGEE), the Senator from Hawaii (Mr. INOUYE), and the Senator from Rhode Island (Mr. PELL) were added as cosponsors of S. 3686, a bill to amend the Internal Revenue Code of 1954 to exclude from gross income the amount of certain cancellations of indebtedness under student loan programs.

S. 3717

At the request of Mr. HUMPHREY, the Senator from South Dakota (Mr. ABOUREZK) was added as a cosponsor of S. 3717, to extend the Emergency Petroleum Allocation Act of 1973 to June 30, 1976.

S. 3752

At the request of Mr. GRIFFIN, the Senator from New Mexico (Mr. DOMENICI) was added as a cosponsor of S. 3752, a bill to amend section 103(c)(4) of the Internal Revenue Code of 1954 to permit industrial development bonds to be issued to finance recycling facilities.

SENATE JOINT RESOLUTION 215

At the request of Mr. MONTOYA, the Senator from Massachusetts (Mr. KENNEDY) was added as a cosponsor of Senate Joint Resolution 215, designating the first Saturday in April of each year as "National Brotherhood Day."

SENATE JOINT RESOLUTION 224

At the request of Mr. MONTOYA, the Senator from West Virginia (Mr. RANDOLPH) and the Senator from Rhode Island (Mr. PELL) were added as cosponsors of Senate Joint Resolution 224, to authorize and request the President to issue annually a proclamation designating January of each year as "March of Dimes Birth Defects Prevention Month."

CONSUMER PROTECTION AGENCY ACT—AMENDMENTS

AMENDMENT NO. 1566

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

Mr. HELMS (for himself and Mr. PROXMIRE) submitted an amendment intended to be proposed by them, jointly, to the bill (S. 707) to establish a Council of Consumer Advisors in the Executive Office of the President, to establish an independent Consumer Protection Agency, and to authorize a program of grants, in order to protect and serve the interests of consumers, and for other purposes.

Mr. HELMS. Mr. President, the purpose of the Consumer Protection Agency Act is to protect American citizens, in their capacity as consumers, against misleading claims and harmful and deficient goods and services. Yet the proposed act takes little note of the fact that human capabilities for error are rooted in human nature, and are not found solely among businessmen and retailers. The legislation does not recognize that Government officials can also make false or misleading statements—actions taken out of zeal—or, through the opposite of zeal, negligence.

Moreover, intervention or administrative action by Government officials, particularly with the powers granted in this proposal, can easily result in narrowing the consumer's choice in the marketplace. What is good for the consumer is not necessarily that which the Consumer Protection Agency may think is good for him.

Nor will the pocketbook of the consumer necessarily benefit from this act. The Agency which will be established under this act will have the power to intervene before any Federal agency, to go to court to challenge administrative decisions, and to compel private persons to produce information regarding their goods and services. This will increase the expenses and legal fees of the producers, and these added production costs will surely be passed on to the consumer.

If these actions of the Agency are based on error, indifference, or negligence, it is quite clear that they could result in crushing financial burdens to private enterprise, particularly small enterprises depending upon a few products. In the long run, such injustices are anti-consumer, because the interests of the consumer are best served by the availability of a large variety of goods and services, and plentiful competition. So neither is the consumer properly served, nor is justice done, to those citizens who also happen to be businessmen. It is difficult to escape the conclusion, Mr. President, that this bill may bring about exactly the opposite effect which its proponents are seeking, and harm the consumer's interest rather than enhance it.

If the act is adopted in its present form, American businessmen will be subjected to the arbitrary discretion of an Administrator who will have the power of life and death over thousands of companies across this country. The act does not provide a shred of legal protection to the businessman whose products or services are wrongfully condemned by the Administrator. For the purpose of providing this protection, and in the interest of justice, I propose an amendment to the act. Very simply, my amendment would hold the Federal Government legally responsible for any false or misleading public statements made by the Administrator of the Consumer Protection Agency. It will allow any injured party to sue for damages in Federal district court.

The need for this amendment is clear enough when we examine section 12(d) of the act. Under this provision, we are assured that when the Administrator of this Agency publicizes information about the health, safety, or quality of a product, that he "shall take all reasonable

measures to assure that such information is accurate and not misleading or incomplete."

This is an assurance built on sand. How do we know that this Administrator will take "reasonable measures"? Is it too much to presume that intelligent men will differ as to what is reasonable? Of course it is not, and the act itself recognizes this plain truth.

And so we are given a second assurance, that if the Administrator does make a false or misleading statement, that he shall retract it—retract, I repeat, simply retract. What good is a retraction after a company has already been ruined? What recourse to justice and fairness does the American businessman have in such a situation?

Mr. President, I submit that he has none at all, none. The act provides that, "where the release of information is likely to cause substantial injury to the reputation or good will of a person or company, or its products or services, the Administrator shall notify such persons or company of the information to be released and afforded an opportunity for comment or injunctive relief." All this means is that some unlucky company is going to be notified—and I stress the word notified—that its product is about to be publicly maligned.

Mr. President, I would not give a penny for this kind of a guarantee. Mere notification is no safeguard to the businessman. In the first place, the decision of the Administrator prevails, whether he is right or wrong. The Administrator is presumed to be infallible. The businessman can plead, he can impugn the reasoning of the Administrator, he can write to his Senator, but it is the all-knowing Administrator who has the last word. What is worse, this Administrator is not even required to give any notification at all. If, in his wisdom, he decides that an "immediate release" of information is necessary to protect the health or safety of the public, the company involved is totally helpless to protect itself against a false public statement. In other words, there is no way for a company to prevent the publication of a false or misleading statement; and then after it has been published, there is no way in which a company can be compensated for wrongful injury.

These are not phantom dangers arising under this act, Mr. President. They are real dangers. To illustrate my point, I call to your attention the tragic case of the Marlin Toy Co. of Horicon, Wis. Here is a small company employing about 75 persons. This company has been driven to bankruptcy, all because of administrative negligence and error in the Federal Government. The likelihood of similar errors is increased tenfold under the Consumer Protection Agency. The experience of the Marlin Toy Co. is just a trickle of what could easily become a torrent of error.

For a number of years, this struggling little firm had been manufacturing a toy called the flutter ball. It was a clear, plastic ball, containing a plastic butterfly and plastic pellets. The toy was safe, popular with children, and it sold well. Suddenly in November of 1972, right in the midst of the Christmas season, the Marlin Toy Co. was notified—and here we are again with this business of notification—that its "flutter ball" would have to be removed from the market. The Food and Drug Administration reasoned, and I am sure that the FDA took all reasonable measures that such information was accurate, that the ball was unsafe because, if it should break, a small child might swallow the pellets. Later, the FDA condemned Marlin's "birdie ball," a similar toy containing a plastic bird and the objectionable pellets.

The Marlin Toy Co. swallowed its losses, redesigned the toys without the pellets, and submitted them to the FDA for approval. This time, the FDA assured Marlin that the toys were acceptable. The company was back in business. Once again, the toys were placed on the market in anticipation of the 1973 Christmas sales. Unfortunately for the Marlin Toy Co., the Consumer Products Safety Commission neglected to remove the products from its holiday list of banned toys. The Commission apologized, and assured the Marlin Co. that the mislisting "resulted from an editorial error and will be corrected on the next issue of the list." By this time, it was too late, however, and the Marlin Toy Co. was in a state of financial ruin.

The two toys represented 40 percent of the company's business. Most of the employees have been laid off and the factory is now an empty shell. As of February 1974, the company had suffered an actual loss of more than $87,000, not counting what it has lost in goodwill and future sales. Because the Federal Tort Claims Act does not permit recovery for such offenses as misrepresentation or false statements by Federal authorities, the distinguished Senator from Wisconsin (Mr. PROXMIRE) has introduced a private bill to grant relief to the Marlin Toy Co., a bill to which I am a cosponsor. If it is passed quickly, the company may yet survive.

But if the Consumer Protection Agency Act is passed, Mr. President, it is reasonable to believe that there will be more Marlin Toy Co.'s, more bankruptcies, and more people put out of work because of bureaucratic mistakes.

The calamity of the Marlin Toy Co. was recently brought to light in a column by Nicholas von Hoffman in the Washington Post. I do not always agree with Mr. von Hoffman, but I am confident that all reasonable men can agree with his assessment of the Marlin case. The buyers need to be informed about the products they are using, von Hoffman observes, but "now the question is how can public administration learn to protect the buyer and the seller too?"

Mr. President, I now send to the desk the text of my proposed amendment to provide that protection to the seller, and ask that it be printed in the RECORD at the conclusion of my remarks.

My amendment will create a new section (19) on page 87 of S. 707, immediately below line 18. Subsection (a), paragraph 1 of this section provides that any person may bring a civil action for monetary damages against the United States, if the Administrator, or any officer or employee of the Consumer Protection Agency, or of any officer or employee of any other agency, as defined in section 551 of title 5, United States Code, of the Federal Government, makes or causes to be made a false or misleading statement which results in reduced sales or consumer demand for any product or service.

Paragraph 2 exempts the United States from punitive damages, but otherwise holds it liable in the same manner as a private individual.

Subsection (b) confers exclusive jurisdiction over actions brought under this section upon district courts of the United States, and the U.S. District Court for Guam, the Canal Zone, and the Virgin Islands.

Paragraph 2 grants the right of trial by jury to any party to any action arising under this section, and subsection (c) provides that appellate review of any action brought under this section shall be had in the same manner and subject to the same requirements as an action brought under section 1346(b) of title 28, United States Code.

Mr. President, I also ask unanimous consent that the following articles and letters be published in the RECORD at the conclusion of my remarks: The article by Nicholas von Hoffman, June 24, 1974, which appeared in the Washington Post; an article published in the Horicon Reporter, June 13, 1974; an article by John Heilman, published by the Daily Citizen of Beaver Dam, Wis., on June 14, 1974; an editorial published in the Daily Citizen on June 15, 1974; an article by Wayne Noller, published in the Fond Du Lac Reporter, June 19, 1974; and an article by Lowell F. Jones, which appeared in National Review, May 10, 1974; a letter to the Marlin Toy Co. from Este Sales Service, Inc., April 27, 1973; the letter to the Marlin Toy Co. from Athletic Supply of Hawaii, April 27, 1973; a letter from C. C. Randlett, of the Wisconsin Office of Federal-State Relations to the Marlin Toy Co., November 14, 1973; a letter of November 29, 1973, to the Marlin Toy Co., from David Thome of the Consumer Product Safety Commission; the letter from the Blatt Distributing Co. to the Marlin Toy Co., December 27, 1973; a letter from ISC Infants Specialty to Mr. Lou Miller, December 28, 1973; and a letter to the Marlin Toy Co. from the Baby Shop, May 24, 1974.

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

AMENDMENT NO. 1566

On page 87, immediately below line 18, insert the following new section:

CIVIL LIABILITY FOR ACTIONS OF THE AGENCY

SEC. 19. (a) (1) Notwithstanding any other provisions of law, any person injured as a result of any act or omission of the Administrator, or any officer or employee of the Agency, or of any officer or employee of any other agency (as defined in section 551 of title 5, United States Code) of the Federal Government who, while acting within the scope of his office or employment, makes or causes to be made, any false or misleading disclosure, statement, or other publication to any agency or to the public, which disclosure, statement, or publication results in a reduced consumer demand for or sales of any product, good, or service, may bring a civil action for monetary damages against the United States.

(2) The United States shall be liable, respecting provisions of this subsection, in the

same manner and to the same extent as a private individual under like circumstances, but shall not be liable for punitive damages.

(b)(1) The district courts of the United States, together with the United States District Court for the District of the Canal Zone, the District Court of Guam, and the District Court of the Virgin Islands, shall have exclusive jurisdiction to hear and determine any action brought under this section in accordance with the provisions of subsection (a) of this section.

(2) Any action against the United States under this section shall, at the request of any party to such action, be tried by the court with a jury.

(c) Appellate review of an action brought under this section shall be had in the same manner and subject to the same requirements as an action brought under section 1346(b) of title 28, United States Code.

On page 87, line 19, strike out "Sec. 19." and insert in lieu thereof "Sec. 20.".

On page 88, line 4, strike out "Sec. 20." and insert in lieu thereof "Sec. 21.".

On page 88, line 15, strike out "Sec. 21." and insert in lieu thereof "Sec. 22.".

On page 89, line 21, strike out "22." and insert in lieu thereof "23.".

[From the Washington Post, June 24, 1974]

CAVEAT EMPTOR—AND VENDOR, TOO

(By Nicholas von Hoffman)

You might say that politically what they did was like mugging Marcus Welby or evicting the Waltons. Can you imagine an agency of government that would put a toy factory out of business when it was owned by a widow and located near Beaver Dam, Wisc., the mythical small town we all left for the sins and disappointments of the big city?

Ideally Marlin Toy Products, Inc., of Horicon, Wisc., should also have elves working for it instead of the 85 humans, company vice president Ed Sohmers says it had before the Consumer Product Safety Commission went into action. Marlin's troubles date from November 1972 when the government informed it that its "Butterfly Flutter Ball" and its "Birdie Ball," both products it had been selling with success and safety for a number of years, were hazardous to children because they contained little plastic pellets infants might choke on if the transparent balls were broken apart.

Marlin took both off the market, swallowed their losses, redesigned the toys without pellets, submitted the modified balls to the commission, which found them acceptable, and then proceeded to market them. The commission, however, failed to remove the products from its new list of banned toys so that the 1973 season was a jolly wipe-out for Marlin.

And last fall Sohmers wrote letters beseeching the commission to rectify the mistake so that stores would stock the toys but the most he could get was a letter saying the mislisting "resulted from an editorial error and will be corrected on the next issue of the list."

Subsequently commission chairman Richard Simpson said he thought that should have been enough but hundreds of thousands of banned toy lists had gone out. Some state consumer agencies had put the toys on their lists. Birdie Ball and Butterfly Ball even got dishonorable mentions on the radio.

Yet the government which demands that companies send out letters and telegrams notifying their customers of errors and defects won't do the same thing when it booboos. Had the Commission done so Ed Sohmers might not now be saying, "This is going to cost us $600,000 and for our sized business that's death . . . I can't tell you the effect of laying off 85 people in a small town . . . Damn it, I hate to close the doors on these people. Me? I can always get by robbing liquor stores, but not some of the others. . ."

"We wanted justice so we went to the Justice Department but they said 'we only prosecute people,' says Sohmers who now understands that you may not sue the government for damages unless Congress passes a law allowing you to. No one would introduce such a bill until the Beaver Dam Citizen broke the story and Sen. Helms, the North Carolina right winger, interested himself in the case.

Recently bills have been introduced in both houses but for all this loss and aggravation Marlin isn't your ordinary tale of yawning bureaucratic indifference. This commission has a far better reputation than most commissions around here. Simpson admits the mistake and says his forces are at least willing to consider recommending passage of the law that will allow Marlin to sue. Any other office in this town and they would have said, "Tough luck, Birdie Ball, we're infallible."

Marlin shows that it's not so easy to protect the public, even if you are one of those rare ones who wants to. Simpson, for instance, says it's possible that the toys shouldn't have been put on the list in the first place. The regulations themselves are ambiguously unsusceptible to precise understanding. What does it mean that a toy shouldn't have "sharp" edges? What's sharp? Beyond that no regulation can protect a small child left alone by parents who don't love it wisely enough to watch over it.

This case shouldn't be used as an argument to abolish the commission. In an era when even children's toys are made of exotic materials and by the most advanced technologies no lay person can be an informed buyer without help. Now the question is how can public administration learn to protect the buyer and the seller too.

[From the Daily Citizen, June 14, 1974]

U.S. ERROR NEARLY RUINS MARLIN

(By John Heilman)

(EDITOR'S NOTE.—Mr. Sohmers contacted the Daily Citizen last week relative to this situation. He was cooperative and gave us access to all his files and correspondence. There is no statement made that cannot be verified through the correspondence on file. These are not charges, they are facts and have been investigated, there has not yet been time to interview the legislators or agencies. We had intended to do this before the printing, but as it is now out, there seems little point in holding back longer. The agencies and legislators will have full opportunity to explain their actions if they care to do so.)

HORICON.—What might have been a comedy under other circumstances has turned into a tragic nightmare for Ed Sohmers and the Marlin Toy Company of Horicon. Caught in a massive web of bureaucratic red tape and government form letters, the company, which Sohmers admittedly has stated, was attempting a recovery from an economic slump, Marlin Toy Products, Inc., was given a near death blow in late November of 1972.

As the manager of the firm was casually opening his mail, anticipating a successful Christmas season, with orders for the products piled on his desk, he received a special delivery letter from the Food and Drug Administration which stated to the effect his two main products were unsuitable for the market. He did not know at that time this was the beginning of a chain of events which was to drive the toys off the market for good and eventually put Marlin out of the business. The letter began, "From examination of units on hand, we find that the subject toy presents a mechanical hazard with the meaning of the Federal Hazardous Substances Act and Regulation 21 CFR 191.9a(a)(1). It has components which have the potential for being aspirated or ingested because the toy can be broken apart during normal use or reasonably foreseeable damage or abuse exposing small objects.

"Thus, the above toy is banned hazardous substance as defined by the Federal Hazardous Substances Act . . . of 1969." The result was Sohmers was told to get the toy off the market. He was advised to notify all his customers, and recall the toy.

The villain was a round plastic ball, called the Flutter Ball. It was clear blue plastic and contained a plastic butterfly inside, with pellets, which made noise to appeal to young children. Later condemned was a Birdie Ball designed along the same lines, except containing a plastic bird inside. The culprits were the pellets, which the Administration felt would be dangerous to children, should the plastic shell break in use. The ball had been designed to withstand a drop on hard cement from four and a half feet. However, the government agency, claimed in testing procedures, the ball did in fact break, and the pellets did become accessible to the child. What testing techniques were used has not been revealed. In demonstration, Sohmers, bounced one of the balls several times on a hard surface and there was no breakage.

What followed was a long series of exchanges and happenings, which has lastud to the present day. Sohmers recalled the balls, removed the pellets from the design for future marketing and resubmitted them to the FDA. Late in November he received another letter from the Department of Health, Education, and Welfare stating, "We have examined the redesigned Butterfly Flutter Ball no. FB–108 recently submitted for our review.

We believe the units examined do not present a mechanical hazard within the meaning of the Federal Hazardous Substance Act and current regulations.

This evaluation is provided to you informally and unofficially and may not be used as an FDA safety evaluation. You cannot state that the redesigned Flutter Ball or any other article intended for use by children has been approved by the Food and Drug Administration. Under the Act, the Congress provided that the responsibility for determining whether an article is "safe" or "hazardous" rests with the manufacturer or American importer. The Congress did not provide or anticipate that the FDA would "approve or disapprove products", though it had disapproved the ball already. The letter was signed by Lawrence S. Blend, Food and Drug Officer. It was a form letter, several more which were received by the company in the course of the travesty.

Sohmers was relieved. The balls had been redesigned, and he felt free to market them, again. What followed was a ream of material and correspondence reminiscent of Mr. Botts and the Earthworm Tractor Company in the old Saturday Evening Post series.

Marlin was informed the balls, which had been condemned, would have to appear on a blacklist for six months and would state banned only with pellets to prevent their being sold by mistake. To this Sohmers assented. In December the Birdie Ball fell into the hands of the government and once more the same letters were sent and the same procedure followed. In mid-December a court order arrived, giving federal marshalls the right to confiscate the balls. Again, the toy company manager was unworried and complied.

This produced an economic setback and inconvenience, but Sohmers believed it was something the company could withstand. The toys were once more submitted for market, with the same nebulous approval as before, and the same understanding about the condemned list.

It was at this point, the story took a

bizarre turn. When the condemned list appeared it contained a typographical error. Instead of reading the balls banned were the ones with pellets, it read they were the ones "without" pellets, banned because of "sharp objects", which had been removed.

A year later, Sohmers was still attempting to get the matter corrected. His products were withheld from the market. His inventory was going to waste. He was being forced to let other employees go. Still, he hoped with another Christmas season ahead, there would be opportunity for recovery. When the holiday list of banned products from the Consumer Product Safety Commission appeared in September of 1973, the condemnations, including one for another toy, were still on the list, still uncorrected. What this meant was another bleak season for the company, one which was hardly large enough to withstand two such reversals in a row. The two balls constituted 40 percent of Marlin's business. In the meantime, for various reasons, other toys had been banned, orders recalled, products taken off the market. The government had homed in on the Horicon manufacturing firm.

Sohmers took every measure of recourse known. He wrote the agencies involved, the Department of Criminal Justice, the Small Business Administration, his three Wisconsin legislators, and an attorney, which advised him he could not sue for reprisal without the consent of the government. The legislators, Congressman Bob Kastenmeier, Senator William Proxmire, and Senator Gaylord Nelson, were sympathetic, but seemed as helpless in the face of bureaucracy as did Sohmers himself. In November of 1973 he corresponded with the state Food and Standards Division and received a letter from Thomas Wildrick asking if their phone conversation relative to the problem was correct. There was no mention of any action; apparently there was none. Later he was assured by N. E. Kirshbaum the matter would be brought to the attention of the Consumer Product, Safety Commission, and the list corrected. It wasn't. The action was taken to David W. Thome of the Consumer agency, again, nothing happened.

In the meantime, the company has had to lay off over 75 percent of its employees, it has been driven completely out of the toy business, the factory, which at one time employed nearly a hundred people in this small community, stands empty a vacuum of activity. As of February this year, Sohmers stated an actual physical loss of $87,512.79, not counting what had been lost in business, volume and intangible matters, or how many customers refused to buy at all because of the original ban.

In March he received a letter from Richard O. Simpson, chairman of the Consumer Product Safety Commission, saying "The listing of 'Birdie Ball' (without plastic pellets) instead of 'Birdieball' (with plastic pellets) was an error. This will certainly be corrected at the next printing. We understand that Mr. David Thome sent you a letter last fall explaining the error, so you could use it to reassure your customers that . . . (it) . . . is not a banned toy." However, the whole point is after a year, the correction had not been made. The same month the "Product Safety Letter" from the Commission contained a paragraph saying they had errored, though there was still one item on the list about which records did not indicate any changes had been made.

Sohmers, who now wants recourse, after his year's battle, is unable to find it. He says he has written everywhere, and can find plenty of sympathy. As he sits in his office thumbing through the massive pile of correspondence from legislators, puffing on his pipe, he frankly admits he has run out of ideas. He is concerned for his employees, many of who were women, widows, for which the company provides the sole source of income. Still, Sohmers says he plans to keep on fighting. He is presently circulating a petition asking for legislative action. He has started regearing the factory to move into other areas, and through careful planning has managed to keep it alive. However, much is contingent on the SBA granting a moratorium on loan, and it will take him at least another six months to be able to rehire and move back into full swing.

In the meantime, the company is still losing money, and people are still out of work. But he plans to keep on fighting down to the last dollar, wondering, yet, how the one word in a typographical error can put an entire business out of existence, wondering also what has happened to the free enterprise system, how bureaucracy got so large and powerful that the little guy doesn't have a chance and no one seems to care.

SUBMITS BILL FOR MARLIN

Congressman Robert Kastenmeier's office announced this morning that the Congressman had taken notice of the situation of Marlin Toys and yesterday introduced special legislation on behalf of the company in regard to possible damages.

Monday or early next week he will introduce a resolution to refer the bill to the commissioner of the court of claims. If approved, it will be sent to the commissioner who will study the case and make a finding. The finding will be returned to Congress where it will be voted on. The entire procedure could take months. Kastenmeier's office said it is not optimistic about the bill. Private bills usually are difficult to pass, particularly if reports from the departments involved are negative, because they involve expense to the government.

[From the Fond du Lac (Wis.) Reporter, June 19, 1974]

ERROR HURTS TOY COMPANY AT HORICON

(By Wayne Noller)

HORICON.—The general manager of Marlin Toy Products Inc. here says a governmental agency error forced his company out of business, and he is petitioning state and national legislators to pass a congressional bill that would award Marlin more than $500,000 in damages.

Ed Sohmers said Marlin's "Birdie Flutterball" and "Butterfly Flutterball" were put on a list of banned toys by the United States Food and Drug Administration (FDA) and were never taken off even though the company complied with orders to make them safe.

The FDA ordered the toys off the market in November 1972. It said small pellets inside the ball were dangeous because children could swallow them if the plastic shell of the ball broke.

REMOVED PELLETS

Sohmers said the balls would not break, but, the firm recalled all the toys and had the pellets removed. In addition, the balls had to remain on a government black list for six months.

When the condemned list appeared, it contained a typographical error. Instead of reading "banned with pellets," it read "banned without pellets."

Sohmers said he tried to get the error corrected by contacting government agencies by letter and phone, but to no avail. Meanwhile, his products were forced off the market: he had to lay off employes, and orders were recalled.

Despite assurances from officials of the Consumer Product Safety Commission, which took over from the FHA, the two toys, which accounted for 40 per cent of Marlin's toy business, were never taken off the banned list.

According to Sohmers, a letter was received in March 1974 from Richard Simpson, chairman of the Safety Commission, admitting the error, and adding it would be corrected at the next printing of the banned toy list. This was more than a year after the error was made.

"They admitted they had made a mistake but would not allow us to sue," Sohmers said.

ADVISED ON LEGISLATION

He said his attorney advised him that the only means left was through legislation. So Sohmers said he began contacting legislators to see if they could help him.

"I received a lot of sympathy, but no one told me what to do or offered to help," Sohmers said.

This week Sohmers said he was contacted by Rep. Robert Kastenmeier, who said that a bill had been introduced on behalf of Marlin seeking damages incurred because of governmental error. However, Sohmers said he was told it did not look promising because private bills are difficult to pass.

Sohmers said he received a letter from Jesse Helms, a legislator from North Carolina, which reads, "This case is the most flagrant denial of justice I have ever seen," and that Helms plans to take action. Wisconsin Sen. Gaylord Nelson also was contacted, Sohmers said, but he never received an answer from him.

OUT OF IDEAS

"We have been to the Justice Department and the Small Business Administration (SBA)," Sohmers said, "and everyone tells us we were wronged. But no one has done anything to help. I have run out of ideas."

But Sohmers said he intends to keep fighting until he "gets justice." He said his former employes are his main concern.

"We have a nice plant and good workers, and I believe we owe them something," he said.

More than a year ago, Marlin employed about 100 persons, but now the work force is down to around 12.

"To keep up payments and the SBA loan, we have been forced to sell all our remaining stock of toys and toy molds at 10 cents on the dollar" Sohmers said.

Many of the molds were sold to other manufacturers upon agreement that Marlin would stay out of the toy business for at least five years.

HAS NO INTENTIONS

But Sohmers said he has no intentions of ever going into the toy business again.

"We have been ruined," he said, and added that if damage payments are received, he will use the money to regear his plant to other operations. Even if he were to receive the money, Sohmers said, it would take an additional six months to rehire all his employes and get back into full swing.

At present, Marlin continues to manufacture electrical components. Meanwhile, the company is losing more money and people are out of work.

Disgustedly, Sohmers said, "I can't understand how bureaucracy can be so powerful, and the little guy just doesn't have a chance. It isn't fair."

[From the Horicon (Wis.) Reporter, June 13, 1974]

MARLIN CHARGES FEDERAL AGENCY UNJUSTLY RUINED ITS TOY SALES, BUSINESS

The Marlin Electric Company told the Horicon Reporter that errors by a federal agency forced them to close their toy company here. Marlin is continuing to manufacture various electrical components. The plant had long manufactured a line of toys with sales in the millions. This segment of their business was destroyed by the following events, according to General Manager Ed Sohmers who stated:

"Our two most important selling toys (the Flutter Ball and Birdie Ball) that accounted for over 40% of our volume, contained small plastic pellets. If the toys happened to break, the pellets could be consumed by an infant

so the toys were rightfully banned in November of 1972.

"We immediately submitted the toys without pellets to the Food and Drug Administration and they sent us 'non disapproval' letters. Mr. Lawrence Blend advised us that if we sent out letters to recall to all our customers, these items would appear on the banned toy list for only six months and the list would state that the toys were banned 'with pellets'.

"In October 1973 the Consumer Product Safety Commission (who took this area over from the F.D.A.) put out a Holiday Banned Toy List which not only listed these toys, but the Birdie Ball was listed as banned 'without pellets' and the Flutter Ball was listed as completely banned. We, of course, called Washington and wrote, but could get no satisfaction.

"Thousands of the lists were sent out. In fact, in Wisconsin, the Dept. of Agriculture ran a campaign on television and in newspapers with four offices that could be called statewide where they would tell you which toys were banned. When we called each of these offices regarding Marlin items, the incorrect information as given to us (right off the list)!

LETTER ADMITS ERROR

"Mr. Charles Algrien of the Dept. of Agriculture, who was in charge of this operation, wrote to Washington and they did not answer him. Finally, he called and David Thome of the Consumer Product Safety Commission called apologetically and said he would get a letter out admitting the error. After weeks of delay, calls and letters, his letter arrived in early December.

"Too late—customers had refused to buy and had returned perfectly good toys. We were forced to close our toy company. Mrs. Catherine Moloney, who started this business in her home, was heartbroken as she watched it dissolve.

"We contacted an attorney and we could not get permission to sue although Mr. Simpson, the chairman of the Consumer Product Safety Commission wrote and admitted an error had been made. Our attorney said our only other chance was through private legislation. Senators Proxmire and Nelson were written to, as well as Congressman Kastenmeier. Proxmire and Kastenmeier both admitted that we had been seriously damaged by the errors and each gave a multitude of reasons why legislation wasn't possible. Nelson never answered.

"We then asked if we have been wronged. We cannot sue and we cannot get legislation. Where do we go to get justice. Not one of them answered. We are now circulating the enclosed petition and would appreciate any help you can give us. Our file on this is open to you or anyone else who might be interested.

"We are looking only for justice."

The petition mentioned follows and anyone interested may sign it and/or obtain additional signatures:

PETITION

"We, as your constituents in Wisconsin, request that you, as our representative in Washington, sponsor and do your utmost to pass legislation reimbursing Marlin Toy Products, Inc. of Horicon, Wisconsin for monies lost through errors (by accident or intention) of the Consumer Products Safety Commission."

[From the Daily Citizen, June 15, 1974]

TRAGIC COMMENTARY

In looking at the news story on the front page of Friday's Daily Citizen relative to the plight of the Marlin Toy Company in Horicon, we are entirely sympathetic to the cause. We have investigated enough, read the correspondence, and talked with Mr. Sohmers.

It seems to us a tragic commentary when government, which is supposed to serve the people, protect the free enterprise system, reaches a state of indifference and apathy to the needs of its people. When something as insignificant as a word on a piece of paper is too much effort to change, when the agency involved cannot seem to correct a situation, or are unable to do so, when elected representatives can do little more than offer condolences, when there is no legal recourse for injustices, such as this done by a body without their consent, then we believe the country is indeed in dire straights and it is time for action and change.

The Marlin Toy, Inc. took a bureaucratic onslaught, which we find amazing it was able to withstand and keep alive at all. What, perhaps may well be forgotten, is while we have not anything against businesses of more substantial size, which are able to strike back with equal force, it must be recognized that small businesses such as Marlin are still one of the cores of the free enterprise system. If the state of government has reached such magnitude these industries are at the mercy and whims of minor bureaucrats, typewriters, computers, and secretaries, that mistakes can knowingly be made, without any registered concern, then we find little hope in our system as we have believed it to exist.

The Saga of Marlin, Inc., we hope is the exception, not the rule. But even one such "oversight" places all in jeopardy, including us as individuals, as well.

While we have not carried the story to its conclusion, we feel we and everyone aware of this are entitled to an explanation. In fact, we demand one. We will do everything in our power, use every means at our disposal to rectify the wrong, which the evidence has led us to believe has been done. We lend our continued support to Marlin in its claim for justice, and will continue to investigate.

Freedom both begins and ends somewhere. If practices of ineptness and indifference indicated on the part of the government here, are allowed to pass unnoticed, it certainly ends.

BLATT DISTRIBUTING CO.,
La Mirada, Calif., December 27, 1973.

MR. C. R. MOLONY,
President, Marlin Toy Products, Inc.,
Horicon, Wis.

DEAR MR. MOLONY: I was just looking over the 1973 results and find a drastic reduction in sales on the Marlin line.

In reviewing the reason, I believe very strongly that the "banned toy list" did you irreparable harm in that even though you re-did the toy, it never got off the list and people shied away from this type of product.

I don't know what you can do about this situation, but I thought it would be in order to write you letting you know the problems that come about in this situation.

Yours very truly,

HENRY ZANVILLE,
Vice President.

INFANTS SPECIALTY,
Gardena, Calif., December 28, 1973.

MR. LOU MILLER,
Beverly Hills, Calif.

DEAR LOU: I certainly hope things get straightened out for Marlin Toy this next year.

In looking over our records, it would look like we lost about $6600 in sales in two months while the Government was changing back and forth.

We can ill afford these losses and I can only assume it was multiplied many times over for Marlin Toy.

Sincerely,

J. E. HAMMACK,
Merchandise Manager.

CONSUMER PRODUCT SAFETY COMMISSION,
Washington, D.C., November 29, 1973.

MR. ED SOHMERS,
Executive Vice President,
Marling Toy Products, Inc.,
Haricon, Wisc.

DEAR MR. SOHMERS: This will serve to confirm our telephone conversation regarding your "Birdie Ball Toy."

The banned version of this toy is the "Birdie Ball" with plastic pellets. The listing of this toy on page 9 of the current issue of the Banned Products List, as "Birdie Ball" (without plastic pellets) resulted from an editorial error and will be corrected on the next issue of the list.

We hope that this will clarify the situation.

Sincerely yours,

DAVID W. THOME,
Bureau of Compliance.

THE BABY SHOP,
Evansville, Ind., May 24, 1974.

MARLIN TOY PRODUCTS, INC.,
Horicon, Wis.

Attention: Mr. Ed Summers

DEAR MR. SUMMERS: We were very sorry to learn that you are no longer engaged in the manufacture of toys, and that this was caused because of the banned list of toys. It is even more tragic when you report that the government has told you that you were on the list by mistake.

We have sold many, many of your toys over the years. They have been well liked by customers and not once has anyone reported to us that a child was injured in any way by one of your toys. We sincerely hope that you can get the matter straightened out with the government.

Sincerely yours,

ROBERT H. SCHLUNDT.

STATE OF WISCONSIN,
OFFICE OF FEDERAL-STATE RELATIONS,
Washington, D.C., November 14, 1973.

MR. ED SOHMER,
General Manager, Marlin Toy Co.,
Horicon, Wis.

DEAR MR. SOHMER: I'm sorry to have delayed so long in writing to you, but I discovered on inquiry Monday, November 5, that the prospects for a quick settlement of differences between the House and Senate versions of S. 1570 were very good, thus making it a waste of time for you to get in touch with the members of the Conference Committee.

As I promised, I have checked around regarding either the availability of "high-impact polystyrene" or the possibility of finding some other sort of work for which your facilities would be suited. Unfortunately I am unable to report any positive results and have more or less reached a standstill.

Regarding your other problem with the Consumer Product Safety Commission, it was not until today that I was able to get in touch with them. I understand from my conversation with Mr. David Thome that the inaccuracy in the listing for the "Birdie Ball" will be corrected on the next list and that he is sending you a letter to that effect.

Mr. Thome tells me that it was heavy pressure from consumer groups which resulted in the Consumer Product Safety Commission publishing a "Christmas" list of *all* toys ever banned. They had planned, as you were informed, to update their toy list every six months. Frankly, I doubt whether they will be able to update that frequently in the next year or so. The amount of work they have taken on and their staff limitations make this one of the less efficient agencies in Washington.

All in all this is not a very cheerful report and I am sorry that we haven't been able to be of more concrete assistance to you.

Sincerely,

C. C. RANDLETT,
Research Analyst.

ATHLETIC SUPPLY OF HAWAII, LTD.,
Honolulu, Hawaii, April 27, 1973.

To: Ed Sohmers—Marlin Toy Products, Inc.
From: Art Schoen.
Subject: Pony Go Roun' Ferris Wheel.

DEAR ED: We received your letter of April 24 this morning, and I agree with you that somebody is being real stupid. However, I have also found out that none of us are big enough to buck the Federal Government on matters like this; as they go immediately to the public and say that we are merely being greedy and do not care what happens to children even though no one has ever been hurt.

Our present inventory is 132 each No. PGR–214 and 115 each No. FW–216. Please advise us what to do. Our estimated freight on the last shipment of PGR–214 was 31 cents each, and on the FW–216 it was also 31 cents each. We have just recently had a freight increase of 12½ per cent, so I would estimate that the cost of shipping them back to you would run between 33 and 40 cents.

Can you give us any idea as to why they were banned?

Aloha,

———, ———.

ESTE SALES SERVICE INC.,
New Berlin, Wis., April 27, 1973.

Mr. ED SOHMERS,
Executive Vice President,
Marlin Toy Products, Inc.,
Horicon, Wis.

DEAR SIR: We are in receipt of your letter of April 24 stating that two of your products have been banned by the Food and Drug Administration. Our present inventory consists of 39 of the Pony Go Roun' (PGR–214).

I am in complete agreement with your sentiments toward this organization. The products mentioned and the judgments against them are completely unfounded. I wish there were some organization to speak for us in these matters. From a financial standpoint we can certainly understand what this must mean to a company.

Sincerely,

JOHN L. FOX,
General Sales Manager.

CONSUMERISM AND ONE SMALL BUSINESSMAN

(By Lowell F. Jones)

In 1971, after 52 years of lawful existence in the city of my birth, I was sent to prison. I had been convicted of mail fraud. But I was in fact the victim of a recent crusade politicians are finding lucrative: consumer protectionism. As. Dr. Roger Klein, economist for the Argus Research Corporation, puts it, "being in favor of consumer safety and more information is sort of like being in favor of God, motherhood, and apple pie. According to the consumer advocate, the consumer is a poor slob beset by shoddy and unsafe products, worthless warranties, hidden loan charges, flammable fabrics, beefless beef stroganoff, and chickenless chicken soup." Los Angeles businessman Tyler Macdonald says, "I think we are part of a lynch mob society. All you have to do is get up and accuse someone of something. Consumerism is a shortcut to political power." As something of a lynchee myself, I can testify to the truth of Mr. Macdonald's words.

In my home state—Minnesota—consumerism has become a powerful political springboard and is recognized as such by those who played a major part in my story, chief among them Attorney General Warren Spannaus, who, writes the *Minneapolis Star*, "has no intention of giving up the consumer protection operation which . . . gives the attorney general's office considerable publicity and visibility." I have had occasion to deal with Mr. Spannaus myself.

When this story starts I was running a card business, which employed 127 persons in four cities during its busy season and had thousands of customers all over the country. We made contact with our customers by mail. The average order was $10, and an account turning in over $100 a year was a very good customer indeed. So we handled literally tens of thousands of orders annually, and our promotional mailings ran into the millions. The one-time customer was our most deadly expense. Unless we could get repeat business, we couldn't make a profit. The secret of the second sale—and the third and the fourth—is consumer satisfaction. So it was in our own interest to be our own "consumer protectors." It was our future that was at stake in keeping customers happy. And we weren't amateurs: we'd been at it 21 years, in the same office building, in the city where my family lived for nearly a century. Hardly a fly by night operation.

We had tough years as well as good ones. But our long term business record included the acquisition of several sinking competitors, all of which we had converted into viable enterprises. There was never the slightest hint of fraud in our quarter century of dealing directly with tens of thousands of unseen customers.

In November 1970, the Democrat-Farmer-Labor Party swept out an entrenched Republican administration in Minnesota. The new attorney general, Warren Spannaus, took office January 4, 1971.

The next day, January 5, he got the signature of one of my customers on an eight page affidavit, which charged that an $11.58 credit coupon sent to us on November 23 had not been redeemed six weeks later.

On January 28, my lawyer and I accepted Attorney General Spannaus' invitation to bring our books and records for a discussion of our order fulfillment procedures. We had no idea of any sort of impending litigation.

During a four hour conference we answered every question fully and accurately. We gave permission for the photocopying of vast quantities of corporate records. We pointed out that the 263 customer complaints then on hand in the Attorney General's office amounted to about one half of 1 per cent of the 40,000 orders we had received during the last half of 1970. There was some discussion of some of the language on our order blank, and we were asked to "stop all mailing until you hear from us." We agreed and did so. We also offered to comply voluntarily with any statutes the Attorney General felt we might be inadvertently violating. At no time were we told that court action was imminent.

By February 1, four days after our meeting, the Attorney General had prepared a 47 page summons, complaint, order to show cause, and restraining order against us. He got it signed two days later, February 3, by a district court judge—without notice to us and without a hearing. This document charged, among other things, that I had "converted . . . currency, money orders, and/or personal checks, and retained the proceeds thereof . . ." for my personal use. When we finally got to court no effort was made to prove this charge.

The judge's order directed us to cease business and to turn over all our assets (including money on hand and whatever cash came in) to a receiver selected by the Attorney General. I had been in business for 21 years, and now, by court order, all my business assets were confiscated, and my only recourse was to go to court and try to prove I was *not* guilty.

It is worth pausing here to size up the situation as of February 3. Who were the winners and who were the losers as the Attorney General left the judge's chambers with his court order?

If indeed we were hurting the innocent, unprotected consumer, we had ceased doing so when we voluntarily stopped our mailing. The state did not accuse us, later in court, of mailing at the time the secret order was signed; nor did it charge us with violating our voluntary pledge. Whatever money had already come in we had, as is the regular procedure, sent to vendors for merchandise to fill consumer orders, so this cash was not available for refund.

When the Attorney General's men entered our premises the first thing they did was to fire all our employees, including those in the warehouse who were at that very moment filling and packing orders for shipment. They smashed open our locked metal file cabinets with a sledgehammer and changed the locks on our doors. I was out of town at one of our branch offices and didn't hear of this until that evening, when I got the news by phone.

All of this was done in the name of consumerism—but what did the consumer get out of it? The Attorney General's wrecking crew shipped no orders.

They replied to none of the correspondence awaiting processing in our office. They made no refunds. Nor did they use our confiscated checking account to buy merchandise for the consumers they were allegedly protecting.

Most of our employees didn't get paid for the time they worked prior to their summary firing. They were simply, and very abruptly, rendered jobless. But the consumer advocates got quite a lot: 101 column inches of local newspaper space, plus TV, radio, and out-of-town newspaper coverage. Five- and six-column headlines proclaimed the effectiveness of the new state regime. One such story quoted the Attorney General's office as saying I had "collected $400,000 in advance payments . . . and it is assumed he [Lowell Jones] has left the state."

Nearly four months later, after a long and costly trial, we won a court order turning the business back to us, giving us the right to continue using the mails, and rejecting the demand that our corporate charters be revoked. When we walked into our plant that day, we found the same customer orders that had been packed, sealed, and labeled four months before, still sitting on their skid waiting to be shipped out. The same inventory sat on the same warehouse shelves—ready to go to those consumers who were being "protected." All 9,663 unfilled orders were still just where we had left them, 5,163 of them having come in during the days immediately before the government's takeover.

What wasn't the same was the bank account: except for a few minor expenditures, all our money had gone to pay the receiver selected by the Attorney General. We got none of it back.

Despite the court order directing that all books and records be restored to us, the Attorney General's receiver held back some items. When questioned, he replied, "Oh, I probably dumped them." We took him to court and won a judgment against him for converting to his own use funds he had reported to the court as paid out for employee payroll.

By August, we had raised some new capital, shipped out 2,116 of the old orders that had lain dormant while the consumerists were in control, and paid most of our long-suffering employees.

On Thursday, August 19, we dropped 25,000 pieces of mail into the post office in an effort to get into business again. Two days later, a four-column headline in the local newspaper proclaimed: "Attorney General reports" that our firm was "selling again." Why should the Attorney General "report" our resumption of our business? According to his spokesman, he was "not advising persons that they should not invest; he simply wishes to advise consumers that the new offering is being made by the same individual who was involved with litigation with the state of Minnesota regarding similar mailings earlier this year." Put a little differently, he was trying to accomplish in the newspapers what he couldn't accomplish in

court. Moreover, his spokesman, in the same story, quoted accurately the number of pieces we had mailed and part of their printed content.

The Attorney General's office had been so busy harassing us that it had never got around to doing anything to see that those 9,663 orders still unfilled in our office were processed, a strange way surely to go about consumer protection. But just as we were putting our own pieces back together (having survived the assaults of the state and the local press), the federal bureaucracy got into the act. In December I found myself in court again, this time pleading not guilty—unsuccessfully—to a charge of mail fraud. We had issued checks before the state's abrupt seizure of our assets, intending to cover them with funds in our bank account and in our incoming mail bags—like the housewife who writes checks on the weekend and puts money in the bank Monday morning to cover them. But when our assets were suddenly confiscated, we were held responsible for the checks that bounced as a result.

So, on May 1, 1972 our little business closed its doors again while I went to prison for a "short" term of nine months. I was paroled at Thanksgiving, and set out to take care of those 9,663 unfilled customer orders. I now had no court-imposed restrictions on either my occupation or my use of the mails. Within 60 days of my return from prison, we had put together a little capital, lined up a few suppliers who had known us a long time and trusted us, and shipped out—at last—$3000 worth of prepaid orders that had been sitting around.

In January 1973, I applied to top-level executives in the local postal service, telling them of my plans and asking whether our company's bulk mailing permit—a necessity in our business—was still in good standing. They assured me that it was, and that I could use the mails just like anyone else. I paid the annual fees for 1973.

Then in February we were told—without notice or explanation—that the permit we had paid for was canceled. No refund was offered. We were instructed to write Darwin E. Sharp at the Postal Service in Washington; we sent him a courteous inquiry and received neither acknowledgement nor reply to our questions. Here again is the familiar pattern of official arrogance: confiscate first, without consultation, warning, or due process, then let the poor citizen struggle to retrieve what he's lost—via an expensive court system that can delay justice, or what's left of it, for years.

We finally did get action in Washington with the help of Senator Walter Mondale and Congressman Donald Fraser; now we are struggling to get the local Postal Service to comply with Washington's edict. But even if our company finally receives some measure of belated justice, the larger question remains: will unseen bureaucrats be authorized to find firms guilty—without a hearing or a trial—of intent to defraud the consumer? Our guilt, if you can so label it, was that in certain cases there were delays in shipping. But consider the following cases:

Detroit's automakers in the first nine months of 1972 recalled more cars than they built.

Kool cigarettes took six to eight weeks to deliver a $129 gazebo.

The publishers of 108 consumer magazines need from 15 to 166 days to service new subscriptions. A recent *Advertising Age* survey shows 25 to 50 days is the norm.

George Hormel & Co. had its salami banned—to great public fanfare—by Connecticut's Consumer Protection Commissioner. The ban was lifted—without fanfare—after laboratory tests were made. (Is it too much to ask that the lab tests be made *before* calling city desk?)

Columbia Record Club hadn't shipped by September its $5.98 country-and-western albums to some customers who paid by mail in April.

There are some mighty prominent names here (I might have mentioned the IRS, which routinely takes ten weeks to send refunds)—not like my little company, which you've probably never heard of. But our customer service history was just as good as many of these—better than most, in fact. Yet an ambitious attorney general was able to get a secret court order generating what his office later admitted was a test case, designed to establish a precedent for future corporate charter revocations in consumerism cases.

But who is to say when imperfect customer service is the symptom of fraudulent intent, without a full and fair inquiry? The Ralph Naders, both in and outside government, have fostered the idea that businessmen's motives are per se suspect, and that to attack business is to serve the consumer. The idea is finding great favor among politicians.

It assumes that everything a business plans must work out successfully. Business has its Edsels, just as government has its cranberries and its phosphate detergents. When a company's plans go haywire occasionally, does that make the businessman a criminal? Some of Henry J. Kaiser's World War II Victory ships broke in two, but nobody charged him with evil intent.

Business school libraries are full of case histories of sick companies that became well, to the lasting benefit of consumers, employees, and owners. As Professor George Stigler recently wrote, "We are now going through a new period of salvation by public reform. . . . It is of regulation that the consumer must beware."

And Mary Bennett Peterson, in *The Regulated Consumer*, sums it up: "Rapidly expanding government control is inherently uneconomic as well as—ironically—anticonsumer. It restricts the consumer's right of free choice in the marketplace, imposes added production costs that price goods out of his reach, or denies him the use of natural resources. Free enterprise is the consumer's best servant. But it is being smothered by interventionistic regulation of industry, which ultimately means regulations of the consumer."

Besides: who will regulate our regulators?

AMENDMENT NO. 1567

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

Mr. TOWER. Mr. President, I am offering an amendment on behalf of Senator FANNIN and myself to S. 707, the consumer protection bill.

This amendment would strike out the exemption of labor provided by section 6(a)(11) of the bill.

I quote from page 24 of the minority report on this bill.

One of the things consumers are definitely upset about is the price of goods and services in this country. If there is any better example of a special interest which has captured its regulatory agencies or whose actions directly and measurably increase consumer prices—if there is any better example than organized labor, it has not been shown in the hearings on this bill.

I agree.

No one has been able to tell me just what agencies or agency action would be out of bounds for the Consumer Protection Agency. As originally written, the exception by 6(a)(11) provided that the Administrator "shall not intervene or participate in any agency or judicial proceeding or activity directly concerning a labor dispute involving wages or working conditions affecting health or safety."

Section 17 of the House-passed companion bill, H.R. 13163 exempts all labor disputes.

It appears clear that the National Labor Relations Board and OSHA would be exempted. Proceedings of these two agencies have been under congressional attack from the day of their enactment. No one can deny that their activities result in a substantial impact upon consumer prices.

Consider a few examples from NLRB. It is required to stop secondary boycotts and sometimes does so after months of investigation, deliberation and litigation. In my own State of Texas, we have witnessed a 2-year boycott of the Farah Co. Finally, for purposes of its very survival the employer gave in to the union demands. That stopped the boycott, but how much will the consumer's wallet be hurt?

The NLRB is supposed to stop jurisdictional disputes. Some time ago a large communications manufacturer based in Arizona had a contract to install "nurse call" systems in four New Orleans hospitals which were being built or altered. The manufacturer was using CWA members to install their product. IBEW claimed the work and put up picket lines at each construction site. The work was stopped for over 6 months by this action involving a dispute between two unions both of which are affiliated with AFL–CIO. The delay increased costs which were, of course, passed on to consumers who use the hospital.

These are not isolated cases. With a little research we could come up with hundreds, perhaps thousands, of such cases. Every year about this time grapes are picked for market in California and Arizona. Every year the public is deluged with demands from Cesar Chavez to boycott grapes.

The NLRB is supposed to stop recognition picketing, but has done a very ineffective job. Perhaps the consumer protection agency could stir up NLRB a bit in this regard.

The NLRB has fostered the growth of unions from some 5 to 25 million members. Organized labor has become the greatest monopoly power this country has ever witnessed. No other segment of our economy has an equivalent impact upon consumer prices. Twenty-five percent of our workers can force the remaining 75 percent to pay more and more for goods and services.

Is OSHA exempt from coverage? If one reads pages 16 and 17 of the majority views it appears to be covered because the majority does not want CPA to get into health and safety. I do not propose to dwell on OSHA in these few remarks. I have no doubt that every Senator has received hundreds of letters from his home State, mostly from small business, complaining about the enormous costs of compliance with OSHA's standards of doubtful utility—costs which they must pass on to customers.

These are many matters which appear to fall in a twilight zone. Are they or are they not covered?

How about disputes in the railroad and airline industries?

How about matters involving Federal, State, and municipal government employees? The union representing these employees is the fastest growing union in the AFL–CIO and appears destined to become its largest affiliate. Oh yes, we can expect some more Baltimores.

How about charges against unions under the Landrum-Griffin Act?

How about civil rights proceedings and the EEOC?

Will CPA be impowered to obtain statistics on the impact of the minimum wage on consumer prices?

Can CPA ascertain the types and costs of union preservation of work procedures and their impact upon the costs and availability of goods and services to the consumer?

Can CPA ascertain the cost of increasing Federal minimum guidelines for workmen's compensation and unemployment compensation and their impact on consumer interests?

Does the bill permit CPA the right of advocacy and court appeal for reduction in federally regulated utility rates even though they may result in a wage dispute? The same question is pertinent with respect to reduction of postal rates.

I have asked many questions and the list could be greatly lengthened.

Is the Federal Mediation and Conciliation Service exempt? I would answer "yes" under the Senate bill and "probably no" under the House bill.

In conclusion, the elimination of the exemption for labor as proposed by our amendment would answer all the questions and treat the labor agencies the same as all other agencies. No, I repeat no, sensible rationale has been offered for elevating the consumer interest, whatever that amorphous term means, to a level paramount to all other interests except those of the labor unions. It is time for Senate liberals to justify the blatant concession to the interests of the big unions or to recede.

AMENDMENTS NOS. 1568 THROUGH 1572

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

Mr. ERVIN submitted five amendments intended to be proposed by him to the bill (S. 707), supra.

AMENDMENT NO. 1573

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

Mr. KENNEDY (for himself, Mr. HUMPHREY, and Mr. METCALF) submitted an amendment intended to be proposed by them jointly to the bill (S. 707), supra.

AGRICULTURE - ENVIRONMENTAL AND CONSUMER PROTECTION APPROPRIATION ACT, 1975—AMENDMENT

AMENDMENT NO. 1574

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

Mr. TUNNEY. Mr. President, Senators CRANSTON, MCGOVERN, KENNEDY, WILLIAMS, and I are introducing an amendment to appropriate $17.5 million for the farm labor housing grant program. This would be $12.5 million over what was passed by the House and recommended by the Senate Appropriations Committee.

Currently, then, $17.5 million has been authorized and remains available for appropriations until October 1, 1974. This is the minimum amount that should be appropriated for the program. The Senate this year recognized the substantial unmet need in the area of farm labor housing by approving an additional, new authorization of $25 million for the next fiscal year. The Senate Committee on Appropriations has now appropriated only $5 million, which actually represents a reduction of $2.5 million from the amount appropriated a year ago. We believe that the evidence of the need justifies a substantial increase from $5 million to $17.5 million.

We are asking that Congress reaffirm its commitment to provide decent housing for farmworkers. We cannot tolerate the unsafe and unsanitary conditions which many of our working people must now endure. Adequate funding of the farm labor housing grant program is vital to the realization of a suitable living environment for those who are, perhaps, the poorest of the poor.

ADDITIONAL COSPONSORS OF AMENDMENTS

AMENDMENT NO. 1553

At the request of Mr. ERVIN the Senator from North Carolina (Mr. HELMS), was added as a cosponsor of Amendment No. 1553, intended to be proposed to the bill (S. 1361) to revise the copyright law.

AMENDMENT NO. 1556

At the request of Mr. PROXMIRE, the Senator from Oregon (Mr. HATFIELD), the Senator from Massachusetts (Mr. KENNEDY), and the Senator from Ohio (Mr. METZENBAUM) were added as cosponsors of amendment No. 1556 proposed to the bill (S. 3164) the Real Estate Settlement Procedures Act of 1974.

NOTICE OF PUBLIC HEARINGS ON PARALEGALS

Mr. TUNNEY. Mr. President, as chairman of the Subcommittee on Representation of Citizen Interests of the Committee on the Judiciary, I desire to give notice that the subcommittee will hold a public hearing on July 23, 1974, on recent developments in the area of paralegal assistants. The hearing will commence at 10 a.m. in room 1318, Dirksen Senate Office Building.

The subcommittee consists of members of the Judiciary Committee including Senators SAM ERVIN, JR., CHARLES MCC. MATHIAS, JR., MARLOW W. COOK, BIRCH BAYH, and myself.

NOTICE OF HEARINGS ON OIL PROFITS AND THEIR EFFECT ON SMALL BUSINESS

Mr. MCINTYRE. Mr. President, I wish to announce that on August 6, 7, and 13, 1974, at 10 a.m. in room 224 of the Russell Senate Office Building, the Subcommittee on Government Regulation of the Senate Select Committee on Small Business will hold hearings on oil profits and their effect on small business and capital investment needs of the energy industries. Names of witnesses will be announced at a later date.

Further information may be obtained from the Subcommittee on Government Regulation, room 424, telephone 225–5175.

ADDITIONAL STATEMENTS

LEGAL SERVICES CORPORATION

Mr. HELMS. Mr. President, yesterday, following the action of the Senate on the legal services bill, H.R. 7824, the House concurred in the Senate amendments, with an amendment. The House amendment was to restore the text of the conference report with changes to authorize direct funding of backup center activities.

Although it is plain that a majority of our House colleagues concurred with the motion made by the managers of the bill, over a third of the House did not. I repeat, over a third of the House did not concur with the language authorizing direct funding of backup centers.

Mr. President, I understand that, although some of our House colleagues who opposed the bill were on the House floor ready to speak, they were not recognized to do so. However, in order to acquaint the Senate with some of the arguments which were prepared in the House, I have been given two "dear colleague" letters which were circulated in the House yesterday by the Honorable ROBERT BAUMAN, of Maryland, and the Honorable PHILIP CRANE, of Illinois, along with a legislative memorandum.

Mr. President, I ask unanimous consent that the memorandum and these letters be printed in the RECORD at the conclusion of my remarks.

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

HOUSE OF REPRESENTATIVES,
Washington, D.C., July 15, 1974.

LEGISLATIVE MEMORANDUM

On May 16, 143 of us voted to defeat the Legal Services Conference Report. There were many reasons why we acted as we did. The Conference bill is fundamentally deficient, and cannot be cured by cosmetic change:

(1) It permits lobbying of all sorts.

(2) It perpetuates OEO's radical union agreement and personnel policies.

(3) It allows project attorneys to conduct otherwise prohibited activity "on their own time" or with funds provided from sources other than the Corporation.

(4) It permits all grantees to sidestep requirements of lawyer majorities on their boards of directors.

(5) It authorizes representation of teenagers without parental knowledge or consent.

(6) It sanctions heavy involvement on behalf of radical prison causes, diverting funds from the non-criminal poor.

(7) It requires innocent parties who successfully defend against suits by legal services attorneys to prove malice or intentional harrassment before they can have their legal costs reimbursed.

(8) Project attorneys are given wide latitude to engage in aiding public demonstrations, picketing, boycotts, and strikes while not "carrying out legal assistance activities" directly financed by the Corporation.

(9) Staff lawyers are permitted to aid "eligible clients" who advocate or oppose ballot measures, initiatives or referendums. Such "eligible clients" may include advocacy groups like the National Welfare Rights Organization and the American Indian Movement.

(10) The Corporation would be prevented from replacing staff projects with systems assuring client choice and local Bar Association oversight of poverty lawyers.

Worst of all, despite the change proposed by the bill's managers, the Conference Plan would open wide the doors of the Federal treasury to public interest law firms totally unaccountable to Congress. We urge you to once again vote to defeat the Conference bill.

HOUSE OF REPRESENTATIVES,
Washington, D.C., July 15, 9174.

DEAR COLLEAGUE: Federal money should not be used to fund "public interest" law firms, like those of William Kunstler, William Dobrovir and Ralph Nader.

Using private resources, such firms have a perfect right to work for the changes in public policy which they favor: by bringing test cases, filing amicus briefs, drafting "model" statutes and administrative regulations, running strategy conferences, lobbying, publishing books and newsletters in support of their views, organizing and assisting allied organizations.

All such activities are very much a part of our constitutional traditions when conducted privately, but tend to violate those traditions when subsidized at public expense—by taxpayers who may disagree with the privately determined objectives which such firms arbitrarily determine to be in the "public interest".

For some years now, the OEO legal services program has ventured, ever more heavily, into the area of "law reform" and "public interest" law. Programs have been established to specialize in public policy changes concerning welfare, education, health, the environment, food and agricultural policy, housing, business regulation, communications, land use, insurance, prisoners' rights, and numerous other areas. For good or ill, private groups aided by legal services money have achieved liberalized abortion laws, quotas in employment and education, forced busing of school children, and many additional changes whose advocacy all taxpayers have under-written, although only some have favored.

Many "public interest" groups thus funded by legal services have been dominated by governing boards comprised by officials of Common Cause or the American Civil Liberties Union or the ADA or the National Lawyers Guild. This is unfair, just as it would be unfair to subsidize the American Conservative Union or the National Right to Work Foundation. If liberal bureaucrats can fund their friends today; conservatives in the same positions might likewise fund their favorites later on.

In either case, such power is unwise. It was because we question the propriety of using public funds to push private policy preferences, in the name of the "public interest" that many of us have opposed legal services funding for back-up center activities.

Aware of this concern and recognizing that unless it were effectively met, the proposal for a legal services corporation would be unacceptable to a significant number in Congress, President Nixon's staff made a serious effort to eliminate funding of back-up centers from the legislation which will be once again before us.

Unfortunately, the bill's managers have done no such thing. They are proposing a "compromise" which a) does not cover all back-up centers, b) consolidates, but does not in any way change, the scope or substance of back-up center activity, and c) permits back-up centers to remain eligible for funding by reorganizing as "public interest" law firms.

The precise change in language to be proposed by the bill's managers provides that the Corporation is authorized "to undertake directly and not by grant or contract the following activities related to the delivery of legal assistance—a) research, b) training and technical assistance, and c) to serve as a clearing house for information."

Under this language it would be possible for all present back-up centers to continue, by reconstructing themselves as "directly" a part of the Corporation. Thus, back-up employees could continue to operate in the same locations, but with salaries paid by the Corporation directly, instead of through "non-profit" conduits, as is now the case.

Another deficiency in the proposed "compromise" is that such back-up center activities as: lobbying, co-counsel work, amicus briefs, non-client generated test cases, house counsel for advocacy groups, and widespread publishing would not be barred. Furthermore, some back-up centers—like the Massachusetts Law Reform Institute and the Western Center on Law and Poverty—do not describe themselves as such and might escape abolition under the "compromise".

One of the architects of the "compromise," Senator Taft, has admitted

"So far as the backup centers are concerned, one thing ought to be said that is perfectly clear, and that is that the House language that is expected to be adopted still permits a full degree of research and backgrounding by the corporation itself. It merely prevents the contracting out of that service to other institutions".

If we are opposed to back-up centers, let us not merely say we are going to abolish them, let us actually do it.

Sincerely,

ROBERT BAUMAN,
Member of Congress.

HOUSE OF REPRESENTATIVES,
Washington, D.C.

DEAR COLLEAGUE: More than a year ago—on June 21, 1973—the House overwhelmingly passed a responsible Legal Services Corporation bill. It was structured to assure the poor full legal rights, while preventing full-time employees of private organizations funded by the corporation from using program resources to further their personal ideas for changes in public policy without accountability to Congress or the people.

Unhappy with the House bill, lobbyists for legal services project attorneys have played with the issue for nearly thirteen months. In May of this year, the House was asked to adopt a legal services conference report instituting an approach to legal services which, because of safeguards removed, was significantly different from our June 1973 bill.

Many in the House were concerned that if the Conference bill were rejected, all funding for legal services might expire at the fiscal year close, on June 30. For that reason, and out of a simple weariness with the issue, the House took what it then believed to be final action on May 16, approving the bill 227–143.

Since then, the conference bill languished in the Senate—until last Wednesday, when by voice vote, it was tabled. Now we are advised that the bill will be returned to the House, perhaps in a day or two, for further consideration. We will be asked to make a cosmetic change which (without altering the more permissive Senate language authorizing subsidies of "public interst" law firms) would supposedly reduce the prospect of a Presidential veto.

We urge you to reject this ploy and, instead, vote again for the bill which the House first adopted in June 1973. It was a sound measure when we voted for it then, and it remains so today: it banned the use of Federally supplied resources for lobbying; it prevented activist lawyers from organizing or representing teenagers without parental knowledge and consent; it opened the door for greater utilization of client choice and private lawyers.

If the House plan is finally enacted, President Nixon would much sooner sign it into law than the more expensive and permissive Senate approach.

On the other hand, if the Senate refuses to accept it, Federal funds for legal services are assured by the continuing resolution Mr. Nixon signed on June 30.

The House cannot be accused of stalling on this issue; we did not hold the bill for seven months before acting, as did the Senate; we are not responsible for the three and one-half month delay in conference; we did not sit on the conference report for seven weeks and then move to table it.

On the contrary, our spokesmen have gone far—further than many of us like—in an effort to accommodate representatives of the project attorneys and their allies in the Senate.

Since it's no longer required that we act rapidly, let's act responsibly. At a time when our constituents are fed up with excessive government spending and the inflation tax which supports it, and when all of us are tired of political finagling, we should reject the motion to reconsider the conference report and, instead, vote again for the bill we passed in 1973.

Your vote is as defensible as it was then.

Sincerely,

PHILIP CRANE,
Member of Congress.

FEDERAL SALARY LEVELS

Mr. McGEE. Mr. President, since the failure earlier this year of the Congress to approve sorely needed pay increases for Federal judges, Members of Congress, and Cabinet and subcabinet officials, the compensation of comparable positions outside the Federal Government continues to rise. I note today, for example, that the salary of the Governor of Louisiana has been increased from $28,000 to $50,000. At the same time in Louisiana, the salaries statewide of other elected officials have been increased by legislative action. More than 650 State and local jobholders across the Nation are paid more than the $42,500 of Executive Level II. That total is sure to increase as the salaries of top Federal officials remain static and the States and cities make needed adjustments.

I remind the Senate that there has been no pay increase for Federal judges, Members of Congress, and Cabinet and subcabinet officers since March 1969, more than 5 years ago, a time during which the cost of living has increased by at least 30 percent.

It is my hope that later this year when the Post Office and Civil Service Committee again recommends corrective legislation to the Senate it will be affirmatively acted upon. Two days of hearings have already been held and more are being planned. The States and cities are not afraid to move ahead on this issue. I regret that the Congress has not already done so to correct a grave injustice to personnel in the upper levels of the General Schedule whose salaries are

subject to compression, to Cabinet and subcabinet officials, to Federal judges, and to Members of Congress themselves.

APOLLO 11—FIFTH ANNIVERSARY

Mr. MOSS. Mr. President, 5 years ago this month the world was electrified by five simple words: "Houston—the Eagle has landed."

They signified an incredible event, and the tension which had built up for 4 days in hundreds of millions of people everywhere on Earth burst forth in cheers of joy. Our two astronauts, Neil Armstrong and Edwin "Buzz" Aldrin, Jr., had landed their Apollo 11 lunar module safely on the Moon, while the third member of this historic expedition, Michael Collins, orbited overhead in the command and service module.

Mr. President, no other event in all history has moved so many millions of people to such expressions of joy and pride in so many languages in the same instant in time. It was indeed a marvelous and inspiring outpouring of happy emotion, joining humanity in a mutual awareness of its brotherhood.

When he stepped on the lunar surface, man fulfilled a dream first mentioned in myth and legend. The dream was combined, however, with a long line of basic science and technology developed by many minds in many lands over the ages. In that sense, Apollo belongs to the world.

Yet, it would seem almost inevitable that the crucial science and technology for Apollo would come together here in the United States, itself the product of daring exploration and pioneering optimism. It is indeed doubtful the Apollo program would have been conceived, organized, or carried out by any other country in the decade of the 1960's. For during that period, other nations, even groups of nations, possessed only a part of the resources and technical capabilities to mount a lunar mission. Only here, in America, did all the factors leading to the success of so daring a concept, and so immense a project, exist.

The scientific and technological capabilities, the industrial and financial resources, the hundreds of thousands of skilled aerospace workers, the character and spirit of American society itself, all combined in Apollo.

The very idea of going to the Moon in less than a decade from time of decision would have given pause to a people not raised in the American spirit, the "can-do" optimism that has paced progress throughout our history. What came to be called the "spirit of Apollo" actually was no more than this basic American spirit. It is our habit of fastening on the objective, not on the obstacles. For a people who freed themselves from oppression and conquered a wilderness, the obstacles are taken for granted. It only remains to overcome them. That spirit is in us still.

The important thing is to choose a worthwhile, easily understood goal which lights the fires of enthusiasm. The Moon served ideally in that respect. No one had to ask what or where it was, or why—in the context of the times—we should go there. The superb achievements of Soviet science and technology in orbiting the first satellite and the first man in space were more than blows to American pride. There was a "gut feeling" that we should not let these challenges pass unanswered. To every generation belong its imperatives.

But, although Apollo began in a highly competitive spirit and an instinctive impulse to demonstrate our Nation's prominent position in science and technology, Apollo gradually evolved into something much more than that. The enormous technological, scientific, and managerial problems of building a lunar transportation system by the end of the decade seized the imaginations of all who worked on the program. As we progressed through Mercury and Gemini—the "proving" projects for Apollo—there was a growing realization of great potential benefits of space flight to the Nation.

So Apollo grew into more than a "race" to the Moon. Every scientist, every production worker, including factory floorsweepers, and all project managers, both industry and NASA personnel, adopted the program as his own. Each felt responsible for Apollo's success. All their zeal and devotion went into each assigned task, and many worked themselves to exhaustion, not once but repeatedly.

If nothing else, Apollo brought out the best in human character, setting standards of excellence unequaled in a peacetime endeavor.

Actually, the goal set by the late President Kennedy to complete the lunar mission "before this decade is out," removed Apollo from being a simple "race" with the Russians. Instead, it became a contest of running our own race.

Could Americans organize and discipline themselves to grasp and control so huge and complex a project that the Manhattan Project of World War II paled beside it? Could it be done in less that 9 years?

Faced with that kind of problem, and growing more aware of space flight's true significance to America and the world, we did not need Soviet competition, real or imaginary, to spur us on. The project captured everyone's imagination on its own merits.

And so it was, Mr. President, that Apollo is far more than a monument to America's technological prowess. Of far greater significance are the unrivaled capabilities in space flight, exploration, and use of space pioneered by Apollo 11. Thanks to this great program and achievement, the Nation is stronger for the new science and technology it generated.

Let us not overlook, however, that Apollo was a massive demonstration of the American spirit and ability to meet challenges and conquer them against great odds. For it is the spirit of America which, in the last analysis, is the key to our future security, prosperity, and happiness.

PROFESSIONAL STANDARDS REVIEW ORGANIZATIONS

Mr. BENNETT. Mr. President, I am sure all of my colleagues are aware of my sponsorship of the so-called PSRO Amendment to the social security bill which became law in October 1972, and of the great controversy within the medical profession that followed this action. It is only natural that the American Medical Association which represents most of the physicians in the United States should become embroiled in the discussions, and during the past year and a half, its position with respect to the legislation has shifted under changing internal pressures. I was naturally delighted and encouraged when in June 26, at the meeting of its House of Delegates, the following resolution was passed by a vote of 185 to 57. I feel sure that the association will hold this position at least until enough PSRO's can be established and become operational to provide a base of experience against which to consider any possible amendments.

I have never felt that the so-called "Bennett Amendment" was sacrosanct or cut in stone, but now that contracts are being signed with conditional PSRO's, I think it would be premature to talk about substantial amendments until we have had an opportunity to test the program in actual operation.

There is only one exception to this general point of view that interests me. I think that the role of the PSRO as a protection against malpractice suits is worth serious study.

The action of the AMA House of Delegates was welcomed editorially in a number of publications. I am including three of these editorials. The first is an editorial from the July 1–8 issue of the American Medical News. The second is an editorial that appeared in the Chicago Tribune entitled "The Doctors Prescribe Reason." And another which appeared in the Chicago Daily News is entitled, "Doctors Opt for Progress."

Mr. President, I ask unanimous consent to have the resolution and editorials printed in the RECORD.

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

[From the American Medical News, July 1–8, 1974]

TEXT OF NEW POLICY ON PSRO

Here is the exact wording of the substitute resolution on Professional Standards Review Organizations (PSROs), adopted June 26 in Chicago by the American Medical Association House of Delegates.

"Resolved, That this House of Delegates instruct the Board of Trustees of the Association to direct its efforts to achieve constructive amendments to the PSRO law and to ensure appropriate regulations and directives, with particular effort directed at amending those sections of the law which present potential dangers in the areas of confidentiality, malpractice, development of norms, quality of care, and the authority of the Secretary of HEW; and be it further

"Resolved, That the Association should continue its efforts to achieve legislation which allows the profession to perform peer review in accordance with the profession's philosophy and the best interest of the patient; and be it further

"Resolved, That individual state associations which elect non-participation shall not be precluded from such a position by this Association's policy statement, but should be urged to develop effective non-PSRO review programs which embody the principles endorsed by the profession as constructive alternatives to PSRO; and be it further

"Resolved, That if ongoing evaluation of the PSRO program reveals that it does, in fact, adversely affect the quality of patient care, or conflict with Association policy, the Board of Trustees be instructed to use all legal and legislative means to rectify these shortcomings."

[From the American Medical News, July 1–8, 1974]

THE DELEGATES TAKE A CLEAR STAND ON PSRO

The American Medical Association has clearly committed itself to work constructive amendments to the Professional Standards Review Organization law and to work to ensure appropriate regulations and directives.

Just as clearly, the Association will make no effort to seek repeal of the law.

In a dramatic, more than three-to-one vote, the AMA's House of Delegates made it clear that it wants the Association's efforts directed at correcting deficiencies in the law, whether those deficiencies be in the wording of the law itself or in the regulations and directives implementing the law.

After a long day of hearing testimony on resolutions and reports dealing with PSRO, the house reference committee charged with recommending policy, reported:

"Your committee recognizes both the depth of feeling of those proposing an all-out repeal effort and those opposing such an effort. Primarily, because of this very depth of feeling, and the division already apparent in this house; but also because of the multiplicity and complexity of the other cost and utilization control measures available already to government without any mandate voice for the profession; and because of the need for this Association to retain, in the perilous times ahead, the effectiveness it has developed in recent years in dealing with Congress and the Executive Branch, your reference committee believes it unwise to commit the resources of the Association to an inflexible course of seeking repeal. . . ."

Instead, the committee proposed and the house overwhelmingly endorsed instructing the Board of Trustees "to direct its efforts to achieve constructive amendments to the PSRO law and to ensure appropriate regulations and directives, with particular effort directed at amending those sections of the law which present potential dangers in the areas of confidentiality, malpractice, development of norms, quality of care, and the authority of the Secretary of HEW."

The house also called on the Association to continue its efforts to achieve legislation which allows the profession to perform peer review in accordance with the profession's philosophy and the best interests of the patient.

The delegates also said that individual state associations that elect non-participation in PSRO will not be excluded from such a position by the AMA's policy statement. But the house urged any such state association to develop effective non-PSRO review programs which embody the principles endorsed by the profession as constructive alternatives to PSRO.

Finally, the house declared that if ongoing evaluation of the PSRO program reveals that it does, in fact, adversely affect the quality of patient care, or conflict with Association policy, the Board of Trustees is instructed to use all legal and legislative means to rectify these shortcomings.

In its report, the reference committee noted "that this Association must take a clear-cut, definitive position which cannot be misunderstood by any one inside or outside this House of Delegates or, indeed, by anyone inside or outside the medical profession. To do less would be to accentuate the division, almost schizophrenia, now developing within the profession, and would fail to provide the clear direction the Association's Board and this house have requested."

The delegates responded by adopting a clear-cut position and by doing so with a majority large enough to leave no question about its validity. Now it is time, as Joseph F. Boyle, MD, a delegate from Los Angeles who had vigorously supported a call for efforts to repeal PSRO, told the house after the new policy statement was adopted to close ranks and unite.

The AMA has, in a thoroughly democratic process arrived at a clear-cut policy position regarding PSRO.

[From the Chicago Daily News, June 28, 1974]

DOCTORS OPT FOR PROGRESS

We congratulate the American Medical Assn. for deciding to co-operate with, rather than oppose, the government in setting up the Professional Standards Review Organization (PSRO) program. The decision was made in a 185–57 vote by the organization's House of Delegates, meeting in Chicago.

The PSRO is a system of peer review boards to oversee the cost and quality of health care administered in any federally supported program. Being federally sponsored it does raise some slight threat of bureaucratic invasion of medical practice, and that fear has been at the heart of the bitter opposition among the nation's doctors.

But the system proposed by the government would still leave administration in the hands of the medical profession; physician groups would both organize and populate the local boards, so that peer groups would go on doing the overseeing, as now, except that the boards themselves would be chartered and overseen by the government. The government is seeking a more systematic way to ensure accountability for tax funds spent on Medicare, Medicaid or future plans.

What the physicians are proposing, and properly, is to make as certain as possible that the benefits and freedoms of private practice are not lost in the bureaucratic shuffle. They adopted a resolution asking for amendments to the federal law to provide stronger assurances of doctor-patient confidentiality and of quality medical care, and to limit the authority of the secretary of Health, Education and Welfare. In this kind of orderly procedure in defense of its principles, the profession will encounter little opposition.

What was at stake here was the medical profession's image. In a time when the public and private costs of health care are soaring and a universal right to basic health care is being asserted, the profession has managed to acquire a reputation for dragging its feet against progress and placing the physicians' convenience ahead of the general welfare. The vote to accept PSRO will help substantially to improve that image.

[From the Chicago Tribune, June 28, 1974]

THE DOCTORS PRESCRIBE REASON

Despite bitter opposition within the ranks, the American Medical Association has saved itself a lot of grief by agreeing to cooperate with the 1972 law establishing Professional Standards Review Organizations [PSROs]. Tho we doubt that the PSROs will do as much to improve medical care as their supporters hoped, the medical profession would have been biting off its proboscis to save its physiognomy by demanding the repeal of the law and refusing to cooperate.

The law divides the country into 203 PSRO areas. In each, a group of doctors [presumably but not necessarily an organized medical society] may apply to the Department of Health, Education, and Welfare, to become the official PSRO. If no group applies by Jan. 1, 1976, HEW will designate a group itself.

The purpose of the PSRO is to provide "peer review" of the performance of individual doctors: to see that patients get proper care, to guard against unnecessary care and the clogging of hospitals, and to see that patients, insurance companies, and the federal government [thru such programs as Medicare] get their dollar's worth.

At first, the PSROs are expected to concentrate on hospital care and on federally insured programs, but ultimately they may expand to cover a private patient's care in his own doctor's office.

The measure was slipped thru almost unnoticed as an amendment to a big Social Security bill, but a great many doctors have reacted violently against it. They say it violates the traditional confidentiality of the doctor-patient relationship because outsiders will be authorized to examine the doctor's records. They fear that decisions regarding fees and even treatment may be made by nonmedical personnel such as accountants. They predict that the PSROs will become a vast burocracy of their own, devouring much if not all of whatever money they may save and taking doctors away from their proper work.

The objections are valid ones, but must be weighed against two obvious facts. One is that there have been abuses by doctors, especially under government subsidy programs, albeit by a minority of doctors. Our own news columns have cited abundant evidence of this. The costs of Medicare and Medicaid have soared beyond the wildest predictions. The other is that if the doctors don't cooperate with a system that they will be able largely to control themselves—however distasteful they may find it—something far worse will almost surely be thrust down their esophagus.

The United States fortunately has the most comprehensive system of private health insurance in the world. The trouble is that there will always be some who cannot afford private insurance. In recent years the A.M.A. has acquiesced and even cooperated increasingly in the establishment of public hospitals, public clinics, and in the creation of such programs as Medicaid. The principle of government responsibility toward the poor is well accepted.

That being so, PSROs are not really so radical a scheme.

The PSRO is designed to supplement the Nixon administration's health insurance bill, which is the best of the proposed bills because it is voluntary and depends on the existing private insurance system. If Congress chooses to go the compulsory insurance route [like Social Security] and set up a new federal burocracy, as proposed in the Kennedy-Mills bill, then the PSROs may indeed become as bad as feared.

But in the meanwhile it strikes us as wise of the A.M.A. to give the PSROs a try, work for their improvement, and, by thus cooperating, earn the support necessary to defeat the more dangerous bills which threaten us. To refuse to cooperate could easily be to invite disaster.

A BROADCASTER EDITORIALIZES ON THE FAIRNESS DOCTRINE

Mr. PROXMIRE. Mr. President, on Monday I spoke about the "unfairness" of the Federal Communications Commission's fairness doctrine. Today I received in the mail a copy of an editorial broadcast on July 9 by John E. Hinkle, Jr., vice president and general manager of WISN in Milwaukee.

This editorial, sent me, was among others broadcast by that station recently. WISN and other radio and TV stations routinely send their editorials to elective representatives. In other words, this was not singled out for my

attention and obviously was not connected with my speech.

This editorial represents the unprompted, sincere viewpoint of one broadcaster which, I believe, reflects the opinion of many broadcasters.

Two sentences from Mr. Hinkle's editorial point out the problem succinctly:

The First Amendment guarantees do not apply to broadcasters!

Broadcast facilities are licensed by the federal government. 'Big Brother' tells us what we may put on the air—and what we may not!

Mr. President, that sums it up.

Despite Supreme Court decisions holding that the fairness doctrine "enhances" the first amendment, there is no freedom of speech or of the press for broadcasters when the Government can tell them what they may put on the air and what they cannot.

This is not to defend reckless use of the powerful news media of radio and TV. But how can a controlled industry display responsibility? Responsibility is a virtue of the free, just as irresponsibility is a vice of the free.

Broadcasters are businessmen. They respond to the public—or would—if they had the freedoms guaranteed to the rest of us.

Publishers are businessmen, too. And they do respond to public need. And publishers have full first amendment rights.

Mr. Hinkle draws well the distinction between publishers and broadcasters. For that reason, Mr. President, I ask unanimous consent that his editorial be printed in the RECORD.

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

FIRST AMENDMENT FOR NEWSPAPERS

A unanimous Supreme Court has overturned a law requiring newspapers to give political candidates free space to reply to editorial attacks.

The Court ruled that if "Big Brother" is allowed to tell newspapers what they must print—there is implied authority to tell newspapers what they must not print. "Clearly," said the Court, "the law violates First Amendment guarantees of a free press." We applaud the decision!

But it should be pointed out that radio and television broadcasters, from whom most Americans get their news, are still "second-class" citizens! The First Amendment guarantees do not apply to broadcasters!

Broadcast facilities are licensed by the federal government. "Big Brother" tells us what we may put on the air—and what we may not!

The rationale is that because the airwaves belong to the people, they must be controlled by the government. An earlier decision by the Supreme Court emphasized that broadcast frequencies are limited in number . . . so it is not possible for everyone to own a broadcast station! It could be argued that because of market limitations and large capital investments, it is not possible for everyone to own a newspaper . . . any more than it is possible for everyone to own a department store, an automobile manufacturing plant . . . or a professional football team. But the discussion would be academic.

There is very little reason to believe that broadcasters will ever enjoy the freedoms guaranteed by the Constitution. So what's the purpose of this editorial?

It seems to us the lesson here is even more important than the First Amendment! The Federal Communications Commission—which controls radio and television—came into being because broadcasters were unwilling or unable to sit down together and work out their own problems! So they turned over their responsibilities to someone else!

And whenever private citizens . . . or private industry . . . or anyone else . . . surrenders their freedom to make their own decisions, that freedom is gone forever!

LONG-RANGE FUNDING FOR PUBLIC BROADCASTING

Mr. PASTORE. Mr. President, for the past several years, I have been urging the administration to submit long-range funding legislation for Public Broadcasting in order to insure proper insulation from Government interference as well as developing the type of stability that Public Broadcasting requires.

I repeated this admonition in a speech that I made on January 22, 1974, to the Public Broadcasting Service Conference.

I urged the administration to submit such legislation and I promised at that time that the committee, of which I am chairman, would move expeditiously when such a proposal was submitted.

Yesterday the administration submitted such a proposal. I commend the administration for moving in this direction in spite of the foot dragging of the past.

Mr. President, I ask unanimous consent that my remarks of January 22 be made part of the RECORD.

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

REMARKS OF SENATOR JOHN O. PASTORE AT THE PUBLIC BROADCASTING SERVICE CONFERENCE

I want to thank Ralph Rogers and the Board of Governors for inviting me this afternoon.

I feel very much at ease here. In fact you might say this is like an alumni reunion. Our alma mater is, of course, public broadcasting. How it has grown in the last quarter century!

In 1953 there was only one educational television station on the air. Today there are 241.

What has taken place is a tribute to the visionaries of our country—

To those in Congress who have persevered year after year in the belief that public television has something special to offer the American people.

To you in the industry who have consistently devoted your time and talent to the cause, even when it did not generate the support and enthusiasm it now does.

And lastly, but most importantly, to the steadfast and loyal audience public television enjoys. It has been these public-spirited citizens with their sense of excellence and their generosity who have provided the support and encouragement public television has needed so badly.

It would be misleading, as each of us here knows, to say public television has realized its potential and that its struggle is history.

It must always pursue excellence; and it has yet to realize financial stability.

I shall always be in the forefront of those who urge the medium on to higher achievement.

It shall also remain in the forefront of those who insist that public broadcasting is not only entitled to, but must have, long-range, permanent financing.

A promise of long-range financing was the covenant we in the Government made when Congress enacted the Public Broadcasting Act, and called upon the dedicated men and women in the industry to renew and intensify their commitment.

Since that time, I have urged successive administrations to honor their part of the bargain and submit such a plan for Congressional action.

I wish there were an alternative to offset this inaction, but, quite frankly, I am unable to think of any.

In order for public broadcasting to make the tremendous advancement it has, assistance from the Congress has been necessary.

First, there was the Educational Television Facilities Act of 1962 (ETV Act of 1962). That act provided matching Federal grants for the construction and expansion of ETV stations. Subsequently, the law was amended (1967), to include noncommercial radio stations as well.

Under the public broadcasting facilities grant program (ETV Act of 1962, as amended), the Secretary of Health, Education and Welfare (HEW) makes matching grants to eligible applicants to acquire and install specified radio and television broadcasting apparatus. Grant funds cannot be used for the purchase, construction, or repair of buildings or the acquisition of land.

At the time the Educational Television Funding Act was enacted in 1962 there were 62 television stations on the air. As I have mentioned, today there are 241.

Five years later Congress acted again. This time it moved to support the program and operating costs of public broadcasting by enacting the Public Broadcasting Act of 1967. That act, of course, provided for the Corporation for Public Broadcasting.

Periodically since 1967, the Congress has had to enact legislation authorizing and appropriating funds for the Corporation. And everyone in this room knows why.

The result of this kind of short-term, hand-to-mouth financing has necessarily been instability.

In an industry where a lead time of three years to research, plan, and develop a program series is not uncommon, we have been offering the necessary financial support on a one-year basis.

Realistically, we cannot expect the medium to attract top talent and produce quality programming when its financial life is a year-by-year proposition, dependent upon the disposition of the Administration and the Congress.

That public broadcasting has been able to give us "Sesame Street," "The Advocates," "Firing Line," and "Masterpiece Theater" is testimony to the genius of its dedicated men and women. They triumphed in spite of adversity.

You have, of course, had critics. There are those who have said public broadcasting has ignored its very reason for being—strong local stations; that you have instead created a fourth network in the genre of the three commercial ones.

I have never agreed with those critics. Happily, however, it is no longer necessary to argue with them, nor is it necessary to rehash history.

Your own organization—the Public Broadcasting Service—has been restructured so that the local stations are fully represented and other segments of the industry have a voice in the decision-making processes as well.

The recent agreement between your organization and the Corporation for Public Broadcasting also appears to be working well. A genuine partnership relationship has evolved. I trust it will continue. Here again, I believe the principle of strong local stations is fully recognized.

They *will* have a voice in deciding what programs the Corporation shall fund.

They *will* have a voice in interconnection and how it is to be managed.

They *will* receive Corporation grants to help make each a bedrock of localism.

Your achievements should not go unrecognized.

There are indications the Administration will send to Congress its long-promised permanent financing plan.

If that happens, the instability and uncertainty that has beset the industry will be removed. I promise you my Committee will move expeditiously when such a proposal is submitted.

You will then be able to get on with the job you have done so magnificently under such adverse circumstances. My congratulations for the past; and my support and best wishes for the future.

THE CERTIFIED PROFESSIONAL SECRETARY (CPS)

Mr. BROOKE. Mr. President, this week the Institute for Certifying Secretaries released a list of names which should be of interest to each of us here in the Senate as well as to every businessman throughout the country. This list contained the names of the secretaries who, this year, have earned the coveted key of the Certified Professional Secretary. But, in many cases, no one will notice, as the CPS is the least known—and one of the most scarce—of all professionals. Comparatively speaking, the percentage of secretaries who even qualify to sit for the examination is minimal and, of those who do qualify and sit, the percentage who pass all six parts is minute in relation to the number of secretaries working throughout the world. Several years ago research indicated that one in every 4,000 secretaries in America earned the CPS key.

Why is it so unknown? Why is business not aware of this precious qualification? There could be many reasons, not the least of which is that the CPS is usually just that—a professional who feels it would be somewhat unprofessional to have to say "look, I reached the top." Another reason may be the fact that all clerical personnel—including typists, stenos, receptionists, and so forth—are referred to as secretaries, and the "professional secretary" is not separated from the "progressional secretary" who is using the secretarial position as a stepping stone to "bigger and better things." To the professional secretary, the "bigger and better things" is the CPS key.

The CPS program was instituted in 1951 when 281 executive secretaries sat for the 2-day examination. Sixty-two were certified and since that time there has been a total of 6,801 recipients of the CPS key. Only 12 male secretaries have thus far been certified. That includes the 50 States, Canada, Puerto Rico, the Virgin Islands, and Hong Kong. No other foreign country has yet produced a CPS. Statistically that is about 125 certified professional secretaries per State.

The Washington area is quite fortunate, as there is a generous quota of CPS's present and five members of the District of Columbia Chapter, National Secretaries Association—International—appeared on the recently released list of new certified professional secretaries.

The examination is a 2-day 6-part test and a candidate is permitted 5 years to complete all six parts. After 5 years, the unfortunate secretary who has not passed all six parts must begin the series all over again. However, there is no reflection of inefficiency when any or all parts are repeated. The time element involved in each test part can prove quite a pressure factor, thus making the test more difficult. The candidates are tested in the following areas: Environmental relationships in business; business and public policy; economics of management; financial analysis and the mathematics of business; communications and decisionmaking; and office procedures.

Various colleges now grant up to 2 years college credit for the CPS rating. However, to both business and Government the CPS is still an infant and in many instances, "the doorstep waif" who will only be discovered when someone opens the door.

In bringing the CPS rating to the attention of my colleagues today perhaps my remarks will help to open the door through which we here in the Senate, as well as the members of management throughout the business world, will come to recognize the difference between the professional secretary and the progressional secretary. Only then will the certified professional secretary attain the recognition so rightly earned.

BOYS CLUB TOURS JACKSON HOLE

Mr. McGEE. Mr. President, last month, 70 members and 10 sponsors of the Phoenix, Ariz., Boys Club of America stepped off a bus in Jackson, Wyo., to begin one of the most unique experiences of their lives.

These young men traveled to Jackson to be the guests of Flagg Ranch. An account of their experiences while staying in one of the most beautiful areas of this country was carried in the Jackson Hole Guide. As noted by the author of the article, Greg Prugh:

I know they'll remember their stay at Flagg Ranch for a long time, but I'll never forget my excitement and enthusiasm in having shared an unforgettable experience with 80 great men from Phoenix.

Greg Prugh epitomizes the spirit of my State. He, and other members of the Flagg Ranch staff, welcomed the opportunity to play an important role in making the experience of these young men a memorable one. It is evident the Boys Clubbers were enriched by their visit to the Flagg Ranch. It is equally apparent that the Flagg Ranch was also enriched by the experience.

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

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

[From the Jackson Hole Guide, June 20, 1974]

IT IS BETTER TO BUILD BOYS THAN MEND MEN

THE BOYS CLUB TOURS JACKSON HOLE

Chartered buses are not unique to Jacksonites, but for the boys inside this promised to be a memorable vacation. After the two buses had come to a smooth stop and the dust had settled, the young guests of Flagg Ranch, 70 members and 10 sponsors of the Phoenix Boys Club of America, drowsily emerged from within. "Where are the bears? When do we go fishing? Where is the swimming pool? I'm hungry" were but a few comments heard as the weary travelers were led away to the heavily ladened dinner tables.

My first inclination of what to expect from our welcomed guests resulted from an incident involving two boys, one black and one white. The white youngster scurried up to a counselor complaining that a colored kid had shoved him. A black 13 year old standing with the adult querried the victim, "Was he green? Was he blue? or yellow? Just what color was this colored boy?" The quick witted black drew laughter and applause from the crowd that had gathered around the counselor.

Breakfast was served each morning in two shifts to accommodate the ravenous group. Our chef's face seemed to plead for the youngsters to please save some food for the other guests.

After breakfast the first day, the buses were bound for the Jackson Hole Aerial Tram. There was some apprehension by a few when boarding the cable car but all fear was dispelled as the tram effortlessly slipped from the dock.

Snow had been plentiful in the valley this winter and very little seemed to have melted from Rendezvous Mountain: just the right ammunition for a huge snowball fight! Imagine all those eager combatants enthusiastically attacking 10 fearless chaperones! Those tired of hurling snowballs built a snowman, probably their first. Upon our return to Flagg Ranch that afternoon the fishermen grabbed their equipment and marched to Grassy Lake while the swimmers were guests of Huckleberry Hot Springs. Dinner, as usual, was scheduled for 5:45 and 6:15. After the second group had eaten the pantry bare, we were off to watch Butch Cassidy and the Sundance Kid do battle with the Pinkerton Brothers at the Pink Garter Theatre. The kids rated the evening excellent. In fact, one slightly plump fellow insisted on kissing each lady in the revue twice.

Wednesday, the Boys Club visited Yellowstone in search of geysers, wildlife, paint pots, and waterfalls. Although no bears were seen, day number two was a carbon copy of Tuesday's excitement and fun.

Thursday was a day that Charlie Sands and Ted Adams had planned for six weeks in advance. White water float trips in the morning and a horseback ride and "wienie" roast were on the agenda. The river had risen during the previous night before and Sands commented that it was the highest he had seen it in a long time. The exciting trip down the Snake was not dampened by the cold 45 degree water that engulfed boatman and crew alike. The cry was unanimous: "Let's go again" Riding Ted's horses that afternoon provided a few hours of relaxation and enjoyment as horse and rider ambled through the quiet forest.

Early Friday morning with bags packed, breakfast eaten, and group pictures taken, the group exchanged, good-byes. As the buses left the parking area and disappeared down the John D. Rockefeller Memorial Parkway, I could not help but think, "I know that they'll remember their stay at Flagg Ranch for a long time but I'll never forget MY excitement and enthusiasm in having shared an unforgettable experience with 80 great men from Phoenix."

FOOD: A NECESSARY INGREDIENT FOR DEVELOPING SOCIETIES

Mr. KENNEDY. Mr. President, the preservation of pride and honor is an important requirement for those in developing nations who face food shortages and widespread hunger. Without pride, the constant struggle to forge a viable society in the shadow of great hardship would soon be lost. Without honor, man's self-encouragement and hope would soon

be sacrificed in a desperate struggle to find food.

For those Americans who travel abroad today—particularly to Africa and Asia—one of the tragic sights marring the vistas of developing nations is the deprivation and disease afflicting millions of people who cannot find enough food. Wherever one goes, the dimensions of hunger are everywhere. Destitute people crowd the cities in search of help. Beggars, who were not crying for help a short time ago, throng the tourist sights. And where the tourist never goes—to the outlying villages and towns—famine takes its toll among a starving population.

For Americans and others who have food resources readily available, such experiences are not only unforgetful, but make us realize the far-reaching tragedy of the global food shortage.

Mr. President, today's Washington Post contains a thoughtful article by Colman McCarthy on the world food situation. Much of his remarks are devoted to millions who face hunger today, and I ask unanimous consent that the article be printed in the RECORD.

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

[From the Washington Post, July 17, 1974]

FOOD FOR THE UNFED

(By Colman McCarthy)

(NOTE.—The sight of starving children struggling with ravens and emaciated dogs for scraps of food on rotten piles of garbage or the late evening garbage trucks picking up corpses from the sidewalks in the daily clean-up, leaves you with a sickness of soul and mind and spirit for weeks and weeks thereafter.)

The sickened citizen was Joseph Tydings. He is a former Maryland politician, now with the Population Crisis Committee, who recently visited the Halora, the infamous slum in Calcutta. He returned to Washington and went before the Senate Select Committee on Nutrition and Human Needs, one of the few government groups willing even to recognize that the world's food supply is omninously low and uncounted human beings are starving "On the street of Calcutta," Tydings said, "we were exposed to scenes which defy description and belief in which human life has sunk on some spots of this planet." Tydings did not come to testify on Calcutta, because that is an old story, however haunting in each retelling. Instead, his voice was one more speaking out in what is currently called the world food crisis.

Even before trying to understand the proportions of the global food shortage, the word "crisis" creates problems. It is now used so commonly—as in the energy crisis, the financial crisis, the Watergate crisis—that Americans see it as merely another manufactured tactic, a fake scare word. So the alarm of the hunger crisis already has a tinny ring to it. Here we go again, we say, just having gone and returned from yesterday's crisis, well and safe as usual.

On a deeper level than this verbal one. Americans are protected in another way from the reality of famine and hunger. We are a nation of overfed people, and *our* food problem is how to avoid eating too much. Quackish schemes have no trouble attracting dupes who want to lose weight by other means than proper diet and self-denial. It is now common for newspapers and magazines to carry the ultimate indictment of glutted Americans: ads for weight salons or reducing schemes next to news accounts of starvation in Africa, Latin America or elsewhere. The pictures of big-bellied children nursing on emptied breasts tell of the other "weight problem."

So feeding the unfed will not be done until the sleeping overfed are awakened. Those who have been among the starving and dying know that just to get across the message of this disaster is an accomplishment, not to mention solving it. Norman Borlaug, the agronomist of the green revolution, came to the hearings to offer a thought on how to jar the policymakers. "We might have better agriculture and food production policies if all those government officials who were involved would . . . quit eating for 14 days before they were going to make their decision on policies on pricing for food and priorities for investments in agriculture, and then also during the last three days go without water. Maybe they would not only learn something to their distress about the value of food from a biologic standpoint, but also something to their distress about the behavior of human beings under shortage of food and famine."

Borlaug's statement tells much about the indifference of the fed toward the unfed but, even more, it implies that the situation is nearly hopeless: the pain of an empty stomach, not moral values that insist each human life is sacred, has the power of prompting officials of rich nations to share the wealth.

But what if on the personal level—far from the policymakers and the safe collective conscience—an individual wants to act against world hunger? It is, after all, people who either have or don't have food. What can the fed citizen do? On the immediate practical level, he can begin eating less meat, or, eat none at all. Specialists like Margaret Mead and Frances Moore Lappe have been saying that feeding American cattle places such a demand on the world's grain supplies that the price of grain is pushed far beyond the reach of the poor and hungry. Or as Commonweal magazine asks in its current issue: "With the world desperately short of grain, how long can we Americans justify a per capita consumption of 2,000 pounds of grain a year, most of it inefficiently used to fatten meat-producing animals, when one-fifth of that amount would constitute an adequate diet in most parts of the world?" For many Americans, life without steaks and hamburgers suggests a stark asceticism, a perpetual Lent. But this may be because the victims of famine are out of sight; they are dying across an ocean, not across the street. It is also because we see the meat by itself in the supermarket and do not see the immense amounts of grain needs to produce it, grain that could be directly feeding people.

The call to give up meat—most of it is tasteless and tough anyway, not to mention the health risk—involves no nutritional sacrifice, because protein sources are easily available elsewhere. More crucial, it is a symbolic gesture, one that the policymakers cannot fail to notice. By itself, living on a diet of vegetables, fruit and grains is not enough, but it is a positive beginning. A recent survey of the Overseas Development Council revealed a 68 per cent favorable answer on whether the world's rich countries should help the poor ones. Yet, even with this expression of the people, the Nixon administration cannot bring itself to decide whether to expand American food aid to deal with worldwide hunger. "We are seeking to find ways to do it," Edwin M. Martin of the State Department recently told a Senate Foreign Relations subcommittee. "But I can't give you assurance that we will do so."

The same time that wealthy America was denying its responsibility to share its food, Mother Teresa, the Catholic sister who cares for Calcutta's dying, came to Washington to say: "The poor are the hope of mankind, the salvation of mankind. We will be judged on what we have done for the poor."

History has never seen a country collectively decide to sacrifice its standard of living for the goal of relieving the suffering of another country. If anything, as in war, it is always the opposite—citizens will sacrifice for the purpose of increasing the misery of the other tribe. So, in this sense, there is a war on, with people dying of hunger as painfully as though bombs or napalm fell on them. And this war appears to have few protestors in America, only a congressional committee or two, and a few people who see a moral link between their own plentiful food supply and the non-supply of the hungry.

MEDAL OF HONOR AWARDED TO S4 DANNY J. PETERSEN

Mr. DOLE. Mr. President, this morning I had the privilege of attending ceremonies at Blair House where Vice President FORD presented the Congressional Medal of Honor to the family of S4 Danny J. Petersen, of Horton, Kans.

The Nation's highest military decoration was awarded posthumously to this young Kansan who died while serving in the U.S. Army in 1970 in Tay Ninh Province, South Vietnam.

The citation which accompanies the awards recounts a story of gallantry, courage, and devotion to duty which fully merits this country's deepest mark of respect and recognition.

Occasions such as this one today give appropriate cause for solemn reflection on the service, sacrifices and personal commitment of the men and women who have assured America's survival and strength over the past 198 years of nationhood. The Medal of Honor, of course, singles out only the most gallant and courageous of all. And it is through this symbolic recognition that in some small way the entire American people let it be known that we are mindful of those elements of personal heroism and individual greatness which must be present within us to assure that the promise of our country will be realized for our children and for all the world.

Specialist Danny Petersen and his acts of courage while in combat strike a deeply moving note of pride in the quality of our young people today and confidence in the future of this country. The great and enduring elements of personal character which he demonstrated are the most convincing and heartening evidence that the spirit of 1776 will never falter and that the promise of America will be fulfilled.

Mr. President, I ask unanimous consent that the Medal of Honor citation to S4 Danny Petersen be printed in full in the RECORD along with a brief biographical note.

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

MEDAL OF HONOR CITATION

The President of the United States of America, authorized by Act of Congress, March 3, 1863, has awarded in the name of The Congress the Medal of Honor posthumously to Specialist Four Danny J. Petersen, United States Army, for conspicuous gallantry and intrepidity in action at the risk of his life above and beyond the call of duty:

Specialist Four Danny J. Petersen, United States Army, distinguished himself on January 9, 1970 while serving as an armored personnel carrier commander with Company B,

4th Battalion, 23d Infantry, 25th Infantry Division, during a combat operation against a North Vietnamese Army Force estimated to be of battalion size in Tay Ninh Province, Republic of Vietnam. During the initial contact with the enemy, an armored personnel carrier was disabled and the crewmen were pinned down by the heavy onslaught of enemy small arms, automatic weapons and rocket-propelled grenade fire. Specialist Petersen immediately maneuvered his armored personnel carrier to a position between the disabled vehicle and the enemy. He placed suppressive fire on the enemy's well-fortified position, thereby enabling the crew members of the disabled personnel carrier to repair their vehicle. He then maneuvered his vehicle, while still under heavy hostile fire to within ten feet of the enemy's defensive emplacement. After a period of intense fighting, his vehicle received a direct hit and the driver was wounded. With extraordinary courage and selfless disregard for his own safety, Specialist Petersen carried his wounded comrade 45 meters across the bullet-swept field to a secure area. He then voluntarily returned to his disabled armored personnel carrier to provide covering fire for both the other vehicles and the dismounted personnel of his platoon as they withdrew. Despite heavy fire from three sides, he remained with his disabled vehicle, alone and completely exposed. Specialist Petersen was standing on top of his vehicle, firing his weapon, when he was mortally wounded. His heroic and selfless actions prevented further loss of life in his platoon. Specialist Four Petersen's conspicuous gallantry and extraordinary heroism are in the highest traditions of the service and reflect great credit on him, his unit, and the United States Army.

BIOGRAPHICAL DATA

Name: Specialist Four Danny J. Petersen, United States Army.

Organization at time of act: Company B, 4th Battalion, 23d Infantry, 25th Infantry Division, Republic of Vietnam.

Date and place of birth: March 11, 1949, Horton, Kansas.

Parents: Mr. & Mrs. Leo J. Peterson, 438 1st Avenue East, Horton, Kansas 66439.

Civilian schools attended: Troy High School, Troy, Kansas.

Summary of service: Inducted into the Army of the United States at Kansas City, Missouri on 5 March 1969:

From, to, and organizations:

Mar. 69–Mar. 69—United States Army Reception Station, Fort Leonard Wood, Missouri.

Mar. 69–May 69—Company C, 3d Battalion, 2d Basic Combat Training Brigade, United States Army Training Center, Fort Leonard Wood, Missouri.

May 69–Jul. 69—Company D, 1st Battalion, 3d Advanced Individual Training Brigade, United States Army Training Center, Infantry, Fort Lewis, Washington.

Aug. 69–Jan. 70—Company B, 4th Battalion, 23rd Infantry, 25th Infantry Division, Republic of Vietnam.

Overseas service: Republic of Vietnam, August 1969 to January 1970.

Awards and decorations: Medal of Honor, Bronze Star Medal, Army Commendation Medal with "V" Device (with Oak Leaf Cluster), Purple Heart, Good Conduct Medal, National Defense Service Medal, Vietnam Service Medal, Vietnam Campaign Medal (Vietnamese), Combat Infantryman Badge (First Award), Sharpshooter Badge with Rifle Bar, and Second Class Gunner with Machine Gun Bar.

ADDRESS BY THE HONORABLE JOHN E. HORNE

Mr. SPARKMAN. Mr. President, on June 7, last month, a person well known to most Members of Congress made a noteworthy address to the Pacific Northwest Conference of Savings and Loan Associations.

I am speaking of John Horne, formerly my administrative assistant, Administrator of the Small Business Administration, and Chairman of the Federal Home Loan Bank Board. In each capacity, John performed beyond the call of duty. He worked unselfishly and in a highly dedicated manner to contribute to the building of a better America, a stronger small business sector of our economy, and a more adequately housed citizenry. Indeed more than any Presidential appointee I know he did the most to establish the Small Business Administration as a strong and effective voice in the executive branch for small business.

The same can be said of his leadership and accomplishments at the Federal Home Loan Bank Board in behalf of the thrift and the housing industry.

He is now chairman of Investors Mortgage Insurance Co., a leading insurer of conventional home mortgages.

Johns' introduction by R. M. Hammett, executive vice president of American Savings of Honolulu and recently elected president of the conference is within itself a tribute.

Mr. President, I ask unanimous consent that Mr. Hammett's introductory remarks and John's speech be printed in the RECORD.

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

INTRODUCTION BY R. M. HAMMETT, VICE PRESIDENT, AMERICAN SAVINGS OF HONOLULU

Our next speaker, John Horne, is a longtime friend of the thrift industry. He became Administrative Assistant to Senator John Sparkman in 1947 and in that capacity helped to develop various savings and loan and housing programs.

President Kennedy appointed him Administrator of the Small Business Administration in January, 1961, and to be a member of the Federal Home Loan Bank Board in August, 1963. President Johnson appointed John to be Chairman in February, 1965. He served in that position until the end of November, 1968.

While at the Board, our speaker pushed successfully for far reaching legislation and regulations that are highly beneficial to our industry today. The list is too long to name but a few are the Service Corporation; Regulation Q with rate preferentials favorable to the thrift industry; a variety of savings instruments; tremendously greater protection for the insurance corporation; a more meaningful liquidity investment opportunity; equipment or consumer loans authority; and parity between FDIC and FSLIC. Without these and other achievements of his Board, our industry could not have attained its present eminent position.

Fortunately John continues to help our industry obtain favorable legislation at the Federal level. He is presently Chairman of the Board of Investors Mortgage Insurance Company which he founded in late 1968 as its first President.

REMARKS DELIVERED BY JOHN E. HORNE, CHAIRMAN, INVESTORS MORTGAGE INSURANCE CO.

President Bob LeTourneux, President-to-be Ray Hammett, Board Member Grady Perry, distinguished guests, ladies and gentlemen:

I am indebted to Bob LeTourneux and Jack Bruce for this privilege, but I urge that they be absolved of any blame if I say something with which you disagree.

I admit to being uncertain as to what I should say. This is due in part to my desire to avoid duplicating what others on your program have said or will say. I am somewhat in the same dilemma as an applicant for employment. When he stated his price the foreman remarked, "You are asking for awfully high pay for a man lacking knowledge about the job." The applicant replied, "Well, the work is a lot harder when you don't know what you are doing."

In my remarks, entitled "Reflections and Observations", I want to reflect briefly on a few of the achievements of the Federal Home while I was a member, and make some observations about your future. No more than any other old timer could I possibly discuss every experience I have had concerning your business because either through the legislative or regulatory process I have been exposed to and in many instances participated in the actions affecting your industry since January, 1947. That was the year I became administrative and legislative assistant to Senator Sparkman of Alabama, the leading congressional authority and activist in home building and home financing legislation since he came to the Senate, also in 1947.

May I at this point give an affirmative answer to the question several of you have asked as to whether I think Senator Sparkman will become Chairman of the Senate Foreign Relations Committee next year and be succeeded by Senator Proxmire as Chairman of the Banking, Housing and Urban Affairs Committee. Moreover, I believe that Senator Proxmire will also be an excellent Chairman, and will be sympathetic and helpful to you in your efforts to finance the nation's housing needs.

As I have indicated, I shall limit my reflections and observations primarily to that period of time since I became a member of the Federal Home Loan Bank Board in August, 1963, and Chairman in February, 1965.

It may be of interest to you that when both President Kennedy and Johnson appointed me as a member and chairman respectively, they emphasized the importance of making your industry a more viable one and strengthening its capacity to provide funds for housing. They cooperated fully with the Board. At no time did either of them or any member of the White House Staff bring any pressure to bear regarding decisions concerning employees, applications, or any other matter under the Board's jurisdiction.

With this foundation of support from the White House; with similar support from key Congressional members; with the help of staff members, especially now Board Member Grady Perry who then served the Board as liaison with Congress; with the cooperation of Bank Presidents such as your own John Kleeb; and with the encouragement of many industry leaders spearheaded on numerous occasions by Norman Strunk; both the Federal Home Loan Bank Board and your industry were provided with new tools that have been and are now of inestimable value.

I realize that some of you have not used and have not needed all these tools, but their worth has to be measured by what they have meant to the whole industry and could mean to an individual association if properly utilized.

Neither these tools nor others that surely will follow will always perform perfectly We are experiencing such an unfortunate state of affairs now. What we have to consider, though, is what would the situation be in your industry today, and how would you survive the current unfavorable climate had these new devices never been brought into being.

With these thoughts in mind, let us reflect very briefly on just a few of the legis-

lative accomplishments of the 1960's and observe their meaningfulness to your industry at this time. We should constantly consider, too, how to retain and improve their usefulness, and I think it accurate to say that the Board and industry leaders are already doing that.

Each measure I shall mention could be the subject of a full speech but I won't linger long on either point.

1. Regulation Q, under which you were given a rate preferential over banks in September, 1966.

I mention this first because I doubt that under existing conditions few if any thrift institutions could remain solvent over an extended time if commercial banks were permitted to pay whatever rate they choose on savings or time deposits.

You already find it extremely difficult to meet the competition from corporate issues, government bonds, government agencies, etc., but these instruments do not usually draw money from you on a continous year round basis. As things are today, without Regulation Q even under its 1973 watered down version, commercial banks in most cases could dangerously impair if indeed not destroy your ability to remain a viable industry.

It is my belief that more than any other one thing, the rate differential under Regulation Q accounts for the overall tremendous net inflow to the thrift industry since September, 1966.

And it would be many years, not just five, even if you should be given broadened powers recommended in the Financial Institutions Act before you could generate earnings necessary to compete with rates commercial banks could pay for deposits.

2. Service corporations, authorized in 1964 with the Board empowered to determine which activities they can engage in.

As the track record justified doing so, and because of the elasticity the 1964 legislation provided, the Board has enlarged tremendously service corporation powers. Already in some instances the income from the service corporation has prevented a red bottom line for the parent association.

A few weeks ago a very prominent and nationally known association manager stated in Cincinnati, presently "service corporations are our only real opportunity for leverage and profits that can offset the fantastic increase in our cost of money."

Let me point out here that the U.S. League offers special help to those interested in using service corporations. If you do not know about this help I urge you to write the League for information.

Perhaps the day will come when an association or group of associations will be given the power to do what they now can do only through a service corporation. Such authority, though, could not have been wrung from Congress in 1964.

3. The new Supervisory Law of 1967 and the Holding Company Act of 1968.

Among other desirable objectives, these laws enable the Board to do case-by-case supervision and to prevent a parent company from abusing its savings and loan subsidiary at the expense of the Insurance Corporation (FSLIC). Impairment of the image of the industry can thus be avoided while the Board gets at the handful who commit unsound and harmful practices.

Another big plus of the supervisory and holding company laws of 1967-68 is the liberalization of regulations that the Board can and has safely adopted.

4. Restructuring of Liquidity, authorized in 1968.

Whereas prior to this law, associations could legally invest liquidity only in government bonds, they can now invest in government agencies (FNMA, FHLBB, TVA, etc.); bank CD's; municipals; banker's acceptance; Repo's; Fed Funds; etc.

Higher earnings and more flexible liquidity are the advantageous results.

5. Passage of legislation in 1968 authorizing associations to offer a variety of savings instruments.

What would be the situation today if associations could only offer passbooks to savings instruments.

What would be the situation today if associations could only offer passbooks to savings customers! And only one type certificate!

One could mention numerous other legislative improvements of the 1960's that are benefitting your industry today but there is not time to do so.

Just one more decision I will make reference to. Following the enormous disintermediation in 1966, we recommended that the call of the Board on the Treasury in time of need be increased from $750,000,000 to $4 billion. This is the authority being utilized today by the Federal Home Loan Mortgage Corporation in its 8¾ interest rate program as part of the Administration's plan to enable motgage lenders to continue to participate in the business of supplying shelter.

In reflecting on these measures and how they came about, several thoughts come to mind:

The economy and the posture of financial institutions were changing so rapidly by the middle 1950's it was apparent that long-range changes had to be made in legislation and regulations pertaining to the thrift industry if it were to remain a viable and stable source of home financing. We simply had to do more than a small patch-up job.

The hard work and extensive efforts of those who assisted us at the Board (I have mentioned the key ones already) to carry out the educational program necessary to inform other government agencies, members of Congress, and many members of the industry itself why these proposals were essential.

As you know, usually when substantive legislation is sought by one agency of government Congress requests the opinions of other agencies and non-government groups that may be affected. We at the Board endeavored to make sure that all these sources knew about and understood why we were requesting the proposed changes. As a result we had almost unanimous support for our efforts.

The full aggressive cooperation given by President Johnson concerning every Board suggestion. By the way, President Johnson was by far the most knowledgeable President of this century about your industry.

The non-routine but highly interesting happenings that frequently take place in connection with getting enabling legislation passed and regulations pertaining thereto issued.

A good example relates to Regulation Q. This regulation had been in effect under the Federal Reserve Board and applicable only to commercial banks since the early 1930's. However, the Fed did not have the authority to set different interest rates on deposits of different amounts.

This explains why the Fed in early December, 1965, in order to help solve the liquidity problems in certain banks granted a substantial rate increase on all deposits rather than just on those in excess of $100,000.

You recall that the rates banks were allowed to pay on deposits of less than $100,000, the bulk of your savings, were in excess of what you could afford. Almost immediately huge amounts of savings were withdrawn from the thrift industry and deposited with banks.

It was obvious to the Federal Home Loan Bank Board and its staff that to stop this outflow of funds from your associations the Fed should be given the authority to impose interest rates in accordance with the size of the deposit, and that such rates on deposits or less than $100,000 should be low enough to enable you to pay and earn ½% higher rates on passbooks and ¼% higher rate on certificates.

But this arrangement could not be made without enabling legislation that would also authorized the Federal Home Loan Bank Board and the Federal Deposit Insurance Corporation to set rates paid respectively by savings and loan associations and mutual savings banks.

At first most of your industry did not want the Board to have such authority. And frankly the Board and FDIC requested it only to be able to reach an accommodation with the Fed and thus prevent further impairment for the thrift industry.

You know the rest. Your loss in savings were so great by the end of July, 1966, that your spokesmen supported the Board in its efforts to establish the program just described. It may be difficult for you to believe, but many leaders among the commercial bankers also assisted the Board and the Fed in our joint endeavors. The new rates set to your advantage, were announced on September 22, 1966, and immediately cut off your loss of savings to the banks. You were thus protected from the banks until the erroneous decision of July 5, 1973, that authorized the so-called wild card. This danger was partially eliminated in October, 1973, but in part the advantage gained for you in 1966 has been destroyed with no compensating action thus far to offset your loss.

With these and other improvements of the 1960's; with Freddie Mac and FNMA having been established or restructured in 1970 as sources to which you may sell or buy or continue to serve your mortgages, conventional as well as FHA and VA; one would think that the deeply frustrating and discouraging state of affairs that exists today in your industry, and in the housing industry generally, would not have occurred. Certainly one would justifiably feel that the existing adversity would not come with such a hard wallop or intensity.

I am sure that none of us believed that adequate safeguards had been erected to shield your industry from all trouble. But I say quite candidly I am disappointed that again in the current money crunch as in others of recent years it is the thrift industry among financial institutions that suffer most from lack of savings and frequently from downright disintermediation. As proof look at the month of April when the mutual savings banks experienced a net loss in excess of $650 million and the savings and loan associations had a net loss in excess of $335 million.

Yet, as I have already indicated, if you were without the tools I have mentioned I personally believe your situation generally would be much more desperate and for some of you downright hopeless.

That is why we must retain the programs of recent years and build on them for the future.

There are some other observations I want to make. Hopefully what I say will not be too repetitious of what others on your program have said or may say.

1. Insofar as your industry can reach a consensus as to what your needs are now and for the foreseeable future, I think it will lend strength to your legislative and regulatory efforts. This will be especially true of those items with which the Board agrees.

The United States League of Savings Associations has appointed a committee of outstanding members to study and recommend what changes and new authority your industry should have. Unquestionably this is a wise step. The National League is also its opinion are necessary to maintain a strong industry.

These efforts are all to the good, because whenever all components of the thrift in-studying and recommending what changes in dustry, including the mutual savings banks,

work together on proposed legislation the chances for passage are greatly enhanced.

Moreover, it is my observation that your opposition is increasingly more alert and more aggressive in opposing your legislative proposals which they consider to be invasions of their grazing lands. This adds to the need for maximum teamwork within the thrift industry and allied housing groups.

2. Headway has been made toward enabling you to become a full family financial center. There remains a gap, though, between the progress that has been made and the completion of the objective.

For example, the existing equipment loan authority enacted in 1968 should be expanded to include all consumer items that furnish and add to the livability of a home.

Personal loans or uninsured loans up to a prescribed limitation should be available.

One of the most effective advertisements used by your chief competitor is that it provides all the services required by a family on a one-stop basis. With a few more changes you could make a similar claim.

3. Another observation is that methods must be developed that will enable you to have a steady supply of funds at reasonable rates when there is a money crunch as well as when money markets are normal. Otherwise you cannot meet the congressional requirement that you supply money for housing at economical interest rates.

Unquestionably it is necessary that the Federal Home Loan Bank Board go to the market from time to time to raise money for you. There have been times when such a service prevented a near catastrophe. However, the price you pay frequently exceeds the interest rates you pay on deposits, and your savers often desert you to buy Home Loan Bank Board obligations as well as obligations of other government agencies.

It is good that at this time Freddie Mac can make use of the $4,000,000,000 draw on the Treasury I mentioned earlier to make possible 8¾% mortgages. It may also be helpful for the Board to make use of the surplus funds of the 12 Regional Banks to assist you in providing additional housing.

These devices, though, like having to depend upon the Board to raise money in the open market, have limitations. In addition to them I'd like to have other means, permanent ones and hopefully less costly, whereby your association can raise funds.

For example—and I am aware of the difficulties in obtaining them:

A really workable and fair variable interest rate so that you can adjust your portfolio income to meet some of the increase in costs in raising funds during money shortages;

A substantial increase in the level of insured accounts, at least to $40 or $50 thousand;

Some amount of public funds greater than the insurance-of-accounts maximum. The total could be determined by a formula that would prevent an association from accepting public funds in excess of a certain percentage of its assets;

Provision for a tax incentive to depositors that would exempt from taxation the first $500 or $750 of earned interest;

Restoration of Regulation Q to provide a differential of at least 50 basis points on passbooks, and 25 basis points on certificates on all accounts of less than $100,000;

In urgent situations such as we have today, provide that the Federal Reserve Board manage the money supply in a manner to aid your industry to have for housing an equitable amount of whatever money is available.

These and other approaches that could be identified would enable you to enjoy a flow of housing funds, and at low enough rates you could in turn make the money available to the homebuyer at a more reasonable rate than otherwise possible.

If the savings and loans fail to attract deposits, they will cease to be financial intermediaries. This would be harmful in many ways, and thus the need to adopt new programs and perfect old ones.

It would require action by Congress to achieve most of what I am suggesting. But as Senator Cranston said in a speech last October, and as Senator Sparkman said to me just this week, it is the Congress, not the Treasury Department, nor the Federal Reserve Board, nor the uncertainties of the money market that must keep the savings and loan industry functioning.

4. Yet another observation is that you must find more effective ways to serve the personal needs of your depositors.

I'll quote one paragraph from a recent speech by Floyd Cooper, former President of the American Savings and Loan Institute, and President of the American Savings and Loan Association of Orlando, to explain what I mean:

"We're going to anticipate, listen to, and respond to the changing needs of the consumer. We're going to have checking accounts, if that's what he needs from us, and consumer loan powers including the overdraft mechanism. We're going to be using more plastic cards and monthly statement accounts if that's what he needs. We're going to provide tax counseling, social security information, insurance counseling, mutual funds, and we may even be handling his family budget. We're going to pay his bills for him, help him plan his estate, his vacations, and maybe even his career."

Here I want to put in my only commercial plug. Just a few days ago I read an article explaining that commercial banks are doing a better job reaching young families, single or married, than you are. This should not be so, especially those young people that want shelter. Most of them are good credit risks, but don't have large down payments. Potentially they are your future savers, your meat and bread source for new savings. Mortgage insurance makes it possible for you to lend them money to buy shelter at low down payments, and at least a part of your loans diverted to that use will pay good results later in obtaining deposits.

Several sources, including my own Company, have special programs to help you teach them to begin now to save a down payment. During the next 10 years the number of young adults, 20 to 34 years old, will grow by 12 million to 61 million.

With regard to reaching this age group, and in fact all citizens, let me urge your support of the Savings and Loan Foundation. Under the leadership of Mike Stevenson and Bill Divers it is doing a phenomenal job of taking to the American public the story of your importance to the nation's well-being.

In speaking of serving your savers, I do not overlook the electronics funds transfer system. It's importance to the continued growth and stability of your industry cannot be too strongly emphasized. I shall not elaborate since you will have had a full discussion of this matter during the Conference. It is something, though, that you cannot neglect. Perhaps you saw the U.S. Treasury announcement a few days ago that by the end of 1975 it hopes to have all its 30,000,000 social security recipients on an electronically payment basis.

5. Your industry will have to devise ways to contribute more substantially, without Federal Government subsidy, to rebuild the inner city and to rehabilitate salvageable housing.

Don Joos of Benjamin Franklin Federal, Philadelphia, Pennsylvania, can tell you a heart warming and almost unbelievable story of what he has accomplished in this area. There are other examples, but his is one of the best.

The cooperation of local governments in permitting more flexible design and property standards, in assuming a reasonable share of responsibility for street and utility improvement, and in giving justified tax breaks to developers can aid tremendously both in rehabilitation of existing housing and the building of new housing at reduced costs to the occupants.

Before ending my remarks, I want to suggest that the nation's most damaging and ominous experience with inflation during this century shows little evidence of being corrected. Unfortunately there is confusion and disagreement at the top in our government concerning this troublesome and cancerous problem. The President tells us one day that the worst is behind us—something we have heard for five years—and Chairman Burns of the Federal Reserve Board the next day says "if past experience is any guide, the future of our country is in jeopardy".

Who's telling the truth? I am afraid it is Chairman Burns, and if so we have more months of economic suffering. Pretty largely by default the only "policy" being devised is that of tight money imposed by the Fed. Among other economic evils this means high interest rates, reduced volume of housing and reduced if not negative inflows to your industry.

So far as your industry is concerned, there is reason to believe you will survive without irreparable harm and that conditions will improve before the end of the year. You have an able and alert Board, and industry leaders who are knowledgeable and effective in their relations with Congress. I believe that Congress has a better understanding than two or three months ago of the seriousness of your situation. And I think helpful legislation that you have heard about during this Conference will be passed within the next few weeks.

We have had tough times before, but I can tell you that you are better prepared today and have more going for you than on similar occasions in the past.

As you consider the need for and the advantages of a well-housed citizenry, you can literally say that you live in a time of "opportunities unlimited", and more challenging than you have ever experienced.

Every meeting I have attended this year, and yours is no exception, there is concern about the future of your industry.

There is fear about what will be the results of the pressures brought on by the new emphasis on ecology and consumer demands led often by members of Congress; fear concerning the fuel situation; and downright fright regarding inflation. Unquestionably we are in a new era that will bring more change during the next decade than experienced during the last.

I want to stay around to see the adaptations that will be necessary and will be made.

I'm optimistic enough to believe we will adjust and be stronger than ever.

And in my optimism is the conviction that the nation just cannot afford the loss of a $270 billion industry which supplies more than half the funds to shelter the families of America.

Thanks again to you all for the pleasure of being with you at another one of your annual conferences.

BEHAVIOR MODIFICATION AND THE FEDERAL AGENCIES: HEW AND LEAA

Mr. ERVIN. Mr. President, two recent developments have stimulated my concern that the executive branch is reluctant to take decisive action to resolve the difficult and important issues raised by behavior control technology and its impact on individual rights.

I was disturbed to read in the Washington Post of June 5 that an important report concerning the merits of psychosurgery has bogged down in the bureaucracy and internal politics of the Department of Health, Education, and Welfare. The report was completed over 6 months ago, and made several substantive recommendations concerning the practice. Because of its potential impact and influence, it should have been endorsed and formally released long ago.

As I have stated many times, behavior control technology is growing in the United States at a much faster rate than our ability to deal with the important implications of that technology. Of all of the methods of modifying human behavior currently being developed, psychosurgery is the most controversial because it is direct, permanent, and as yet, unproven. The HEW report, written by a panel within the Mental Health Division of the Alcohol, Drug Abuse, and Mental Health Administration, makes several important conclusions and recommendations that previously have not been voiced by an organization as influential as the Department of Health, Education, and Welfare. Among other things, the report states that:

> Psychosurgery should be defined as an experimental therapy at the present time. As such, it should not be considered to be a therapy which can be made generally available to the public because of the peculiar nature of the procedure and of the problems with which it deals.

The report also recommends the development of strict guidelines to control the practice. While these recommendations are lying dormant in the bureaucracy of HEW, between 600 and 700 unrestricted psychosurgical operations continue to be performed annually by neurosurgeons that consider the practice to be proven therapy. I see no reason why this report should not be formally released at once, and why definitive action concerning its recommendations should not be taken at the earliest possible time. I have written to Secretary Weinberger requesting that he endorse and release the report, and informing him that I intend to reprint it in the RECORD. I feel that the report should be made available to the many people concerned and that it should be fully considered as a significant step toward the resolution of the problems raised by practices that seek to alter individual personality.

It is vital that HEW begin to provide more positive leadership in this important area. Virtually all other research organizations and Government agencies look to HEW for guidance in special problems arising out of medical research. But more important, it is essential that the Department move more vigorously to resolve the many questions concerning individual liberties that remain to be answered as behavior control technology continues to grow at a rapid and uncontrolled pace.

HEW has dragged its feet on other matters relating to behavior modification and behavior technology. In response to a February 22 inquiry from the Senate Subcommittee on Constitutional Rights, the Department indicated that it was conducting a detailed departmentwide survey to determine the extent of HEW involvement in "biomedical and/or behavioral research designed to alter the behavior of individual subjects." In its May 10 response, HEW provided detailed information for the Public Health Service, one of the agencies in the Department. It also indicated that additional information would be forthcoming as soon as "we finish canvassing the other agencies of the Department." Over 2 months later—6 months after the initial inquiry—the subcommittee received a copy of revised departmental regulations. This apparently is intended as a substitution for the additional substantive information that was requested. The subcommittee has made it known to the Department that it is far from satisfied with its June 12 response, and it appears that a definitive answer is finally on its way.

HEW is not the only executive agency that is reluctant to take definitive measures to eliminate the threats to individual liberties posed by behavior modification. Recently, I have learned that the Law Enforcement Assistance Administration continues to fund hundreds of projects related to the technology of behavior modification in the absence of any meaningful control or review, and in spite of an announcement last February by LEAA that funding for such projects was to be reviewed and probably canceled.

On January 14 of this year, I sent LEAA a detailed inquiry in which I stated my view that:

> The agency ought to consider a moratorium on the further use of its funds for these purposes until it develops guidelines at least as comprehensive as those now under consideration by HEW and the Congress.

Four weeks later, in a highly publicized press release, LEAA Director Donald Santarelli responded by announcing the cancellation of all funds for medical research, chemotherapy, psychosurgery and behavior modification because, in his words,

> There are no technical skills on the staff to screen, evaluate, or monitor such projects.

In spite of this directive, which seemed at the time to be perfectly clear, I have learned that LEAA apparently continues to fund these behavior-connected projects and as yet has taken little or no action to put its press release into effect. In a June 25 response to a follow-up inquiry to LEAA requesting a list of all projects that have been discontinued as a result of the new policy, the agency indicated that only two or three have actually been suspended, and those were suspended prior to the February 14 announcements. In short, LEAA thus far has made very little effort to implement its own highly touted policy. This seems to me to be a perfect example of government by press release.

When it was learned that LEAA has made no substantive attempt either to provide an adequate ethics review structure or to cancel all funding for projects relating to behavior control technology in the absence of one, the subcommittee informed the agency that it believed its response was less than sufficient. Shortly thereafter, on July 15, I received an additional letter from the agency indicating that a thorough check will now be made—6 months later—to determine whether LEAA continues to fund programs dealing with medical research, chemotherapy, or behavior modification. In announcing the cancellation of funds for these purposes last February, Director Santarelli stated clearly that:

> The fields of activity covered by my directive are so tenuously related to crime control and so beyond this agency's competence to judge that they cannot be supported with LEAA funds.

Hopefully, LEAA will now finally take its own directive to heart and either cancel funding for such projects or provide a detailed review structure of the kind that it agrees is absolutely essential if the vast potential for the infringement of individual liberties that presently exists is to be eliminated. Certainly acting in July on a policy announced in February—and then only because of the fear of public embarrassment—is hardly the way for LEAA to meet its responsibilities.

The less than adequate response on the part of LEAA, coupled with the reluctance by HEW to implement its own important recommendations, are indicative of the insufficient leadership on the part of the executive branch in this important area of individual liberties. While virtually everyone involved in the controversy agrees that behavior modification and related practices raise serious questions of freedom, privacy, and self-determination, the executive branch has made few meaningful efforts to provide mechanisms whereby those questions can be thoroughly considered and resolved. In the face of the apparent unwillingness of the executive branch to exert the necessary leadership, however, the Congress has stepped in, and some measures are beginning to emerge.

Two weeks ago a very important piece of legislation passed both Houses of Congress with very little fanfare. Hopefully, this legislation will provide some of the leadership that as yet has been lacking in this difficult area of individual rights. Title 2 of H.R. 7724 establishes within HEW the National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research. Among other things, the Commission is to undertake "a comprehensive study of the ethical, social, and legal implications of advances in biomedical and behavioral research and technology." The Commission will also conduct an investigation and study to determine the need for a mechanism to insure that human subjects in biomedical and behavioral research not subject to regulation by the Secretary [of HEW] are protected. If the Commission determines that such protection is needed, it is to develop and recommend to Congress the necessary review mechanisms. H.R. 7724 is the result of the very fine work of Senator KENNEDY, Congressman PAUL ROGERS, Congressman RICHARDSON PREYER, and others who are due an expression of gratitude for guiding this important legislation through the Congress.

In addition, the Senate Subcommittee on Constitutional Rights, which I chair, has been conducting an extensive staff investigation into the wide spectrum of behavior modification techniques for some time. A report of this investigation will be released at a later date. This report, along with the study of the Commission for the Protection of the Rights of Human Subjects of Biomedical and Behavioral Research, hopefully will provide some impetus for the development of guidelines that will minimize the threat to individual liberties posed by the emerging behavior control technology. This technology cannot be depended upon to control itself. Therefore, it is essential that all parties concerned work together to resolve the fundamental issues involved once and for all.

Mr. President, I ask unanimous consent to have printed in the RECORD the June 5 Washington Post article, a recent letter I have addressed to Secretary Weinberger, the HEW phychosurgery report, my recent inquiry to the Law Enforcement Assistance Administration, and the two responses to that inquiry.

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

[From the Washington Post, June 5, 1974]

SURGERY REPORT BOTTLED UP

(By Craig A. Palmer)

A report bottled up in the federal bureaucracy since January recommends a temporary halt to most psychosurgery, the brain operation that some opponents call "murder of the mind."

Psychosurgery is defined in the reports as the destruction of brain tissue with the primary intent of altering behavior, thought or mood.

The Jan. 21 report was from the National Institute of Mental Health to its parent agency, the Department of Health, Education and Welfare. It was based on consultation with scientific, legal, social and ethics experts.

HEW spokesmen said the report is being considered but that no action has been taken and none is likely soon.

"Psychosurgery should be regarded as an experimental therapy at the present time," says the report, signed by Dr. Bertram S. Brown, director of the institute. "As such it should not be considered to be a form of therapy which can be made generally available to the public because of the peculiar nature of the procedure and of the problems with which it deals."

This and the report's other recommendations would have the effect of ending most psychosurgery until proper guidelines can be drafted, the report said.

The effect of holding up the report is to allow the surgery to continue without any guidelines as to patient selection and alternative treatment.

The report estimated that 100 to 1,000 psychosurgery operations are performed annually, an unspecific estimate that indicates the lack of soli_ information available about the procedure.

Among the repc-t's other recommendations:

No psychosurgery should be performed on involuntarily confined persons or on persons incapable of giving informed consent;

A registry should be established to monitor the types of patients chosen, outcomes of the treatment and other aspects of psychosurgery.

The delay in acting on the report appears to be due at least in part to the fact that HEW wants to consider psychosurgery as one part of larger project to draft rules to protect children, prisoners and the mentally incompetent from various forms of medical experimentation. (An NIMH expert said he doubts that any psychosurgical operations are still performed in prisons.)

U.S. SENATE,
Washington, D.C., July 12, 1974.

Hon. CASPAR W. WEINBERGER,
Secretary, Department of Health, Education, and Welfare, Washington, D.C.

DEAR SECRETARY WEINBERGER: I was concerned to learn in a Washington Post article of June 5 that no definitive action has been taken concerning the findings of a study of psychosurgery conducted by the Mental Health Division of the Alcohol, Drug Abuse, and Mental Health Administration. To quote from the January 21 report of the study, "Psychosurgery should be defined as an experimental therapy at the present time. As such it should not be considered to be a therapy which can be made generally available to the public because of the peculiar nature of the procedure and of the problem with which it deals." I would like to know why the report has not yet been formally released, and why no action concerning its recommendations has been taken.

Psychosurgery is a practice that poses a profound threat to individual privacy and freedom. I am disturbed that the Department of Health, Education and Welfare has not taken the steps recommended in the report of its study to minimize this threat, and thereby provide the leadership it should as the premiere health organization in the world. While the merits of psychosurgery may be debatable, the rights and well-being of individual citizens cannot be compromised. I suggest that action on the recommendations of the study be taken at once, and that a formal moratorium be placed on the practice until the vital questions concerning its use can be thoroughly considered and resolved.

This report would have an important and positive impact on the growing controversy surrounding psychosurgery. As such, it should be made generally available to all those concerned. This, I am sure you will agree, will serve the public interest better than a piecemeal and possibly distorted release through newspaper articles. For that reason, I believe it would serve a useful purpose to insert the report in the Congressional *Record*. A formal endorsement by the Secretary of the Department would add to the positive influence of this very important report.

With kindest wishes.

Sincerely yours,

SAM J. ERVIN, Jr.,
Chairman.

PSYCHOSURGERY REPORT OF THE NIMH—INFORMATION

INTRODUCTION

In preparing this report, NIMH staff have relied heavily on consultation with numerous outside experts in scientific, clinical, legal, and ethical matters. Two separate groups were convened, one group composed of scientists and clinicians, and a second comprised of legal, philosophical, and ethical experts, as well as representatives of various population groups alleged to be "at risk" as potential psychosurgery candidates. A membership list for each of these two panels appears as Attachment A.

NATURE OF THE PROBLEM

Psychosurgery is the destruction of brain tissue with the primary intent of altering behavior, thought, or mood. The current controversy about psychosurgery stems from a number of factors spanning scientific, philosophical, political, and moral issues. In order to understand the nature and source of the psychosurgery controversy, it is necessary to make explicit some of the different viewpoints that are often unstated when the psychosurgery issue is discussed.

1. A fundamental concern about psychosurgery derives from differing philosophical views of the relationship between mind (the self) and the brain. Much opposition to psychosurgery, and often the most vociferous opposition, is based on the conviction that any physical damage to the brain is tantamount to destruction of the "self." This viewpoint is most strongly illustrated by some of the rhetoric used by opponents of psychosurgery who equate it with "murder of the mind." Proponents of psychosurgery, while usually not articulating an alternative philosophy, do not equate the brain with the self and take a pragmatic approach to mental or behavioral disorders in which the primary criterion for selection of a treatment is the question of whether it works or not.

2. A closely related issue is the differing viewpoints about the causal factors in mental illness. Some psychosurgeons rationalize surgical treatment on the hypothesis that mental or behavioral disorders arise from biological dysfunction in the brain, and that appropriate treatment must be based on manipulating or changing the biological substrate of behavior. Others, however, hold the view that disturbed behavior is a result of adverse environmental influences and that the solution to mental illness or behavior disorders is to manipulate or change environmental variables. While both of these views are extreme positions held only by a few, and are untenable in view of our current knowledge about the complex interrelations between environmental and biological causative factors, they illustrate another philosophical argument that, in frequently more subtle form than illustrated here, is one of the roots of the phychosurgery controversy.

3. Although virtually all psychosurgical procedures and technical innovations, including the first lobotomies, were suggested by experimental brain research with animal subjects, the scientific rationale for any psychosurgical procedure is still quite tenuous. Generalizations from animal research have often been based on incomplete understanding of the complexity of behavior, logical deductions of dubious validity, and an uncritical acceptance of similarities of brain-behavior relationships in animals and man. Although we know a great deal about how the brain influences a variety of specific and limited animal behaviors, our understanding of the complex emotional and cognitive behaviors of man is extremely limited. On the other hand, many proponents of psychosurgery would argue, quite rightly, that many medical therapies are based on a pragmatic criterion of effectiveness rather than an understanding of the physiological mechanisms underlying the disease or its treatment.

4. In contrast to most physical illnesses, many of the functional mental and behavioral disorders constitute a class of poorly defined and difficult to diagnose diseases or disorders. Thus, there is considerable concern about treating with surgical means any disorder which cannot be clearly defined and diagnosed. Such problems also come to the fore in any attempt to judge the outcome of psychosurgical treatment, with the criteria for cure or amelioration not being clear or universally agreed upon.

5. A key issue in the psychosurgery controversy is whether or not psychosurgery is an experimental procedure. Most psychosurgeons regard it as an accepted practice of proven efficacy while critics claim it is an experimental therapy in view of an alleged unpredictability of outcome, lack of evidence about efficacy, and lack of scientific rationale.

6. Alternative therapies to psychosurgery is another divisive issue. Although a great deal of research is being done on drug therapies and various forms of psychotherapy or behavior therapy, there are numerous instances in which none of these alternatives seem to offer any relief, and the patient is faced with a dehumanizing fate in an institution, often with pharmacological restraints that equal or exceed any personality destruction that is claimed to be caused by psychosurgery. In these instances, psychosurgery might be seen as a reasonable last-resort therapy, on the other hand, there is no agreement or guidelines among practitioners about the duration, intensity, or degree to which other therapies should be tried before resorting to psychosurgery. Psychosurgery critics claim, often correctly, that confinement in an institution does not guarantee adequate attempts at therapeutic measures short of psychosurgery, and that psychosurgery is frequently performed before other alternatives are tried to an adequate extent.

7. Closely related to the problem of psychiatric diagnosis is the issue of the extent to which mental or behavioral disorders are socially defined. This issue most often surfaces in the context of the psychosurgical treatment of aggressive or violent behavior in which critics of psychosurgery express the fear that it will be used for nefarious purposes as a means of controlling political or social dissidents. Stated in more general terms, the critics charge that psychosurgery has been or can be used to change behavior for the convenience or comfort of persons other than the patient himself. Thus, there is claimed to be a bias toward the use of psychosurgery in blacks, women, and other minority or disadvantaged population groups. There is no reliable data available on this point.

IMMEDIATE NEEDS AND ACTIVITIES

Extensive discussion of these areas of concern with scientific, clinical, legal, and ethical experts, as well as representatives of the lay public and of some of the population groups claimed to be "at risk" for psychosurgery, has led NIMH staff to propose a number of specific activities that will be necessary in order to resolve some of the above-discussed issues, and to some interim recommendations that may be subject to modification as further information is obtained.

The following issues must be resolved before any informed and reasonable position can be taken on psychosurgery:

1. To what extent does the currently-available scientific and clinical literature provide a basis for an informed judgment about the efficacy of psychosurgery and the severity of untoward effects? Knowledgeable scientists and clinicians with whom we have consulted are of the opinion that the existing literature will not, by itself, provide a sound basis for such a judgment. Inadequacy of pre- and post-operative behavioral and psychological testing, lack of long-term followup of patients, and general inadequacies of clinical and behavioral reporting characterize much of the published literature. However, despite these deficiencies, NIMH staff and consultants feel that an updated literature survey and analysis could provide some useful data that, in combination with other sources of information, may permit us to come to a more objective evaluation about the efficacy and adverse effects of psychosurgical treatment. What is needed goes beyond a simple compilation of psychosurgical publications and must include a critical evaluation and analysis of the published data by the various relevant scientific and clinical experts. There should also be developed a system for the continuous monitoring and updating of the literature in psychosurgery.

One of the most useful outcomes of this literature survey and analysis would be the development of a uniform reporting protocol for literature in psychosurgery. By identifying deficiencies in the existing literature, recommendations could be made for the types of clinical and behavioral data that appear to be necessary to provide a scientifically valid contribution to the future psychosurgery literature.

2. Estimates of the number of psychosurgical procedures conducted in this country each year have varied from 100 to 1000. It would seem to be important to have a more realistic figure for the extent of psychosurgery practice, since we are presently dealing with a problem of unknown dimensions. A survey of the current extent of psychosurgical practice is an important and immediate need.

3. There exists an unknown but presumably large number of patients who have undergone psychosurgery in the past. No systematic attempt has been made to determine their current status. Although such a follow-up project would depend on the cooperation of the patient and the medical and psychiatric staff involved in his case, and would present problems of confidentiality in the physician-patient relationship, we feel that such an effort could provide badly needed information relevant to the efficacy issue.

4. Relying on activities 1–3, and using the resources of the NIMH staff, its outside consultants, and by contract with outside organizations, a concerted effort should be made to develop guidelines for the conduct of psychosurgery. Such guidelines should include criteria for the selection of patients, what alternate therapies should be attempted (and for how long) before performing psychosurgery, development of informed consent procedures to meet the special problems posed by treatment of the mentally ill, and (if the information obtained in 1–3 above permits) guidelines for the type of operation that seems to be most beneficial for the various categories of behavior, thought, or mood disorders.

INTERIM RECOMMENDATIONS

The activities outlined above will require considerable time, probably on the order of two or three years. Since psychosurgery practice will continue during this time period, the NIMH makes the following recommendations with the intent of providing the maximum possible protection for potential psychosurgery candidates without unduly inhibiting practice for those cases which, judged by our present standards and knowledge, appear to require psychosurgery for relief of extreme mental illness or behavior disorders.

1. Psychosurgery should be regarded as an experimental therapy at the present time. As such, it should not be considered to be a form of therapy which can be made generally available to the public because of the peculiar nature of the procedure and of the problems with which it deals. Special constraints that apply to any experimental therapeutic procedure are required and the procedure should be only undertaken in those circumstances where there is special competence and experience and in institutional environments where appropriate safeguards are documented to be available.

The designation of psychosurgery as an experimental therapy imposes a number of stringent but essential constraints on practice: comprehensive research protocols must be developed whenever psychosurgery is undertaken in order to assure that the maximum scientific value and information is obtained; psychosurgery should be conducted only in hospitals with strong and initimate affiliation with, and commitment to, academic sciences; it is absolutely essential that informed consent procedures be given primary consideration; every effort must be made to insure that all reasonable alternative therapies, based on our present state of knowledge, are attempted to an adequate extent before resorting to psychosurgery.

2. *No psychosurgery should be performed on involuntarily confined persons or persons incapable of giving consent, either by reason of age or mental condition.* The NIMH is in full and complete accord with the recent decision of the Circuit Court for the County of Wayne, State of Michigan, which concluded that involuntarily confined mental patients cannot give informed and adequate consent to psychosurgery. We would also apply this judgment to prisoners and to persons under the age of consent.

3. *A registry should be established to monitor psychosurgery practice and to provide a continually updated source of information about the extent of the practice, the type of patients selected, and the outcome of the treatment.* We would also suggest that the registry have provisions for indicating intent to perform a psychosurgical procedure, so that scientific and clinical experts in psychology, psychiatry, and neurology have an opportunity to assess the patient's status prior to operation, as well as to study the short- and long-term effects of psychosurgical treatment.

CONCLUSION

In the many discussions held between NIMH staff and consultants, the possibility of recommending a voluntary moratorium on psychosurgery practice was frequently brought up. However, we have concluded that this would not be an appropriate action, for at least three reasons: 1) it would constitute an unprecedented Federal prescription of the parameters of permissible and impermissible surgery for the medical profession; 2) the difficulty of arriving at a precise and consensually agreed-upon definition of psychosurgery, specifically in the cases of surgical treatment for epilepsy and intractable pain, would vitiate the effectiveness of any moratorium—psychosurgery could, in many cases, continue under the guise of treatment for epilepsy or other neurological disease; and 3) the interim recommendations listed above amount to at least a partial moratorium, calling for cessation of that psychosurgery practice which is most subject to criticism.

With regard to the various activities outlined above, which are designed to provide a sound basis for judging the value of and indications for psychosurgery, the NIMH is soliciting contract proposals from outside organizations possessing the special expertise necessary for approaching these problems. However, we have received no satisfactory responses to a recent "sources sought" notice in the Commerce Business Daily. This fact, combined with our discussions with consultants and potential contractors, has made it clear that some of the projects that we consider essential for reasoned judgments about psychosurgery practice will be quite difficult to accomplish. A number of serious problems present themselves, including whether or not the necessary degree of cooperation can be obtained from the professional disciplines involved in psychosurgery and difficulties in the area of the physician-patient relationship and confidentiality of clinical records. Thus it is difficult to provide at this time any timetable for completion of these tasks. We will continue our activities in trying to develop a contract that will satisfy the necessarily stringent scientific, clinical, and managerial criteria that must be applied to such an effort.

BERTRAM S. BROWN, M.D.

JUNE 3, 1974.

Mr. DONALD E. SANTARELLI,
Administrator, Law Enforcement Assistance Administration, Washington, D.C.

DEAR MR. SANTARELLI: Thank you for your response to my letter of April 2 in which I requested a copy of a computer printout list-

ing LEAA-funded projects that are in some way related to the study of human behavior.

By way of providing further information for the subcommittee's study of biomedical and behavioral research, would you please forward a list of all projects described in the printout whose funding has been canceled pursuant to the LEAA press release of February 14 and the resulting guidelines. As you suggested in your response of April 23, much of the information contained in the printout is irrelevant to your present concern. There are, however, a number of other projects listed that would appear to raise important constitutional and ethical questions when conducted in the absence of thorough professional and technical evaluations. Because, as stated in the press release, LEAA lacks the skills necessary to conduct such evaluations. I am particularly interested in the steps that have been taken to review funding for these other projects.

Because of a limited time schedule, I would appreciate a response to this request by Monday, June 17. Thank you very much for your continued cooperation, and I look forward to your prompt reply.

Sincerely yours,

SAM J. ERVIN, Jr.,
Chairman.

Hon. SAM J. ERVIN, Jr.,
U.S. Senate,
Washington, D.C.

DEAR SENATOR ERVIN: This is in response to your recent correspondence requesting a list of projects whose funding has been cancelled pursuant to the February 14, 1974, Law Enforcement Assistance Administration Guideline on Use of Funds for Psychosurgery and Medical Research.

As you will recall, the Guideline set forth LEAA policy not to fund *grant applications* involving the use or research of experimental medical procedures on human subjects for the purposes of modification and alteration of criminal and other anti-social behavior. Under the terms of the Guideline, all such proposals will be carefully screened and funding denied where appropriate. Any questionable proposals will be referred to the Department of Health, Education, and Welfare for review.

While the Guideline did not speak directely to the problem of ongoing projects, LEAA Regional Offices were directed to survey the various states as to projects affected by the Guideline and to take appropriate actions to end their support. Of the 55 jurisdictions responding, only eight indicated projects possibly covered by the ban (Arizona, California, Massachusetts, New Jersey, Ohio, Pennsylvania, Virginia, and Puerto Rico). Some of these had been terminated prior to the Guideline's promulgation, and decisions were made not to renew other projects.

Presently, only the status of two projects in Arizona remain in question. The Arizona State Justice Planning Agency, representatives of the State Supreme Court and the Superior Court of Pima County presently are reviewing two grants to the Superior Court of Pima County to determine whether they are admissable under the Guideline. The grants are $10,675 for the Court Clinic Medical Fund and $60,000 for the Pima County Court Clinic.

Your interest in this matter and the programs of the Law Enforcement Assistance Administration is appreciated.

Sincerely,

RONALD E. SANTARELLI,
Administrator.

LAW ENFORCEMENT ASSISTANCE ADMINISTRATION,
Washington, D.C., July 15, 1974.

Hon. SAM ERVIN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR ERVIN: We have reviewed the material contained in our files concerning the promulgation on February 14, 1974, of Law Enforcement Assistance Administration Guideline No. G6060.1, prohibiting the use of LEAA funds for projects involving psychosurgery or medical research, and have determined that it is appropriate that we supplement our June 25, 1974, communication to you on this subject.

While the LEAA review process has resulted in the findings indicated in the June 25 letter, we are supplementing that process with a further review of LEAA-funded projects, particularly those administered by the states under the block grant program.

You will recall that we previously submitted a print-out of approximately 400 projects which, given the limitations of the computerized information program in use at that time, were identified as being in some way related to medical research or behavior modification. Our supplemental review will include each of those 400 projects to assure that none are in violation of the letter or spirit of the Guideline. We expect this review to be completed on August 15, 1974, and will be pleased to provide you with the results of the review as soon as possible.

Your interest in the programs of the Law Enforcement Assistance Administration is appreciated.

Sincerely,

CHARLES R. WORK,
Deputy Administrator for Administration.

THE PUBLIC DEMAND FOR SOUND ECONOMIC POLICY

Mr. PERCY. Mr. President, the state of the economy is one of the most pressing problems we face today. Every American is aware of the long list of ills affecting our economy. Inflation, rising at the rate of 14.5 percent per annum, record high-interest rates, and shortages of commodities affect every aspect of our daily lives.

In order to further my understanding of these critical issues, I recently requested the advice and counsel of leading citizens from my State of Illinois and from major business centers around the country. Hundreds responded, some from small businessmen, some the leaders of sizable corporations, and other private citizens and civic leaders, all expressing their concern about inflation in response to my inquiry.

Their response was immediate and definitive. The large majority of those responding expressed their conviction that inflation is our No. 1 domestic problem.

Mr. President, people are realistic in the face of crisis—especially this economic one. They see no easy solutions to the spiraling cost of living. However, they do demand two things from their representatives in Washington—leadership and integrity. Our citizens see the crisis in Government as a great vacuum which drains our ability to solve the inflation problem.

The cry of concern is constant throughout the Nation. A businessman from Lancaster:

> Politicians must somehow reestablish the fact that only forthrightness is acceptable. Where is our leader?

A taxpayer from California referred to our handling of inflation when he said:

> This will be painful, but there is no easy way out. It is time for Members of Congress to act like statesmen and not like politicians.

If we accept the call to action, we must quickly implement policies which dig to the roots of inflation. Many of the leaders I contacted have clear ideas on how those policies should be shaped.

Over 85 percent of my respondents feel that balancing the budget would be the most effective way to combat inflation. They applaud our efforts in passing the Congressional Budget Act, which sets budget ceilings and national spending priorities; but they know this is only a beginning.

My respondents are appalled, quite simply, at the state of the Federal budget. We ask our citizens to tighten their belts in this difficult period, and they reasonably ask us to do the same. The President of a local chamber of commerce in Illinois writes:

> The waste in the Federal Government budgets simply astound any businessman who knows economics. The Government must set the pace.

Another proposal to fight inflation has been to harness our economy with more economic controls. The recent experiment in this area proved to be a complete failure. Controls merely created new supply and price distortions. I am committed against any program which would renew controls. Over 70 percent of my respondents share that position. They see the philosophy of controls as "disastrous" and "a fallacy."

They are equally opposed to the institution of the proposed $6 billion tax cut. The maintenance of the present level of taxation ranks third in the average priority list of my respondents. They agree, as I do, that a cut in taxes at the present time is bad economics as well as bad politics. The poor would not benefit from this measure. The loss of income in view of the Federal budget deficit would be disastrous. Thus I am confirmed in my belief that we should totally reject a tax cut at this time.

In my view, restraint on the part of business and labor is one of the keys in the fight against inflation. Now that the economy is free of controls, both parties must resist the temptation to boost prices and escalate wage demands.

Again, over 70 percent of those responding to my inquiry feel that business should seek to stabilize and reduce prices if possible, while labor should hold the line on wage increase demands.

My respondents have other suggestions. These issues are lower on their priority lists, but also are of critical importance in the fight against inflation:

First. National priorities should be rearranged so funds can be saved during this difficult period. Some believe we cannot afford to provide foreign aid programs which are not constructive and, in some cases, work possibly against the best interests of the United States.

Second. Though taxes should not be reduced, we should implement tax reform so the Government can collect revenue which the public perceives as improperly flowing through improper loopholes in our tax structure; and

Third. Joint labor/management productivity councils are needed so labor can gain through bonuses and profit sharing, and business can receive a greater return on its investment at stable prices, through this greater efficiency.

Mr. President. I found the advice of

my respondents both helpful and constructive. They believe, as I do, that a sound cooperation of business and labor in a free economy is the best remedy for our inflationary ills.

I urge my colleagues to take these views into consideration and to seek advice from their own constituencies. We can make headway against inflation only if we do so with common resolve.

WELFARE SYSTEM CALLED CLUTTERED, INEFFECTIVE

Mr. BIDEN. Mr. President, the Department of Health, Education, and Welfare recently made public another comprehensive study outlining the failures of our welfare system.

The results should surprise no one. For in spite of all the congressional rhetoric about the need for welfare reform, as this study demonstrates, our present system continues to be riddled with inequity, inadequacy, and inefficiency.

The harsh reality is that our welfare system is not working as well as it should.

It is not working for the average taxpayers who are asked to foot the bill for a system that provides little assistance for those truly in need, while encouraging husbands to leave families and workers to leave their jobs. It is not working for the thousands of governmental workers who have to spend their working hours fighting bureaucratic redtape instead of helping the people they are suppose to serve. It is not working for most of the welfare recipients, who are struggling to maintain the health of their families and keep their own dignity under a system that makes both almost impossible.

I realize that welfare reform is no longer a "glamorous" issue or good "copy". But our welfare problems have not faded away simply because they no longer make the front pages of our newspapers. Nor will they be resolved if we continue to substitute studies for action, or to focus our complaints solely on welfare cheaters, instead of on how the present system cheats everyone involved, including the taxpayer, the social worker and the recipient.

The burden of proof for reform of this welfare system rests with the U.S. Congress. As we approach our bicentennial celebration, let it not be said that America's welfare system continues to be a national disgrace because the Congress that created it, refuses to reform it.

Mr. President, I ask unanimous consent that the Washington Post article, "Welfare System Called Cluttered, Ineffective" be printed following my remarks in the RECORD.

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

WELFARE SYSTEM CALLED CLUTTERED, INEFFECTIVE

(By Bradley Graham)

The Department of Health, Education, and Welfare yesterday made public a report on the welfare system that constitutes one of the severest criticisms of domestic aid program in recent years.

Citing inequity, inadequacy and inefficiency, the study condemns the existing conglomeration of income-supplement programs as hopelessly disjointed, often functioning at cross-purposes and failing to help those most in need.

Prepared last spring for HEW staffs as a working paper on welfare reform, the report examined alternative programs and prospective goals. But it gives little hint of what the administration will propose as a substitute later this year.

It was made public because HEW officials believe it is the most complete compendium on the welfare system written since 1967.

The 150-page report concedes that a coherent strategy for the whole system is impossible in view of conflicting objectives and limited resources. In general it recommends a much simpler set of programs, and its major specific recommendation is for a reduction in the number of executive branch agencies and congressional committees dealing with welfare reform.

Using data compiled by the University of Michigan, the report reveals that from 11 to 13 per cent of the population remained poor over the past five years despite income transfer payments. It adds that welfare benefits removed from poverty only 16 per cent of the families who would have been poor in the absence of the current welfare system.

At the same time, the report notes, benefits coming from a combination of programs do in some states yield substantially more than a minimal standard of living for certain categories of recipients.

Instances of fraud are not substantial, the report said. Given the wide variety of benefits in some areas, a family can legally live a comfortable life without working, it adds.

The HEW paper concludes that the welfare system has failed to:

Insure equity. The largest welfare program—aid to families with dependent children—is essentially a program for families headed by females. Thus many intact, male-headed families of the same size and income receive no benefits. The unintended result: husbands are induced to leave their families.

Encourage self-help. Welfare program contain work incentive created by stiff benefit reduction rates. Again, an unintended result: a working person may be encouraged to leave work in order to be eligible for welfare benefits.

Operate efficiently. The welfare system is characterized by administrative overlap and inefficiencies.

The HEW study attributes many current difficulties to creation and independent structuring of programs "without much regard to the administrative efficiency that could be realized through common eligibility criteria and common program definition."

Among the key goals of welfare reform, the report saw, are positive work, so that those who can work will find it in their interest to do so, target efficiency, meaning benefits should be accurately directed at those most in need, and administrative efficiency.

The report suggests that a major concern should be aid to the working poor, who account for a large proportion of those in poverty but are not covered by most of the transfer programs.

"Many people working full time," the report says, "are still not able to earn enough to keep themselves or their families out of poverty. They require regular, but small supplementation in order to raise their incomes to minimum standards of adequacy."

BRITISH GOVERNMENT REJECTS AMERICAN NUCLEAR PLANTS ON SAFETY QUESTIONS

Mr. GRAVEL. Mr. President, it is ironic that the British Government rejected American nuclear power reactors as too dangerous during the same week that the U.S. House of Representatives accepted claims about their safety and passed H.R. 15323—July 10.

When that nuclear insurance bill comes up in the Senate, I hope that my colleagues will vote for its recommittal or defeat, so that we will have time for a thorough inquiry into the British decision. Why should the U.S. Senate pass a bill to encourage nuclear plants which are not good enough for Britain?

I offer for consideration an article, "British Rejection Spurs N-Plant Warning in U.S." from the Boston Globe, July 14, 1974. The article includes reference to the Union of Concerned Scientists, whose address is P. O. Box 289, MIT Station, Cambridge, Mass. 02139.

Mr. President, I ask unanimous consent that this article be printed in the RECORD.

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

[From the Boston Sunday Globe, July 14, 1974]

BRITISH REJECTION SPURS N-PLANT WARNING IN UNITED STATES

(By Paul Langner)

Britain's rejection last week of American nuclear power technology means that "the safety of America's nuclear power plants has been discredited," the Cambridge-based Union of Concerned Scientists and consumer advocate Ralph Nader said in a joint statement released today.

On Wednesday, the Labor government of Harold Wilson ended 18 months of debate on nuclear safety by rejecting both a Westinghouse Corp. design for a pressurized water reactor and a gas-cooled type developed in Britain.

Instead the British government settled on a different British reactor design, the so-called steam generating heavy water reactor. About six of them are to be built in the next four years.

The Westinghouse design had been the last type to be considered by Britain's Central Electricity Generating Board and had been recommended by the board to the government.

In ruling against the generating board's advice, the government followed the recommendation of its Select Committee on Science and Technology and its former science adviser, Sir Alan Cottrell, that Britain reject altogether the so-called light water reactor.

This type of reactor, of which there are two basic versions, is the workhorse of American nuclear power. All of New England's nuclear power plants have the light water reactor. The Westinghouse design, the pressurized water reactor, is installed in the Yankee plant at Rowe, Mass., and in the Connecticut Yankee plant near Haddam Neck, Conn.

Britian's proposed reactor units will use the same fuel as do American reactors, but their coolant will be heavy water, the Canadian method. Heavy water is present in ordinary water in minute amounts and must be extracted in specially built plants.

The objection to American reactors, as voiced by Sir Alan Cottrell, is that their safety has not been proven and that their safe operation would depend "upon almost superhuman engineering and operational qualities."

In a letter to the Financial Times of London, Sir Alan said that "there are plenty of examples, including recent ones, from various fields of activity, where most carefully designed and maintained engineering

projects have gone disastrously wrong. When the consequences to the general public of such a failure are as uniquely grave as in the reactor case, it would be wise to choose a system less critically dependent on human perfection than the steel pressure-vessel water reactor."

Daniel Ford of the Union of Concerned Scientists said that his group had brought their work to the attention of the British government and the scientific community there.

The scientists have been campaigning against light-water reactors for years, alleging they are unsafe and pose unacceptable risks to the public. In January 1973, Ralph Nader joined their effort.

Ford said "the decision is a stunning blow, both to the financially troubled Westinghouse Corp. and to the credibility-troubled U.S. Atomic Energy Commission. Both had lobbied hard in Britain, but their case proved unpersuasive."

Ford recalled that Ronald Brown, a member of Parliament and member of the Select Committee on Science and Technology, had commented on the AEC's assurances by saying that "nobody would accept their (the AEC's) views on the light water reactors anymore."

Westinghouse reacted to Britain's decision by saying that it was made to favor British industry. Nader noted that British industry would have been building Westinghouse-designed reactors under a license agreement and that it was Britain's nuclear industry that had pushed for Westinghouse reactors.

"The British government rejected the proposal not because it was bad for British industry but because it imperiled the health and safety of the British people," Nader said.

Designing a nuclear reactor, the Union of Concerned Scientists statement said, calls for careful evaluation of such safety questions as what would happen in a major accident, how vulnerable a plant would be to sabotage, possible accidents during transportation of highly poisonous radioactive wastes, and how these wastes can be stored safely.

The scientists and Nader urged that other energy sources be developed, such as solar and geothermal power, and that growth in demand for electric power be curbed by eliminating wasteful and inefficient practices.

They concluded by saying that "Britain's rejection of U.S. nuclear technology on safety grounds should have a profound impact on America's own consideration of whether to build additional nuclear powerplants."

Two other European nations, Switzerland and Germany, have bought American reactors, both Westinghouse's pressurized water reactor and General Electric Co.'s boiling water reactor.

This prompted Nigel Lawson, a Conservative MP, to criticize the Labor Government's decision, saying even the "hypercautious" Swiss had accepted a GE reactor.

The two kinds of reactors are used in various power plants in New England. Besides the two Westinghouse units at Rowe and Haddam Neck, a pressurizer water reactor powers the Maine Yankee plant in Wiscasset. It was built by Combusion Engineering of Stamford, Conn.

GE boiling water reactors power Pilgrim Station near Plymouth, Vermont Yankee, in Vernon, Vt., and Millstone Point in Connecticut.

None has suffered a major mishap, but only one, Yankee Atomic at Rowe, has remained trouble free in the main.

Haddam Neck was shut down last fall for two months with turbine trouble; Millstone Point has had cracked pipes in its condenser; Vermont Yankee recently released radioactive iodine in excess of state health regulations; (the release was recorded at the nearby Vernon Elementary Schools); Maine Yankee released some radioactive gases two weeks ago; and Pilgrim station is now shut down because of cracks in some welds and b cause of citizen intervention on a fuel modification.

None of them except the Rowe plant is now permitted to run at 100 percent power.

Critics say that this shows their unreliability, while proponents of nuclear reactors says that the frequent shutdowns testify to the stringency under which atomic plants are operated.

The good safety record of the Rowe plant which has been in operation since 1967, has given rise to the opinion among some experts that other plant's problems are associated with size. Rowe puts out 185 megawatts of electricity. The capacity of the others range from 575 (Haddam Neck) to 855 (Maine Yankee).

TOO MUCH POLITICS IN JUDGE'S SALARIES?

Mr. PERCY. Mr. President, I have spoken before of my very deep concern and disappointment at the very ill-advised action—or inaction—of the Congress when we refused to grant a pay raise to Federal judges. Already a number of judges have resigned because they simply cannot afford to continue at their present salaries. Congress must act, and act quickly, to give these dedicated men and women the salary raises which they have earned and which are so necessary. I urge the Senate Post Office and Civil Service Committee to act expeditiously on S. 3049.

In a recent article in Trial magazine, Leonard M. Ring very clearly stated the underlying reasons for this action by Congress.

I ask unanimous consent that the article to which I have referred, entitled "Too Much Politics in Judge's Salaries," be printed in the RECORD.

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

[From Trial magazine, May/June 1974]

TOO MUCH POLITICS IN JUDGE'S SALARIES?

(By Leonard M. Ring)

The respected *New York Law Journal* recently published an editorial: "Keep Judges' Salaries Out of Politics."

Shortly afterwards, the U.S. Senate—on March 6th—rejected President Nixon's budget recommendation for a 7.5% salary increase for the federal judiciary—a scaled down version from that recommended by the Commission on Executive, Legislative, and Judicial Salaries.

The *Law Journal*—on March 7th—followed with another editorial: "The Senate Held the Judges Hostage."

In these two editorials lies the broad question of equity long overdue our judiciary, as well as a call for political statesmanship and understanding of basic economics that supports the foundation of an independent judiciary—the wellspring of a strong democracy.

The judges' salary increase had been tied to increases recommended for the U.S. Senate and the U.S. House of Representatives.

The everpresent fear of a politician—fear of public opinion that could undermine chances for re-election—proved too strong for documented arguments in favor of the judges' salary adjustments.

By the Senate action, politics was allowed to enter into a major sphere of judiciary independence, and, in effect, did make our judiciary "hostages" of the political system—at a time when we cannot afford the luxury of even such a thought.

We should perhaps consider the wise words of that astute analyst of American democracy, Alexis de Tocqueville:

"Scarcely any question arise in the United States which does not become, sooner or later, a subject of judicial debate."

And, perhaps we should combine the above thought with those of the famed 18th century essayist, E. P. Whipple:

"The strife of politics tends to unsettle the calmest understanding and ulcerate the most benevolent heart. There are no absurdities too gross for parties to create or adopt under the stimulus of political passion. . . ."

On the equity of the salary increases, the Office of Management and Budget—the top federal agency which scrutinizes requests—stated:

"It has been five years since any adjustment has been made in the salaries of these positions . . . During this period private sector salaries surveyed by the Commission have increase 30% . . . This has serious adverse effects on recruitment, retention, and incentive for advancement throughout the federal service."

And on the latter thought, US Supreme Court Justice Warren Burger has stated:

". . . we have had more resignations in the past year based on economic grounds than at any time in the past 100 years . . . (and) many qualified trial lawyers have declined appointment because the pay of a (federal) district judge now is only double the starting salaries of law school graduates hired by large law offices . . ."

Retired US Supreme Court Judge Tom C. Clark echoed Justice Burger's thoughts:

"In my judgment, we will lose a good percentage of judges unless some steps are taken to correct the situation by meaningful salary increases. . . ."

The changing scene in America—the social, governmental, business and public—has, in turn, changed the basic requirements for selection of judges.

Today, as Jerry Finkelstein, publisher of the *New York Law Journal* pointed out, "Salaries paid to judges reflect our evaluation of the services they perform." We, the public, demand the resolution of problems affecting basic human rights and liberties; the unraveling, in the public interest, of complex economic interrelationships; the shaping of the growth and development of a democratic society; the delicate balancing of the teetering social scale of values to the accepted concept of justice.

And as Senator Peter Dominick (R–Colo.) pointed out in the angry debate over the Senate vote to kill the recommendations of the Senate Post Office and Civil Service Committee:

"It is hardly realistic that leading members of the trial bar (those experienced in the demands of our times) be expected to forgo at least three-quarters of their earning capacity to serve the public interest."

One good factor came out of the angry Senate debate—the Senate received an education into the value of our judiciary to the welfare of the nation.

And evidently this lesson was not lost as the Post Office and Civil Service Commission immediately scheduled new hearings on the bill.

As the president of the nation's largest trial bar—The Association of Trial Lawyers of America—and observor of the American political scene for many years, I would suggest that the time has arrived in our nation for the judiciary's economic future to be completely taken out of politics.

Although this column was written on the recent controversy over federal salaries, the same thoughts and values must be applied to our state judiciary.

The Chief Justice of the New York state's highest court, Charles D. Breitel, asserted:

". . . the courts, to fulfill their tasks and restore the confidence in them, need the help of the other two branches of government—affirmative help and not the self-delusion of paper changes or unjustified and therefore demoralizing criticism . . ."

The word of an 18th century cleric—timely today as they were over 200 years ago—reveal an understanding of not only the problems of the judiciary, but also of the political strata's responsibility for the welfare of the nation:

"A politician thinks of the next election; a statesman, of the next generation. A politician looks for the success of his party; a statesman, for that of his country. A statesman wishes to steer, while a politician is satisfied to drift."

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, a common misconception many people have concerning the Genocide Convention accords is that their ratification would mean the dimunition of the constitutional guarantees and individual liberties enjoyed by citizens of our Nation. There is no basis for such fears.

In fact, the purpose of the treaty is to preserve the greatest of all individual rights, the right to live, by insuring that any effort to exterminate any racial, national, ethical, or religious group will not be tolerated. Furthermore, the Section of Individual Rights and Responsibilities of the American Bar Association after studying the Genocide Convention found it consistent with American traditions. The Bar Association Section ended its study by saying:

The Genocide Convention is now twenty years old, but it is a living and important document. Our friends are confused, our enemies delighted, at continued United States hesitation about the Convention. Adhering to the Convention now would be a real step in the advancement of America's national interest.

In short, there is no possibility that the Genocide Convention will lessen the presence of the Constitution as the highest law of the land nor will the rights of individual citizens under the Constitution be impaired.

Mr. President, I again urge that the Senate ratify, as expeditiously as possible, the Genocide Convention accords.

REMOTE SENSING: A GOOD BUSINESS PROPOSITION?

Mr. MOSS. Mr. President, the July–August issue of Astronautics and Aeronautics includes a brief article by George Hazelrigg, Jr. and Joel S. Greenberg of Princeton University on the crucial decisions facing the Earth resources technology satellite program in the coming months.

The authors state quite cogently the case for moving now toward operational experiments with remote sensing satellites, pointing out that one of the three major stumbling blocks to full use of ERTS satellites is the fact that "users have no guarantee that the ERTS data will continue to flow."

The Congress has authorized a third ERTS satellite with this very point in mind. In early August the Committee on Aeronautical and Space Sciences will hold hearings on two bills designed to provide an operational Earth resources satellite system.

The article in Astronautics and Aeronautics provides excellent background information for these hearings and for consideration by the Congress. I ask unanimous consent that the article be printed in the RECORD.

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

[From Astronautics and Aeronautics magazine, July/August 1974]

REMOTE SENSING: A GOOD BUSINESS PROPOSITION?

(By George Hazelrigg, Jr., and Joel S. Greenberg)

The Earth Resources Technology Satellite (ERTS) Program will face some crucial decisions over the next 12–18 months that will shape not only its future but also set the course for other remote-sensing Earth-resources programs for decades to come. (*Ed.*—Sen. Frank E. Moss announced June 17 that his committee will hold hearings August 6 and 8 on two bills aimed at creating an operational Earth-resources satellite system—S. 2350 and S. 3484.)

In the decades ahead, resources issues will become of increasing social and economic importance. There is evidence that profound secular global changes are occurring: climates are changing, resource prices rising, world trade relations shifting. The danger of famine, depletion of mineral and other natural resources, and permanent changes in the ecology face us.

Secretary of State Kissinger, Nelson Rockefeller's Committee on Critical Choices, the coming World Food Conference organized by the FAO, and others will try to act. But they all lack current accurate information. Hard evidence on what is happening worldwide in real time can go a long way toward helping to solve our problems.

Resources decisions need early and accurate inventories and projections. In many instances, the real economic problem does not arise in production, but in distribution to those in need.

During the almost two years since the launch of ERTS–1, the emphasis has been on developing a deeper scientific understanding of the capabilities of this kind of spacecraft. Over 600 scientific groups have used ERTS–1 data. They have compiled an imposing list of worthwhile accomplishments. The list of potential applications benefits is staggering. Yet, we do not see overwhelming support for the program. Why?

Public support will come about only as the transition from scientists to users take place. Three major stumbling blocks lie in the way. No demonstration of truly large benefits has occurred. Next, the current data processing and distribution system cannot meet the demands of operational users. Last, users have no guarantee that the ERTS data will continue to flow.

Proof of large real benefits will require an operational (or at least simulated operational) experiment. The actual use of ERTS data to change the management of a resource is necessary to validate the experiment. Scientists and resource managers should work together in demonstrating the operational use of ERTS data. But now scientists must face real operational problems—they must quantify to a stated accuracy the observation of a phenomena with a given reliability, and a given false alarm rate.

Those who manage resources day to day need real-time information, not raw data. The technology now exists to process ERTS raw data into information in real time. The form this information should take has not been established.

No one can count on the continuity of ERTS-type data. As a result, prudent businessmen have not invested in applications depending on repetitive data acquisition. A distinction exists between mapping applications (open-loop decision-making) and monitoring applications (closed-loop decision-making). As long as the future of ERTS remains indefinite, money will go only into mapping, and into monitoring where investments can be recouped during the anticipated satellite lifetime. The bulk of the investment required for mapping applications can normally be made after it is determined that sufficient data are collected to warrant it. Investment for a monitoring must be made in anticipation of a continuous stream of data.

To put the case into economic jargon, applications will be pursued if the net present value of benefits associated will them (present value of benefits less present value of costs) is greater than zero. In an expected value situation, an assessment must be made of the probability of achieving the required data for the application or service under consideration. As long as a definite commitment does not exist for providing continuity of service, businessmen will normally exercise risk aversion preference by either assigning a low probability to the likelihood of continuity of service or by using a high risk-adjusted discount rate. In either case, if data must be obtained and benefits gained over a long period, expected present value of benefits drops significantly.

Investors will back only those applications which promise to produce large benefits in a short time. Only a commitment to long-term continuity of service will attract investors and realize the full potential of remote sensing.

REPORT ON A VISIT TO ISRAEL

Mr. JAVITS. Mr. President, during the period July 3–7 I visited Israel to meet with the leaders of the new government and to assess at first hand the situation and the mood of Israel in the wake of the Yom Kippur war and the generational transfer of power implicit in the formation of a new government under Prime Minister Yitzhak Rabin.

It would be a mistake to discount the gravity of the problems confronting Israel but I was reassured to find Israel in the hands of confident and competent new leadership. In my judgment, press reports have overemphasized the inevitable stresses and tensions which accompany such a watershed transfer of power to a new generation with new root and a new outlook. Undoubtedly, the coalition-building process and the narrowness of the Rabin government's majority in the Knesset have been accompanied by strenuous jockeying, played out against a mood of letdown and some apprehension respecting the future, following the traumatic experience of Israel's hard-won struggle last October.

While in Israel, I had long discussions with Prime Minister Rabin, Foreign Minister and Deputy Prime Minister Allon, Defense Minister Peres, former Prime Minister Golda Meir, chairman of the Bank of Israel Zanbar and many others, including meetings with mayor of Jerusalem Kolleck, former Foreign Minister Eban and former Defense Minister Dayan. In addition, I had most useful conversations with Ambassador Keating and several members of his fine staff at the American Embassy. On July 4, I flew

to Ma'alot to place memorial wreaths in the name of the people of New York on graves of the victims of the terrorist outrage that took such a dreadful toll of children's lives. On July 5, I was, with Foreign Minister Allon, a speaker at the commemorative luncheon of the Israel-American Friendship Society. I ask unanimous consent that the text of my speech on that occasion be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. JAVITS. Mr. President, the theme of my remarks on that occasion was "New Dimensions in United States-Israel Relations" and my experience in Israel fully confirmed my belief that the relationship of Israel and the United States is closer and more intimate then ever before, especially with respect to the deeper engagement of Israel's fate in the evolution of U.S. Mideast policy.

While I was in Israel, the Government put through the Knesset a truly Draconian economic austerity program. It is significant that this stringent measure passed comfortably despite the Government's technically one vote majority. Like most other western nations, Israel has suffered from a very strong inflationary tide over the past 6 months. The economic measures are addressed primarily to that situation.

Nonetheless, there is another—extraordinary—dimension to the Draconian economic measures just adopted by Israel. The new measures will, in effect, impose a 5-percent reduction in standard of living on the citizens of Israel. The reason the Government of Israel decided to cut so painfully deep into the already heavily reduced pocketbooks of its own people is an inspiring measure of the mettle of this brave nation. Israel is requesting a very high level of assistance from the United States over the next 5-year period, estimated at an annual rate of $1.5 billion in military assistance and $500 million in economic assistance.

As an earnest of Israel's need for this assistance and its solemn determination to put every penny of it to a maximum use, Israel has—out of its respect for the American taxpayer—first imposed a 5-percent standard of living reduction on its own people. This is not fiat of an authoritarian junta but rather the considered decision of Israel's democratically elected parliament. I am told that the decision to impose the 5-percent standard of living reduction was preceded by fierce debate because it involves an additional foreign exchange saving of only $100 million over what could be accomplished by holding the population at its present standard of living. For a democratic government the decision to place such a bite on its people for such a relatively small gain was a difficult decision. But it was made with the American taxpayer in mind. Before asking our people to provide the sums requested, Israel wanted first to demonstrate its own determination of sacrifice and self help. I am confident that this lesson will weigh heavily as we in Congress consider the funds requested.

On the question of peace negotiations, I found Israel's leaders to be openminded and realistic, though perhaps more skeptical and cautious than our Government. The differences in emphasis on this matter no doubt reflect the difference in what is immediately at stake for each. For the United States with its global interests and perspective, the Mideast is an area of danger and possible superpower confrontation. The first priority is to defuse the situation.

For Israel the stakes are much more immediate—they are literally life and death. The closeness of the margin for Israel and immediacy of possible adverse consequences for Israel's security quite understandably cause Israel to assume a posture of extreme caution. To use an analogy from strategic doctrine, Israel is compelled by its situation to apply a "worse case" assessment to all matters bearing on security—particularly questions of military withdrawal. Nonetheless, it seemed to me that Israel is prepared to make some territorial concessions in return for tangible measures by its Arab neighbors. Indeed, Prime Minister Rabin reiterated his intention to follow a policy which he has publicly articulated as: "a piece of peace for a piece of land."

Much attention is focused in Israel, as it is in the United States, on what will be the next stage in U.S.-Mideast peace diplomacy. It is no secret that Israel prefers to have a second round of disengagement with Egypt respecting the Sinai and is very wary of proposals that attention next be focused on questions respecting the West Bank and Jordan.

The Israeli Government believes that the international press and some diplomatic circles vastly exaggerate the support which the Palestinian terrorist organizations command among the Palestinian people in general. The Israelis point out that there is a vast silent majority among the Palestinian people living on the West Bank, in Gaza, within Israel proper and on the Jordanian East Bank. In the Israeli view, peaceful relations between Israelis and this Palestinian silent majority is a reality born out by daily experience—evidenced by the free movement across the Jordan and by the peaceful influx of scores of thousands of Palestinian Arab workers into Israel every day.

Israel's great concern is that the Palestinian terrorist organizations must not be allowed to shoot their way into the Geneva conference as the "representative" of the Palestinian people. Israel is unalterably opposed to the creation of a separate state between Israel and Jordan. Such a state would not be viable politically or economically, and it would be a constant source of political and military disruption to Israel and to Jordan.

There is ample scope for realization of Palestinian political aspirations within the framework of an overall Israeli-Jordanian settlement. A separate Palestinian West Bank state would be a magnet for Soviet adventurism and provide new opportunities for the Soviet Union to exert pressure through a client state, not only against Israel and Jordan, but also against Saudi Arabia and the Persian Gulf oil sheikdoms.

This would enable the Soviet Union to exert leverage over Western Europe's oil life line—with all the incalculable consequences that could entail for the security of NATO and viability of the western monetary and trading system with which our own security is so inextricably involved.

Israel is deeply concerned over the possible long-term consequences of the U.S. plan to provide a nuclear powerplant to Egypt. While the bona fides of the U.S. Government in this matter is fully accepted and there are few doubts that the United States will achieve tight controls over the nuclear fuels which have a weapons potential, the Israelis nonetheless feel that the boost in trained manpower certain to flow from such a facility, combined with the possibility of Indian collaboration in weapons technology, could have most dangerous and ominous consequences for Israel. In my judgment, the Congress must weigh the proposed nuclear power agreement with Egypt most carefully and subject it to the most searching scrutiny of all its possible ramifications.

I found an attitude of great wariness in Israel respecting the Soviet Union. Israel sees no evidence of restraint and responsibility in Soviet Mideast policy. Soviet actions before, during and since the Yom Kippur attack on Israel have been totally inimical and war-oriented. The Syrian and Egyptian armies have been fully reequipped, and sophisticated new weapons systems have been provided which could change the nature of warfare in the Mideast and pose new threats to civilian populations.

In addition to the security problems created by Israeli withdrawals in the context of the disengagement agreements, the massive rearming of Egypt and Syria being provided by Moscow has created urgent new Israeli requirements for military equipment. In addition to the resupply of war losses, which has already been voted by the Congress, Israel has an urgent need for large additional supplies, including sophisticated and expensive new weapons, to enable Israel to cope with the new security problems posed by withdrawal and new Soviet weaponry. Israel's military needs are part and parcel of the peaceseeking efforts being promoted by Dr. Kissinger. Indeed, peace steps—in fact the whole process of Mideast diplomacy—can only succeed in concert with Israeli security needs, for deterrence remains a key element in Mideast peace, as it does in the peace of Europe. I feel that Israel's military assistance requirements will be received in Congress with an attitude of support and understanding.

I found in Israel a profound concern over the fate of Soviet Jewry and great gratification over the efforts being undertaken by the United States, especially by proponents of the Jackson amendment, to demand freedom and humanitarian treatment for the oppressed Jews of the Soviet Union. Israel is pledged to welcoming every Jew who is able to secure release from the U.S.S.R. The efforts symbolized by the Jackson amendment

provide a great psychological boost to Israelis and give them a great reassurance that the world cares passionately about the fate of Jews, the Jewish state and the historic Jewish homeland.

In closing, I would summarize my impressions of Israel as reassuring. There is a sober understanding of the great dangers and problems which confront Israel and a most impressive determination to meet those challenges. There is an understated mode of self-confidence which manifests itself in the energy and efficiency of the new leadership team in Israel, which represents a new generation bringing fresh energies, perspectives and aspirations to bear on the problems

Friendship for and faith in the United States is very high in Israel, and there is an outspoken sense of gratitude for American support, particularly the massive airlift of military equipment during Israel's darkest hours. I am confident that the United States-Israeli partnership will succeed in furthering peace and security in the Mideast, and that the inevitable differences of emphasis that arise among partners will be resolved in an attitude of frankness, candor and deep mutual understanding.

Mr. President, during my trip I made a pilgrimage to the northern Israeli town of Ma'alot—the recent scene of one of the most tragic and barbaric massacres in modern history.

Nineteen school children and a family of three were brutally murdered by Arab terrorists—just about every child captured was killed or injured. It was an event that shocked the world, and an event that has left a deep scar of sorrow in the hearts and minds of the Israeli people.

During my stay in Ma'alot, a town tucked in the hills of western Galilee, I was quickly and tremendously impressed with the determination of the people to live in peace and freedom without threat of war or terrorism. That commitment was alive and vibrant. They spoke of it often and always with passion.

Ma'alot is a town populated by both Jews and Arabs. And the two communities are committed to the community of brotherhood and justice. The deputy mayor of Ma'alot, Mr. Jamil Nahas, who is an Arab, made me his guest in his home and escorted me through Ma'alot. Mr. Nahas displayed the positive attitude to which I just referred and is determined to make brotherhood between Arab and Jews a living reality.

I want to make note of a personal aspect of my journey to Ma'alot and I speak not as a U.S. Senator, but as the son of an immigrant. My mother, whose maiden name was Ida Bendirsky (later Littman), was born in the town of Safed. She spent the first 16 years of her life there prior to emigrating to the United States. The significance of that is the fact that all of the children murdered in the small schoolroom in Ma'alot were from my mother's home town of Safed. So in that regard Ma'alot has a special significance and a profound impact on me.

It was a haunting occasion to visit that schoolroom which contained 90 children held hostage by the terrorists. The terrorists were heavily equipped with grenades and satchels of explosives. And all of them were armed with automatic rifles. In retrospect it is a miracle any child survived that living nightmare in a room which was, in fact, a powder keg.

From the school, I traveled to the gravesites of the Cohen family—a family of three—murdered in their apartment building prior to the occupation of the schoolhouse.

In remarks at the gravesite, at which I placed three wreaths in the name of the people of the State of New York in a memorial ceremony, I spoke of my belief that the Cohens were modern-day freedom fighters. It is true, as I said then, they did not die in battle with enemy forces. However, they were murdered by forces who oppose peace and freedom and brotherhood because they dared to hold the line of freedom by living in Israel.

That memorial service was on July 4—the day the American people were celebrating the 198th birthday of our Nation. The deaths of the Cohens and the deaths of the children from Safed are directly related to the sacrifice of millions of Americans who have died for the survival and security of basic human rights for America, and the world.

Now in the heat and dust of the Galilean hills, the wreaths I placed at the graves are by now dried and withered. But our memory of the Cohen family and of the schoolchildren—all innocent victims of hatred and violence—can never wither. It is because those tragic victims will be remembered that the people of Israel and free men and women everywhere will rededicate themselves to the pursuit of liberty for all mankind.

My pilgrimage to Ma'alot serves as a burning symbol to me of the enormous courage of those martyred victims and the enormous courage of the people of Israel. It was an experience that fortifies me as a U.S. Senator to continue to strive with all of my physical and political power for justice and peace for all men.

EXHIBIT 1

NEW DIMENSIONS IN UNITED STATES-ISRAEL

EXHIBIT 1

The tumultuous events of the past year have added a new dimension to U.S.-Israel friendship. It is on this aspect that I concentrate my remarks today. Most importantly, amid all the changes and uncertainties which surround the Mideast, I wish to assure you that friendship and support for Israel has never been stronger in the United States than it is today, in my judgment.

The fortunes of the State of Israel are in the balance as we meet here. Enormous changes have been wrought in the map of the Middle East over these last difficult and sobering months. Once again we have seen Israeli life sacrificed for the preservation of the Jewish State. Once again anguish and pain have been thrown into the scales as the price of freedom and security; and the result is uncertain! But for the first time there is genuine hope that progress can be made . . . that a realistic accommodation may be reached by Israel with certain of the Arab States.

Israel has been asked by President Nixon to take some risks for peace. But those risks must be realistic, they cannot be imposed on Israel by coercion, against Israel's own better judgment. Hence the new question for which we must be ever watchful, where does consultation end and coercion begin? For it is a fact that these events have enmeshed Israel's fate more deeply than ever in United States' Mideast policy. It is deeper mutuality of interest which produces the new dimension in U.S.-Israel friendship.

In a recent interview Prime Minister Rabin—so well remembered and respected as Israel's Ambassador said: ". . . being able to live and prosper within an independent Jewish state, viable and capable to defend itself by itself. That's our only criterion."

I feel Americans generally share that goal. But the dream of Israel's economic and security self-sufficiency, which seemed attainable just a year ago, has been cruelly snatched from Israel's grasp. U.S. support is more essential than ever to Israel's survival. The United States is now providing $2.2 billion in emergency assistance growing out of the Yom Kippur War. And, negotiations are described as under way on a new, five year $7.5 billion assistance package.

The months ahead will require many difficult decisions both in Israel and in the United States. It is essential that both countries exert every effort to make their policies so understandable to each other that they will be accepted as in the common interest and not allow for divisiveness and pulling apart. This would be much too dangerous for Israel and the Mideast.

For Israel, this means that two constituencies must be kept informed in the United States. The first constituency, the Administration, is serviced by all the channels of government-to-government communications and is hence well handled. But there is a second constituency—Congress and public opinion—which is more vital than ever to U.S.-Israel friendship. Support and friendship on this level is very high and seems likely to continue. But neither side should take the other's viewpoint for granted. Constant efforts must be devoted to explaining and understanding the concerns of each.

For the first time in twenty-six years, the United States has a positive Mideast policy—and it appears to be working. The monumental new forces at work in the Mideast, and in U.S. policy, offer every hope that Israel can benefit very materially from the reconstruction of alignments among the states of the Mideast—which is now taking place.

But as a superpower with global responsibilities, it is inevitable that the U.S. perspective will be different from Israel's on some issues of vital concern; even as we share the basic objectives of a just peace, and of security for Israel.

I see the major elements of understanding to be called for in respect of:

1. U.S. relations with the Arab States;
2. U.S.-Israel policy as it bears on the Middle East;
3. The Middle East policy of Western Europe including the security of the Mediterranean area and oil supply from Arab sources; and
4. Israel's security needs, including terrorist threats and secure and defensible borders.

As to the full implications of any new relationship between the U.S. and the Arab countries, this too may not yet be perceived clearly. But we do know that these new links are better than no links at all. We do know that the Secretary of State has enabled Israel and Egypt . . . Israel and Syria—to come together to achieve a common if limited purpose—disengagement. We know that Prime Minister Rabin—whom we know so well and admire so much in the U.S.—has seen in this a new opportunity. Here is what he said in his press conference of June 18: "We have not seen anything wrong in the fact that the United States will extend economic assistance to a number of states, and perhaps in this way these states will devote their efforts, resources and attention to internal problems instead of war. This would be a great moment

in the history of the Middle East when a number of Arab states, instead of talking about war, will start not only to speak but also to engage in development." . . .

"As far as we are concerned, we should exploit the change in the best possible way. As I have said, this can be done mainly by exploiting the fact of the Arab rapprochement with the United States in order to launch political moves toward a peace which will be acceptable and agreeable to us."

We know, too, that the Soviet colossus—(a subject to which I will return later) has been checkmated by the U.S. from blocking this disengagement.

We were jarred by the announcement of the nuclear energy agreement with Egypt. Yet, we may hope with good reason, I believe, that the new situation can ease the threat of the outbreak of war. But the Zionist dream—the future of Israel as a viable state to which every Jew who wishes it may have access—that must be based on Israel's security and this is still far from what it ought to be.

Yet I think that we are well rid of the old impasse. I do not lament its passing for a minute. And, I welcome the opportunity—even with its awesome challenges and dangers—for a whole new alignment in the Mideast. With the colossal oil revenues flowing in, Israel's Arab neighbors no longer need to see themselves condemned to an inferior standard of living; they have the money or their Arab brothers can advance it. Jealousy, hatred and vengeance are emotions which feed upon grinding poverty and the human debasement which poverty breeds.

But, despite the optimistic elements of the situation, the fact remains that vigilance is very much called for and probably for a long time to come. Israel needs that time to test the new agreements to see if there is really a new attitude emerging.

Nor can we in the U.S. be other than deliberate about economic aid for rebuilding—as in the Suez cities; or, in helping with atomic power to raise living standards. We must be very wary and require firm and secure safeguards against dishonored agreements and new aggressions. Our experience is too bitter and too recent for any other policy. It is going to take awhile for the Arabs to get used to living with Israel in a psychology of nonbelligerence has taken firm root, actual peace agreements involving final borders may not be attainable, and this will take time.

The oil factor in U.S. Mideast policy is not a new one. And, in my judgment, the limits have already been reached in terms of the leverage which the need of the U.S. for Arab oil can exert over U.S. Mideast policy. Concerns on this score ought not to be exaggerated. I assure you that the U.S. will not abandon Israel at the behest of oil pressures.

But, differences in perspective between the U.S. and Israel are more likely in my judgment to arise from quite a different source. Increasingly over the next decade I believe the future of the Atlantic Alliance, which is the cornerstone of U.S. policy in the world, could hinge on developments respecting the Mideast. It is here, for instance, that the availability and the price of Persian Gulf oil will have its greatest impact.

It is essential that the nations of western Europe, principally the nine governments which constitute the European Economic Community, be associated with and committed to the peacemaking process now being assayed in the Mideast, and in this equation security in the Mediterranean and the contribution which can be made to it by Israel also becomes an important factor.

In the long run, Mideast peace can be greatly aided by the positive participation of western Europe. And, in the long run for the U.S. to have a viable Mideast policy it is also highly desirable, if at all possible, that it be in concert with our principal European allies. This will take a lot of doing, though I am convinced it is possible. For one they are now tied to the Mideast by the umbilical cord of towering balance of payments deficits due to fantastic oil prices. For another, they cannot overlook the impact on the Arab States of Israel as a prime example of the modernization implicit in the free world and located in the center of the Mideast.

Now we come to the role of the Soviet Union. What future posture will the USSR assume in the Middle East? Will the USSR join for peace? Or will the Soviet Union foment new disturbances as it did with the massive supply of arms prior to the war in 1973 and bring on new dangers as it did with the threat of unilateral intervention to police a cease fire in Egypt? We can take nothing for granted. But the dialogue established by the President and the Secretary of State offers at least an opportunity to communicate American concern as to the Middle East and as to the situation of the Jews in the Soviet Union.

Here too a careful and alert balancing of judgment is essential and the objective of a society more respectful of human rights of Jews and intellectuals in the USSR can only make a Soviet disposition toward peace in the Mideast more rather than less likely.

Finally, the recognition of Israel's security needs will require great understanding and statesmanship both in the U.S. and Israel. We will need to understand the jeopardy to Israel of the terrorist threat both within and without Israel's borders, particularly remembering the failure of the UN to do equal justice in this area and the opposition in the UN, especially of the developing countries, to international anti-terrorist measures. In Israel the vexations in the U.S. of Israel's retaliatory raids, albeit so vital in Israel's view, will have to be considered too. And in this respect the U.S. and western Europe must ask themselves—are we doing all we can to deal with the terror so dangerous to them, too; and the answer must be—No!

We will need also to consider the grave problem of the Palestinians especially those in the camps, kept in large numbers in almost prisoner status by their Arab host governments for so long. In all these matters ongoing consultation can play the highest role in accommodating policy to reality.

I do not see any necessary or basic source of tension between the U.S. and Israel.

Prime Minister Rabin has said: "We are prepared to move gradually toward peace—rather than put an end to the conflict in one fell swoop. That means a piece of peace for a piece of land." He added, "We need confidence-building measures."

But even though we are thoroughly agreed upon objectives, tactical differences can strain our unity. And it is in this context that I reemphasize my strong conviction that the new dimension of intimacy and interdependence in U.S.-Israel relations requires extraordinary efforts on both sides at explanation and understanding.

Together, we can, and I am confident that we will, achieve our mutual objective of peace, security and prosperity for Israel and for all the peoples of the Mideast of a more open and just world. Let us go forward with our work, accordingly.

SMALL RETAILERS NEED SUPPORT

Mr. NELSON. Mr. President, once again a group of Wisconsin businessmen and women have come to Washington to articulate their concern about governmental responses to the problems they face.

In May, the Independent Business Association of Wisconsin joined with groups from other parts of the country to make their voices heard. This time, a contingent representing the Wisconsin Retail Hardware Association has made a special effort to stop off in Washington on the way to their national convention in Philadelphia, and I ask unanimous consent that the "Position Paper on Legislative Issues" they have presented to me be printed in the RECORD at the conclusion of my remarks.

I strongly urge my colleagues to pay special attention to the questions raised by this group, since I believe small retail establishments like theirs currently face more intense and unrelenting pressures than any other segment of our economy. Since they supply absolutely essential products directly to the public and to farmers and other small businessmen, they bear the brunt of the helpless frustration those people feel at the current mind-numbing rate of inflation. Yet they are the very last group who should be blamed for that inflation, which has equally debilitating effects on their lives—and livelihoods.

Perhaps more than anyone else, these small retail businesses are caught in an ever-tightening squeeze. On the one hand, they face pressures from monopolistic pricing and marketing techniques of corporate giants and dizzying changes in the supply of and demand for world resources.

On the other hand, they are confronted with the need to feed their own families and pay their own employees, while being fair to customers they may have known personally for years.

I am thus pleased to find that I share the concerns raised by these businessmen. I will continue vigorously to support such issues as Senator BIBLE'S small business tax simplification bill—of which I am a cosponsor—and Senator MCINTYRE'S exhaustive inquiry into the burdens of governmental paperwork, for example.

I am also concerned by the questions they raise regarding the potential impact on small retail businessmen of expanding military "PX" sales and bank "giveaway" programs, and I have directed my staff to inquire into the extent to which small businesses are being harmed by these and other governmentally sanctioned practices.

Finally, I have always been concerned with the questionable business practices of large corporations, including deceptive advertising and pricing techniques, and I will continue to use the Small Business Committee's Monopoly Subcommittee, which I chair, to look into these and other deceptions practiced by corporate giants.

Mr. President, I am gratified and encouraged by the time these fine people have taken to delineate the problems they face. They have gone out of their way to bring their concerns and proposals to their elected representatives, and therefore I am pleased to commend those concerns and proposals to the attention of my colleagues.

POSITION PAPER ON LEGISLATIVE ISSUES

(By the Wisconsin Retail Hardware Association)

The independent businessman is often spoken of in glowing terms as the "backbone of the nation" and probably no other group in business today has the decidedly favorable image of the local hardware operator. We cherish that reputation, and we care to preserve it.

In a period of increasing government regulations of our business, we recognize that we must be involved. Like any other citizens we share common concern over the growing and frightening inflationary spiral, campaign financing abuses, and the special problems of the aged and veteran groups. Yet, we have particular concerns that impact most severely on us as retailers and it is to these areas that we address our comments.

The following subject areas are not in order of priority but they do have a peculiar relevance to retailing, and taken together represent our own legislative agenda.

Expanded Authority for Small Business Committees.—The present congressional committee structure relegates the interests of small businessmen to a position of secondary importance. If the premise is correct that we are the "backbone" of our economy, then we need a forum that is primarily concerned with our present and future. Moreover, we sense a need to right the bias toward manufacturing interests which presently exists in these committees and consider retailing and service interests as well. The Small Business Committee needs to be more than a "stepchild" in the congressional committee framework. The committee should be providing "small business" impact statements for all major legislation. (e.g. Pension Reform, Minimum Wage, Consumer Protection Agency, etc.)

Federal Paperwork Burden.—Early in the initiative taken by Senator Thomas McIntyre in this area, our national association actively supported congressional reform. We sense improvement in the problem in terms of heightened consciousness to paperwork. We urge, however, that the pressure be maintained to end senseless duplication in reporting and to provide necessary technical assistance for smaller firms.

Military PX Sales.—The PX system like Topsy has grown far beyond the dimensions intended by the original congressional enactment. Small business resents that it alone must pay for the costs of these "military fringe benefits," which only recently have been extended to reservists and their dependents.

Bank Giveaways and Discount Sales.—Banking is a severely limited and regulated activity, but we cannot understand how the government stands idly by as financial institutions spurred by promotional hucksters offer everything from Color TV's to power tools to attract additional business. Bank customers are obviously paying for the merchandise, and the banks acknowledge that their activity fosters disintermediation. We are on record with the federal banking agencies (Federal Reserve, Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board) seeking to limit bank-giveaways and sales. Retailing can stand on the heat of competition, that's what retailing is all about, but competing with the financial institutions with whom we must deal is altogether a different matter.

Deceptive Pricing and Advertising.—It is in this area that our state legislature has done more than any other state to provide safeguards for the consumer and restore integrity to pricing and advertising. Support for the new Wisconsin regulation as a federal prototype would go a long way to stopping the use of phony comparative prices used by Catalog Showrooms. It took Senator Paul Douglas eight years to persuade the Congress to adopt a federal Truth in Lending law. It now appears what we need is another Senate champion for Truth in Pricing and Truth in Advertising.

Discriminatory Practices.—Small Business is frequently at the mercy of the larger enterprises in the economy. We need to explore in depth, charges of leasing discriminations in shopping centers by developers and major tenants. Our members complain of discriminatory lease provisions and rental rates. Another illustration of possible abuse of small business exists in discount rates charged by bank cards and credit card companies. As these cards become increasingly important in commerce, it is essential that safeguards be provided for small business to insure that it pays its fair share and no more.

Complaint Handling Procedures.—Senator Magnuson has introduced the Consumer Controversies Resolution Act, the purpose of which is to provide a mechanism for the fair and expeditious handling of complaints. We applaud the proposal, but we need to have the legislation drawn to embrace the small businessman. For in a larger sense we are consumers too, and want the same protection given the so-called consumer class.

Consumer Protection Agency.—The emotionalism surrounding this proposal is regrettable. Consumers' rights must be safeguarded and consumer interests be articulated, but we question the validity of legislation (S. 707) that is born of a paranoid fear of businessmen. We resent the implication that we are "ripoff" artists, and we believe that the proposed legislation takes a most patronizing attitude toward the consumer. Though we acknowledge that "small business" in practice would have little to fear from the CPA, it is the premise on which it is built that we object to.

Tax Reform.—The Bible-Evins bill contains some noteworthy provisions that would provide greater tax equity for small businessmen.

EQUAL JUSTICE UNDER THE LAW: THE 14TH CHIEF JUSTICE

Mr. CLARK. Mr. President, last week this country lost one of its truly great men not only of our time but of the entire history of this Republic. Few men in public life have the opportunity to significantly affect the course of the Nation or to touch the lives of every citizen. Earl Warren was one who did though—during a brilliant career as a fearless ccunty prosecutor, California State attorney general, a 3-term, progressive Governor, and of course, finally, as the 14th Chief Justice of the United States. He was not merely one of the great justices in American history—some say the greatest since Chief Justice Marshall—but more importantly he was one of the finest human beings this country has ever seen.

Perhaps the outstanding quality of this remarkable man and his career was his capacity for growth, a quality best evidenced by the three areas legal scholars point to as Warren's greatest contributions: racial equality, voting equality, and the rights of criminal defendants. In the 1940's, Earl Warren was one of the leading exponents of the incarceration of Japanese-Americans, one of the low points in race relations in this country. But just a decade later, Warren forged the unanimous Supreme Court decision ordering an end to racial discrimination in public education in what justifiably has been called the most important civil rights development in a century.

As a popular and practical Governor of California, Warren opposed efforts to reapportion the State legislature to correct the gross disparity between the heavily represented, sparsely populated northern portion of California and the under-represented, growing population of the southern half of the State. But years later, in a decision he labeled his most important, the Chief Justice said that all State legislatures should be apportioned on egalitarian principles because he recognized that democracy rests on the strength of the right to vote which in turn requires that every vote have equal weight.

Finally, the zealous county prosecutor who became a near legendary symbol of law and order—and the man whose own father was brutally murdered in a case which has never been solved—outgrew those experiences to set in motion a legal revolution in the protection of the rights of criminal defendants.

None of these landmark decisions could have been made by this man had he allowed his views and perspective to remain fixed and his intellectual development to stagnate. Equal justice under the law—that was his goal and standard. And if this ancient goal remains just beyond our grasp, it is certainly far closer to realization as a result of this man's legacy.

But Earl Warren's greatness extends beyond his legal contributions. Quite apart from his compelling vision of equality, Earl Warren was a profoundly decent human being. He recognized that character, thoughtfulness, and the common decency to treat each human being as a unique individual in his own personal relationships was just as important as all of his public stands for egalitarian causes. He was, in short, the ideal public servant: a humanitarian who loved humans. All of us will miss him.

STUDENT LOANS

Mr. BEALL. Mr. President, on June 20, 1974, I introduced S. 3686, to reverse a recent Internal Revenue ruling that portions of students loans which were cancelled as a result of service in certain professions or the service in certain areas, is taxable income.

Many students around the country are beginning to be hit by this ruling, which can result in a tax bill ranging from $200 to $2,000 for such students.

I am pleased that the Association of American Universities has endorsed S. 3686. I ask unanimous consent that the text of their letter together with a list of their membership be printed in the RECORD.

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

THE ASSOCIATION OF AMERICAN UNIVERSITIES,
Washington, D.C. July 1, 1974.

Senator J. GLENN BEALL, Jr.,
Old Senate Office Building,
Washington, D.C.

DEAR SENATOR BEALL: The Association of American Universities (list attached) supports your efforts to remedy the inequitable imposition by the Internal Revenue Service of taxes, both retroactively and prospectively, on student education loans which incorporate forgiveness provisions. The provisions of S. 3860, as introduced by you on June 20, would greatly assist students who hold National Direct Loans, National Defense Loans, Health Professions Loans, State Teaching Loans, State Medical Education Loans and Law Enforcement Education Loans. Students who have participated in

these programs in recent years would be protected against the sudden and, we feel, unwarranted assessment of back taxes and interest on the forgiveness provisions of their education loans, while other students, who participated in these programs in an earlier period covered by the Statute of Limitations, will not be so taxed.

The 1973 IRS ruling defining the loan forgiveness provision as taxable income imposes an inequitable burden and financial hardship on many students who properly assumed that these loans were being forgiven in the national interest. A retroactive tax imposes unexpected financial burdens on many students and arbitrarily discriminates against individuals whose loans would have been forgiven within the 3-year limit of the Statute of Limitations.

The intent of the Congress in providing forgiveness of these loans, insofar as we are able to determine it, was to provide incentives to students to enter fields of particular social need. In exchange for their services over a period of years the Congress provided a forgiveness of their loans. However, it may well be that circumstances have sufficiently changed to warrant a reconsideration of the national need for such student manpower incentives. We would respectfully suggest, however, that such fundamental amendments to the authorizing legislation should properly be considered by the appropriate authorizing committees of the Congress and not, in effect, by the Internal Revenue Service through tax rulings. Until a comprehensive Congressional review of these loans provisions is completed we urge the Congress to follow the intent of the law as enacted and to prohibit the imposition of taxes on the forgiveness portion of these student loan programs.

The Association of American Universities urges the Congress to give its prompt attention to this pressing problem and to adopt the provisions of S. 3680.

Sincerely yours,

JOHN C. CROWLEY,
Associate Executive Secretary.

ASSOCIATION OF AMERICAN UNIVERSITIES MEMBERSHIP

Brown University, Providence, R.I. 02912.
California Institute of Technology, Pasadena, Calif. 91109.
University of California, Berkeley, Calif. 94720.
Case Western Reserve University, Cleveland, Ohio 44106.
Catholic University of America, Washington, D.C. 20017.
University of Chicago, Chicago, Ill. 60637.
Clark University, Worcester, Mass. 01610.
University of Colorado, Boulder, Colo. 80302.
Columbia University New York, N.Y. 10027.
Cornell University, Ithaca, N.Y. 14850.
Duke University, Durham, N.C. 27705.
Harvard University, Cambridge, Mass. 02138.
University of Illinois, Urbana, Ill. 61801.
Indiana University, Bloomington, Ind. 47405.
Iowa State University, Ames, Iowa 50010.
University of Iowa, Iowa City, Iowa 52240.
The Johns Hopkins University Baltimore, Md. 21218.
University of Kansas, Lawrence, Kans. 66044.
University of Maryland, College Park, Md. 20742.
Massachusetts Institute of Technology, Cambridge, Mass. 02139.
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Michigan State University, East Lansing, Mich. 48824.
University of Michigan, Ann Arbor, Mich. 48104.
University of Minnesota, Minneapolis, Minn. 55455.
University of Missouri, Columbia, Mo. 65202.
University of Nebraska, Lincoln, Nebr. 68508.
New York University, New York, N.Y. 10003.
University of North Carolina, Chapel Hill, N.C. 27514.
Northwestern University, Evanston, Ill. 60201.
Ohio State University, Columbus, Ohio 43210.
University of Oregon, Eugene, Oreg. 97403.
Pennsylvania State University, University Park, Pa. 16802.
University of Pennsylvania, Philadelphia, Pa. 19104.
Princeton University, Princeton, N.J. 08540.
Purdue University, Lafayette, Ind. 47907.
University of Rochester, Rochester, N.Y. 14627.
University of Southern California, Los Angeles, Calif. 90007.
Stanford University, Stanford, Calif. 94305.
Syracuse University, Syracuse, N.Y. 13210.
University of Texas, Austin, Tex. 78712.
University of Toronto, Toronto, Ontario, Canada.
Tulane University, New Orleans, La. 70118.
Vanderbilt University, Nashville, Tenn. 37203.
University of Virginia, Charlotte, Va. 22903.
University of Washington, Seattle, Wash. 98105.
Washington University, St. Louis, Mo. 63130.
University of Wisconsin, Madison, Wis. 53706.
Yale University, New Haven, Conn. 06520.

GRAIN RESERVE DEBATE

Mr. HUMPHREY. Mr. President, I would like to point out a worthwhile article, "U.S. Grain-Reserve Debate Heats," from the July 10 Christian Science Monitor. I also would like to commend the Christian Science Monitor for its recent articles on food issues.

The article contrasts my position with that of Secretary Butz in terms of the issue of grain reserves. I maintain that we need a reserve program to insure our grain farmers predictable and profitable prices, to meet our trade requirements, and to be prepared for disaster situations.

The administration response is to rely solely on the market. But how can one expect to achieve stability in a market by continuing a policy which has proven that it fosters uncertainty and volatile prices?

The administration's opposition to a reserve program shows not only a lack of concern for the future but also a total lack of understanding as to the real situation. Other nations have begun to establish reserve programs of their own since they have begun to doubt our reliability as a supplier. If a reserve program is a good idea for other nations why should we not also have our own reserves?

The administration has not yet faced the question as to whether private suppliers should be expected to hold reserves for emergency needs. This is a public interest issue which the private sector is not adequately equipped to handle.

We need a sensible food policy which takes these needs into account. The administration has not been willing, to date, to face up to the shortcomings of its present policies.

Mr. President, I ask unanimous consent that this article be printed in the RECORD.

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

U.S. GRAIN-RESERVE DEBATE HEATS

(By John Dillin)

WASHINGTON.—Does the United States need a grain reserve, as biblical Egypt did in Joseph's time, to guard against world hunger?

Sen. Hubert H. Humphrey (D) of Minnesota cites the story of Joseph in support of his bill to establish a major U.S. grain bank to protect against lean times that now threaten parts of the world.

U.S. officials, led by Agriculture Secretary Earl L. Butz, oppose the idea.

Two developments have given a U.S. decision on this issue world importance. Grain reserves in major producing countries have sunk to modern-day lows in the past year; and some agricultural experts are warning that drought, energy shortages, and fertilizer scarcity are threatening famine in some of the most populous nations of the globe.

On the surface, Senator Humphrey's call for a U.S. grain reserve might seem an uncontroversial and obvious reflection of common sense.

IMPACT QUESTIONED

But U.S. agriculture officials argue strongly that the impact on the world food supply would be just the opposite of what Mr. Humphrey suggests.

The result, they say, could be more hunger, not less.

On July 17, Mr. Humphrey's measure, Amendment 1348, comes up for a vote in the Senate Agriculture Committee. Members are thought to be evenly divided. If it fails there, Mr. Humphrey is expected to carry the fight to the Senate floor.

The Humphrey amendment seeks to maintain a basic reserve which, ideally, would not be used until times of great national or international need.

The reserves, held one-third by the government and two-thirds by private hands, would consist of:

Wheat, 600 million bushels (a nine-month supply for U.S. users).

Feed grains, 40 million tons (a three-month domestic supply).

Cotton, 5 million bales (a seven-month supply).

Soybeans, 150 million bushels (a 2½-month supply).

Senator Humphrey calls this level of reserves "very modest," while the Agriculture Department counters that it is "quite high."

Both sides in the disagreement insist they are striving for the same result:

Adequate supplies to customers, and steady, profitable prices to the farmers. The perennial problem of American agriculture has been to achieve both of these results at the same time. Today the situation appears particularly volatile.

EXPLANATION OFFERED

Senator Humphrey explains:

"We are entering a period which could turn out to be ironically either a period of even greater shortages, or a period of production far in excess of demand. . . . To comprehend such a situation, one must remember that one simple political decision by the Russians (to buy grain), or by the People's Republic of China today could move us from one end of such a supply spectrum to the other very abruptly."

Under these circumstances, farmers can be the sudden beneficiaries, or the sudden victims, of decisions made in Moscow, Peking, New Delhi, or Tokyo. It is a situation in which the farmer, who is being urged by Washington to plant every available acre, "can be taken for a fast ride on a downhill slope," Mr. Humphrey says.

The roller-coaster effect could be moderated, he says, by a U.S. reserve system that soaked up surpluses in times of excess production and helped fill deficits in time of need.

Agriculture Secretary Butz, however, counters that the Humphrey plan just will not work.

The effect of reserve hanging over the marketplace, he says, is to suppress prices.

PRODUCTION AFFECTED

Lower prices mean lower production.

Lower production means more hungry people.

Furthermore, says one U.S. agriculture official who specializes in the grain trade, this is not the moment for the country to begin a grain bank, anyway. Every bit of production is needed by consumers. Little or no excess capacity exists to begin a government-financed reserve this year.

The official makes two additional points:

1. A major grain reserve almost certainly would become a political football. Heavy pressures would be brought on Congress to release the grain every time prices started to rise. The result is to "defeat the purpose of the legislation," by releasing the reserve before it is really needed.

2. Other nations, particularly grain-importing nations, should build their own reserves according to their own needs. Huge U.S. stockpiles in the past made it unnecessary for other nations to plan ahead. Renewed stockpiling by the United States now would delay the time when other nations take the necessary steps to feed their own people.

DOMESTIC FISHERIES AND THE LAW OF THE SEA CONFERENCE

Mr. GRAVEL. Mr. President, I have just returned from a trip to my home State of Alaska, which, as you may be aware, is facing a major crisis in its fishing industry.

In Alaska, Mr. President, fishing has long been a mainstay of our economy, providing food, jobs, and income for our people.

Fishing accounts for the single largest labor force in the State; it contributes $50 million annually to the gross State product. It is clear, then, that what happens to our fishermen will be felt throughout Alaska.

The entire domestic fishing industry is in dire need of assistance. As the competition increases and foreign technology advances, the supplies dwindle. Today, more fish are being caught than can be replaced through the normal reproductive cycle. The salmon grounds in Alaska are a prime example of ever-diminishing catches, which result in severe economic hardship for those who depend on the sea.

Fishing in the United States is basically an individual effort. Many of our foreign competitors, however, employ highly technical, distant-water factory fleets, all backed by handsome government subsidies. With the exception of our distant-water tuna and shrimp fleets these advanced techniques are virtually unknown to our own fishermen. It is a sad commentary that a Nation capable of such highly technical achievements as ours is unable to compete for our own resources from the sea.

Many of the factors which contribute to the declining state of the domestic fisheries can be alleviated by properly directed, protective Government actions. But a high degree of international cooperation is a basic requirement in order to effectively enforce such policies.

For that reason, I was pleased, as were all Alaskans, to read of the position presented by this Government at last week's United Nations Law of the Sea Conference, meeting in Caracas, Venezuela.

Ambassador John R. Stevenson, representing our Nation's interests at the Conference, supported what I consider to be a highly commendable position governing coastal fishing rights.

Ambassador Stevenson told the assembled representatives from 150 nations that this country would embrace an extension of territorial rights to 12 miles and the creation of an outer limit of 200 miles for an economic/contiguous zone.

It is equally important, I might add, that control over anadromous species be maintained by those coastal nations which support the spawning areas.

As a long-time supporter of the 200-miles zone concept, I welcome our posture before the conference.

However, I would urge my colleagues to continue their efforts to secure congressional legislation establishing a 200-mile limit. The conference has not yet voted on the 200-mile concept, and, even if it were to endorse it, Congress would still be required to enact legislation consonant with that proposal.

I am hopeful, Mr. President, that we can act on this crucial matter here in the Senate this summer. The fishermen of Bristol Bay and other economically depressed areas of Alaska depend for their likelihood on how we treat this topic.

Should the Commerce Committee favorably report out a measure establishing the 200-mile limit, I would hope for unanimous support for the bill in the Senate, as well as in the other body.

CAPTIVE NATIONS WEEK

Mr. ROTH. Mr. President, it is entirely fitting that during the month when the United States celebrates its own independence, we in the Senate should recognize the plight of captive nations. Since 1959, the third week of July has been declared Captive Nations Week, for the purpose of commemorating the valiant struggle of numerous Eastern European nations which have fallen under Soviet domination.

Approximately 100 million people, living in Albania, Bulgaria, Czechoslovakia, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, the Ukraine, and other lands, lack the freedoms which we Americans so readily take for granted. It is fitting that during this week, we should affirm again our belief in the need for freedom and self-determination of the people in these captive nations.

Our recognition of Captive Nations Week this year provides a striking contrast to those celebrations of the past. In Europe, the 35-nation Conference on Security and Cooperation in Europe has considered the issues of "inviolability of frontiers" and the free exchange of information and ideas between East and West. It would, indeed, be hypocritical to pursue these discussions without considering the instances of forced resettlements and the curtailing of basic freedoms which have been documented in these captive nations.

We cannot afford to ignore the warnings of people like Andrei Sakharov, the eminent Soviet physicist, who cautions us in the West that:

Rapprochement cannot be unconditional, otherwise, it will be just one more capitulation to our anti-democratic regime, an encouragement to its sins, and will have particularly heavy and tragic consequences for the entire world situation.

In recognizing the 16th anniversary of Captive Nations Week, America continues to espouse the cause of freedom and self-determination which lie at the roots of our own heritage.

WILSON, N.C., MAN NAMED OPTOMETRIST OF THE YEAR

Mr. ERVIN. Mr. President, it is always a pleasure to call attention to an honor bestowed on a constituent. It is a special occasion when the person has compiled a distinguished record of service. Dr. John D. Costabile, of Wilson, is such a person. Recently the American Optometric Association named him the optometrist of the year.

Dr. Costabile has aided thousands of persons in North Carolina, not only in the area of vision. He has been active in industrial development, educational progress, mental health, and conservation. Dr. Costabile has been appointed to State governing boards and agencies by five North Carolina Governors.

He provided outstanding leadership to the first eastern North Carolina industrial mission to New York in 1963. He has served on the Wilson County industrial council for 8 years, during which time thousands of new job opportunities opened in that county.

He also serves as Wilson County Commissioner and as trustee of the Wilson County Technical Institute.

As a direct offshoot of his concern for good vision, Dr. Costabile for 25 years has worked with the State commission for the blind. He negotiated with State officials for inclusion of total optometric care, including vision therapy, in the State medicaid programs. As a result, over 100,000 persons receive vision examinations annually. He also instituted a vision screening program for the schools in his home county.

A member of the Medical Advisory Commission on Medicaid, he chairs the Wilson-Greene Area Mental Health Board, which has developed a full-scale mental health program with services to alcoholics and drug addicts, among others.

As president of the Wilson Lions Club, he instituted a program which spread to other communities across the Nation—"Operation Pine Tree." Over 20,000 free seedlings were distributed to homeowners in his hometown. Nationally, over 160,000 seedlings have been issued.

Dr. Costabile has served his profession through long years of work in his State and national associations. He was one of the organizers of the Southern Council

of Optometrists. SCO named him optometrist of the South in 1961. For 22 years he has served as secretary-treasurer of the State association. He has been active in the national group and is a member of the Council on Optometric Education.

Mr. President, in ways too numerous to detail or describe here, Dr. Costabile has been helping his neighbors all over the State. I congratulate him on this honor. We count ourselves fortunate in North Carolina to have such an outstanding and giving citizen.

MRS. MARTIN LUTHER KING, SR.

Mr. MATHIAS. Mr. President, it is a blot on the record of human progress that great causes have often demanded the sacrifice of martyrs. The great cause of civil rights has been no exception.

But the cruel, mindless murder of Mrs. Martin Luther King as she worshipped in Ebenezer Church seems to be an exaction beyond all reason and all understanding. In a very real sense, Mrs. King was already a martyr through the loss of her son, Dr. Martin Luther King, Jr., and the grief and sorrow that his assassination must have cost her. She has now joined her son in the army of martyrs, but our hearts go out in compassion and love to her husband who is left to bear the burden and the grief.

THE ROLE OF FIREARMS IN OUR SOCIETY

Mr. KENNEDY. Mr. President, last Saturday, Mr. Louis Sisler, a lobbyist for the National Rifle Association, was gunned down in the doorway of his home in Northwest Washington.

Last Thursday, two prisoners used guns to take seven hostages in a dramatic episode in the U.S. District Courthouse.

And 2 weeks ago, the Nation was stunned by the assassination of Mrs. Martin Luther King, Sr., and Deacon John Boykin, in Atlanta.

These events are similar because they were all made possible solely because desperate people had easy access to guns.

Mr. Sisler's assailants were searching for someone who attacked their relative. The man charged with the killings in Atlanta went on a senseless rampage. And the prisoners in the Federal court are lashing out at a system that has been oppressive and insensitive.

In each case, available firearms provided unlimited powers to people whose grievances certainly could have been settled more reasonably and more humanely in the absence of firearms.

Those of us who have been in the struggle for effective Federal firearms legislation know only too well the claims of those who oppose controls because "the right to bear arms" is born in the Constitution. Obviously, legitimate uses of firearms deserve to be protected. But there is no way to justify the unrestrained use of guns that encourage acts of the type recently in the news.

Each year the toll of gun homicides in the United States is greater than in the year before. Each year the number of firearms produced by the gun industry and put in the marketplace is greater than the year before.

Too little is said about the violence and the tragedies that guns cause; and even less is done about gun crimes.

Instead of increasing gun production year after year, let us strive to restrain public access to guns. Let us use gun registration to weed out those who have no legitimate need for a gun. Guns should not be as easy to obtain as household appliances. Guns should not be sold to anyone who is simply able to meet the purchase price.

When our national leaders publicly proclaim a commitment to end the shooting, gun violence in this country can be reduced. When our leaders urge all Americans to seek ways to restrain gun abuse; instead of encouraging those who would incite citizens to arm themselves, death by gunfire will no longer be a daily tragedy in modern American life.

Each day in America is a day of mourning for the 60 people who die from gun wounds. The gun mystique has been fantasized and romanticized. It is well past the time to place in proper perspective the proper role of firearms in our society.

Let us memorialize those who have died by gunfire with a sane and reasonable curb on the proliferation of guns, before the two-gun family becomes as commonplace as the two-car family. Let us halt the production and sale of those guns that serve no justifiable purpose other than to maim or murder human beings.

With some 150 million guns in private hands, Americans own the largest nonmilitary arsenal in the world. We must halt this unjustified display of weapons.

Recent dramatic tragedies with guns simply remind the Nation of a daily national illness that must be cured. It is my hope that the deaths of Mrs. King, Deacon Boykin, and Mr. Sisler were not in vain but, rather, that their memories will help establish controls that will minimize the chance that others will die in such a wanton manner.

THE NEED FOR NATIONAL MOBILE HOMES SAFETY STANDARDS

Mr. BROCK. Mr. President, needless lives and property are being sacrificed in America today because there is no comprehensive national mobile homes safety legislation. Although there is a proliferation of State safety laws, these have proven inadequate to give the mobile homeowner adequate protection.

For example, the Memphis Commercial Appeal on July 8 reported the tragic incident of tornadoes making shambles out of some mobile homes in the Redwood Estates in Mississippi, a short distance south of Memphis, Tenn. According to this report, there were about 140 mobile homes in the Redwood Estates when tornadic winds struck there on November 27, 1973. Very few of them were tied down and within minutes a large part of the park was reduced to a jumble of upended homes, many shredded beyond repair. There were numerous injuries and a 6-week-old infant died several days later.

The owner of one of those homes stated that nothing is safe in a direct hit by a tornado, but that her home survived that storm with little damage because she had recently installed tiedowns. Unfortunately, many of her neighbors who were blown away did not have such tiedowns.

The editors of the Commercial Appeal in a well-reasoned editorial point out that the solution to the problem would be Federal legislation requiring tiedowns. Chapter VI of the Senate housing bill which is now in conference would establish a National Mobile Homes Housing Administration within the Housing and Urban Development Department, with the responsibility to establish national standards for construction and safety. Under these standards, all new homes would be required to be equipped with tie-downs.

Unfortunately, the House version of the Housing bill makes no mention of mobile homes. I am hopeful that the House-Senate conferees will follow the advice of the editors of the Commercial Appeal and adopt national mobile homes safety legislation. Such a move is badly needed to prevent further loss of life and property.

Mr. President, I ask unanimous consent that the editorial and news story appearing in the Commercial Appeal be printed in the RECORD.

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

MOBILE HOME MOORINGS NEEDED

A mobile home caught directly in the path of a tornado or hurricane is probably doomed no matter what safety precautions have been taken. But there is no question that the frequent damage done to mobile homes by straight, high winds that accompany thunderstorms or tornadic activity can be prevented or lessened by strong moorings.

The wisdom of steel-cable tiedowns was made clear by observance of those mobile homes that survived and those that were blown apart by tornadic winds at a trailer park just across the Mississippi line from Memphis last Nov. 27.

Mississippi has since created regulations requiring tie-downs on all mobile homes sold since the beginning of this July. The next Tennessee legislature should enact similar requirements. As recent statistics showed, practically no permanent houses in the $15,000 or below range are being built in the Memphis area. But nationwide, 95 per cent of the housing being built at that price level consists of mobile homes. Their vulnerability to high wind is a hazard that state governments cannot ignore.

Better still would be federal legislation requiring tie-downs. Chapter 6 of the Senate omnibus housing bill (S 3066) which was passed on March 11 would establish a National Mobile Home Administration within the Housing and Urban Development Department. Among the responsibilities of this new agency would be national standards for construction and safety.

But the more streamlined version of the housing bill passed by the House (HR 15361) on June 20 makes no mention of mobile homes. It might seem simple to insert this safety provision without argument when a Senate-House conference on differences is held in the near future. The trouble is, differences on the major issues such as subsidized homeownership, rental assistance and grants for urban aid are so enormous that it

may be difficult to get much attention for mobile-home safety.

If Sen. Bill Brock (R-Tenn.), main proponent of the safety regulations, can prevail, this progressive action may survive in compromise legislation.

But if Congress shunts the matter aside, action at the state level will be all important. The added cost is relatively small. The savings, if winds hit a trailer park, are tremendous.

(By Thomas Bevier)

Mrs. Opal Venhuizen has already "been flying" in her mobile home once, so she need not be told about the wisdom of tie-downs, steel cables over the top of her residence moored in concrete on either side.

"I just keep preaching them," she says.

Mrs. Venhuizen owns one of the some 70 mobile homes remaining in Redwood Estates in Mississippi at Interstate 55 and Goodman Road south of Memphis.

Redwood Estates is a prime example being used in a move for federal legislation requiring proper mooring to guard against damage caused by high winds.

There were about 140 mobile homes in Redwood Estates when tornadic winds struck there Nov. 27, 1973. Very few of them were tied down and within minutes a large part of the park was reduced to a jumble of upended homes, many shredded beyond repair. There were numerous injuries and a 6-week-old infant died several days later.

Mrs. Venhuizen will tell you "nothing is safe" in a direct hit by a tornado, but her home survived that storm with little damage. In a previous storm, however, her home had been moved four feet off its blocks.

"I got out and it was blowing and raining," she says. "It knocked me off my feet. I didn't know what to do so I started whistling 'Amazing Grace.' A neighbor told me to come inside. 'Do you want coffee?' I said, 'Yes, and with a slug in it.'

"After that my son said, 'Mother, you have got to have tie-downs.' I said, 'I agree,' and I've felt more comfortable since."

Sen. William E. Brock (R-Tenn.) has introduced legislation which would provide national safety standards for mobile homes. It has passed the Senate and, said Pat Abshire, an aide, may be considered next week by a conference committee. The legislation passed the Senate as part of an omnibus housing bill, but it was not in the House version. The provision has the support of the mobile home industry and of various consumer groups. The requirement of proper mooring of mobile homes is a part of it.

"One of the reasons industry wants it is because there is lack of uniformity among the states," Abshire says.

Since the tornado hit Redwood Estates, Mississippi has adopted regulations stricter than those in most states. Under regulations promulgated by the state fire marshal, there must be tie-downs on all mobile homes sold in the state since July 1. Additionally, dealers doing business in the state must be licensed by the state and are held liable for improper installation. The mobile homes must be built to minimum specifications set out by the American Standards Institute.

Neither Arkansas nor Tennessee has such requirements.

The need for additional regulation is bolstered in a report by Col. Robert L. Fox, director of the Tennessee division of Civil Defense. He found that in seven days from Nov. 27, 1973, through Dec. 3, 1973, there were 171 mobile homes destroyed by high winds, 174 heavily damaged, that 82 persons were injured and one killed in the Mid-South within about a 100-mile radius of Memphis.

He concentrated on Redwood Estates. "The tragic fact is that many of the injuries, possibly one death and much of the destruction could have been prevented in this case and many others throughout the nation had proper legislation and regulations been passed requiring mandatory securing and manufacture standards of mobile homes," he wrote.

Accompanying his report, which was forwarded to Brock, who previously had authored legislation, was a letter from Glenn Stallard, meteorologist in charge of the National Weather Service in Memphis.

"While I was able to make only a spot check of owners of mobile homes struck by the Nov. 27 (1973) storm (in Redwood Estates)," Stallard wrote, "it seems apparent that most did not have the homes tied down. Among those that were tied down, I found one that had been moved only a few inches off its blocks and another that was turned over on its side when anchors pulled from the ground.

"It is realized that having a mobile home securely anchored would not prevent its destruction when hit directly by a tornado. However, there seems to be much needless destruction of homes by straight winds in severe thunderstorms and by the high winds accompanying funnel clouds which remain aloft . . ."

Fox pointed out the problem is one of increasing importance nationwide because more than seven million Americans now live in mobile homes.

"The use of mobile homes as permanent dwellings has been increasing at an astounding rate," he wrote. "At the present time, the mobile home industry provides 95 per cent of the housing below the $15,000 class."

The cost of tie-downs, he reports, are around $150 and if they are properly installed a mobile home can withstand winds of 70 mph and more, depending on the number of over-the-top ties.

Mrs. Roy Bunger, who moved into Redwood Estates about six weeks ago, says she wouldn't be without them.

"You need them for your protection," she says. "I've lived in mobile homes for 10 years and I wouldn't be without them."

Still, despite the storm of November, 1973, many of the residents are without them. One is the development's assistant manager, Dick Stuard.

"I just haven't had the money to install them," he says. "But I come to the clubhouse every time a cloud comes by and so does everyone else."

TRIBUTE TO SENATOR McGOVERN

Mr. BIDEN. Mr. President, last weekend I had the opportunity to address the State Convention of the South Dakota Democratic Party in Rapid City. I heard there a stirring tribute to the senior Senator from South Dakota, delivered by the State's Methodist Bishop, James Armstrong. I think my colleagues will be interested in the high regard his friends back home hold for Senator GEORGE MCGOVERN, and I therefore ask unanimous consent that Bishop Armstrong's excellent statement be printed in the RECORD.

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

INTRODUCTION OF SENATOR GEORGE MCGOVERN, SOUTH DAKOTA STATE DEMOCRATIC CONVENTION, RAPID CITY, S. DAK., JULY 6, 1974

It goes without saying, but I am not here as a bishop of any particular church or as a representative voice of a religious denomination. Rather, I am here as one concerned and deeply committed citizen; one who, on this occasion is privileged to present to you South Dakota's most distinguished son.

I have just finished reading All the President's Men by those two brilliant, dogged, determined Washington Post reporters. The unbelievable story is there: the President's most trusted and powerful advisors masterminded the blatant violation of the rights of American people. "Enemies lists" were developed, phones were bugged, primaries and public opinion polls were rigged, secret slush funds were accumulated and the money was "laundered" in distant capitals. Breaking and entering, burglary, perjury, obstructions of justice, "dirty tricks" along the campaign trail from New Hampshire and Florida to California, and a weird assortment of cover-ups were all a part of the record. Never had such criminality invaded the executive branch of the American government. But, the chief victim of the Watergate syndrome, apart from the American people, was Senator George McGovern.

Now, two years later, Senator McGovern is opposed by a young man who claims to represent "the new politics."

Does Lyn Nofziger, one of the original White House "dirty tricksters" brought into South Dakota by Col. Thorsness at the outset of his campaign, represent the "new" politics?

Do the heavy contributions coming to support the colonel's campaign from all over the country, contributions coming from those who were conspicuous contributors to the Nix-Watergate slush fund, speak of the "new" politics?

It is George McGovern, who chaired the Reform Commission and has stood in the vanguard of the battle for new campaign financing legislation and essential electoral reform; it is George McGovern, not his out-of-state opponent, who represents the new politics; the people's politics of the future.

As I said, the chief victim of the Watergate syndrome, apart from the American people, was George McGovern. So many lies had been told about him, so many distortions had been manufactured by the opposition, that by the time November, 1972, rolled around the real George McGovern had been lost from view.

Now we—the people of South Dakota—have an opportunity to set the record straight. We have a chance to celebrate and recommit ourselves to the real George McGovern, the man who has become a conscience to his nation; who continues to be a faithful servant of his state.

Long before most of us understood the error of our ways in Southeast Asia, George McGovern was opposing leaders of his own party in protesting the waste and foolishness of the war.

Long before most of us understood the implications of vetoes and impounded funds that penalized the poor and powerless, George McGovern was warning against a misplaced set of national priorities and a military budget gone wild.

Long before most of us considered Watergate anything other than a "caper," a "prank," a "third-rate burglary job," George McGovern was warning about corruption in government, talking about a constitutional crisis and pleading for us to "come home America."

George McGovern has consistently been ahead of his time—a voice in the wilderness—appealing to the best sides of our natures and reminding us of the validity of the American dream.

In South Dakota we have a special reason to be grateful. Democrats have risen to positions of unprecedented prominence. We have a popular and effective Democrat governor—Dick Kneip. Here in Rapid City we have one of the most effective young mayors in the country—Don Barnett. We have two Democrat senators; one Democrat congressman, a vigorous Democratic presence in the legislative halls in Pierre, and a state Party that is aggressive and confident. Do you remember where it all began?

In 1952 the Eisenhower sweep left only

two Democrats in South Dakota's seventy-five member Assembly and none in the thirty-five member Senate. Between 1889 and 1952 the Republicans won about 95% of the elections in South Dakota. But in the mid-1950's a young history professor from Mitchell was asked to be the executive secretary of the Democratic Party. There was no salary. There was no paid staff. Only the promise of the future.

Almost immediately George and Eleanor, side by side, began to criss-cross the state, going from town to town and farmhouse to farmhouse, sleeping in their car, living on beans and hamburgers, selling campaign buttons—building a loyal and energetic party.

We would not be here in our present strength—today—had it not been for the early organizational work and later rise to national prominence of our senior Senator.

Born and raised in South Dakota he left us to serve valiantly in World War II. He returned to South Dakota to teach in one of our finest colleges. He launched his public career in South Dakota and has proudly represented us across the country and around the world.

During these summer months we have an opportunity to rally behind George McGovern, to say "Thank you" from the bottom of our hearts, and to send a message to the rest of the nation as, on November 5, we return Senator McGovern to Washington with a resounding victory.—George McGovern!

SENATE SHOULD NOT REPEAL HUD AUTHORITY TO REGULATE HOME CLOSING COSTS

Mr. PROXMIRE. Mr. President, yesterday I introduced amendment No. 1556 to S. 3164, the Real Estate Settlement Procedure Act. Cosponsoring this amendment with me are Senators MAGNUSON, MATHIAS, CASE, HART, and TUNNEY. Today I should like to announce as additional cosponsors Senators HATFIELD, KENNEDY, and METZENBAUM.

Amendment No. 1556 would strike section 10(c) of S. 3164—the section which repeals HUD's current authority to regulate settlement costs on FHA and VA mortgages.

As I have stated here on the floor and elsewhere, I am convinced that it would be a serious mistake to repeal HUD's authority in this area, and a disastrous blow to the consumer interest. At this time, when we in the Senate are engaged in taking a giant step forward by acting on the Consumer Protection Agency bill, hopefully without any crippling amendments, let us strengthen still further the Senate's strong record on consumer issues by passing a better settlement costs bill.

S. 3164, the Brock bill, provides for a number of reforms on which there is little controversy. These include provisions requiring more disclosure of closing charges, prohibiting kickbacks and other unearned fees, and restricting escrow account payments. With these provisions I have no arguments.

However, at the moment they are simply a cosmetic cover for the major setback to the consumer interest represented by the repealer of section 701 of the Emergency Housing Finance Act of 1970—HUD's authority to regulate settlement costs. If the bill goes through in its present form, then the lobbyists' basic objective—getting rid of the HUD authority—will be achieved, and there will no longer be any statutory deterrent to unrestrained escalation of settlement charges.

In yesterday's debate, the Senator from Tennessee made reference to an editorial which appeared in the Washington Post on June 2 stating that S. 3164 was important consumer legislation. I stated that I took issue with the thrust of that editorial precisely because it did not touch on the matter of the section 701 repealer. I should like to add that I was not alone in being disturbed at this omission. Congresswoman LEONOR K. SULLIVAN, who heads the Consumer Credit Subcommittee of the House Banking and Currency Committee, the counterpart of the subcommittee which I chair on the Senate side, wrote a detailed response to the Post editorial which was printed a few days later. I quote at some length from her letter:

But your editorial failed to point out that S. 3164, as it is now written, has one significant and disastrous failing which turns it into anti-consumer legislation. That failing is a provision to repeal the legal authority of the Housing and Urban Development Department to regulate settlement costs applying to FHA insured and VA guaranteed residential real estate transactions. These mortgages represent about one-third of all home mortgages. This authority was given to HUD in the Emergency Home Finance Act of 1970.

It is true that HUD has as yet not exercised this authority, but its very existence, coupled with growing awareness of abusive settlement practices has begun to produce substantial benefits for the homebuying public on the local level around the country.

In effect, real estate developers, lawyers, residential mortgage lenders, title insurance companies and others have been placed on notice that settlement transactions for federally insured and guaranteed residential mortgages could be regulated by a simple administrative decision to do so. This fact has prompted the adoption of settlement reform legislation by a growing number of state legislatures.

The Senate bill, far from achieving reform, would eliminate HUD's settlement cost regulatory authority—in my view the main item that is now motivating state action. In view of this, it is indeed ironic to find The Post supporting S. 3164 which I think is a thinly disguised step backward on the road to true settlement reform.

A letter in the same vein from Lewis H. Goldfarb of Reston appeared on the same day. I ask unanimous consent that the full text of these letters be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit No. 1.)

Mr. PROXMIRE. Mr. President, on the same day that these letters appeared, June 12, the Post published another editorial on the settlement costs legislation, which the Senator from Tennessee neglected to mention. That editorial drew attention to the above-mentioned letters and conceded that the bill would be better without the repealer. It stated that—

HUD is fully justified in assuming a role in regulating settlement costs involving FHA and VA money, and any pressure it might bring to bear on inflated charges and unnecessary expenses would be cheered by consumers.

I still disagree with the basic thrust of the editorial, which is that S. 3164 should pass anyway, but I am glad that the Post at least drew attention to the concern shared by many Members of the Senate and House, as well as by a large number of consumer, labor, and public interest groups, that repeal of HUD's authority under section 701 would be a blow to the consumer interest and would negate in large part the reforms proposed in S. 3164.

Mr. President, I ask unanimous consent that the Post editorial also be printed in the RECORD at the conclusion of my remarks.

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

[From the Washington Post, June 12, 1974]

MORE ON REAL ESTATE SETTLEMENTS

In our comments in this space last week about the costly and confusing practices that home buyers confront in real estate settlements, we noted that the Senate Banking Committee had approved a bill prohibiting kickbacks and requiring advance disclosure of settlement costs to prospective buyers—reforms we thought worthy of enactment. So far, no one has written us in support of kickbacks or in favor of last-minute settlement charges, but two of today's "Letters to the Editor" cite interesting arguments against passage of the Senate measure.

Rep. Leonor K. Sullivan (D-Mo.) and Lewis H. Goldfarb of Reston both observe that S. 3164, as presently written, would repeal the authority of the Housing and Urban Development Department to regulate settlement costs applying to FHA and VA guaranteed residential real estate transactions. Because of this, Rep. Sullivan believes that no bill ought to be passed this year, that continuation of the HUD authority and "growing awareness of abusive settlement practices" is enough for right now. Mr. Goldfarb, on the other hand, notes that a number of proposed bills would offer more effective solutions to the consumer abuses occurring in the settlement business.

We were well aware of the provision in S. 3164 that would repeal HUD's authority. But somehow it didn't strike us as a "disastrous failing" of the measure, as Rep. Sullivan contends. We might have thought so, were there better evidence, but the fact that HUD has never used this authority led us to conclude that its repeal would be no great calamity.

Still, if the reforms contained in S. 3164 can be enacted without repealing this never-used federal authority, fine. Certainly HUD is fully justified in assuming a role in regulating settlement costs involving FHA and VA money, and any pressure it might bring to bear on inflated charges and unnecessary expenses would be cheered by consumers. But rather than drop any attempt at federal legislation prohibiting kickbacks or requiring better disclosure practices, the more responsible course for members of Congress is, as Mr. Goldfarb suggests, to work for a stronger bill that would retain—or even strengthen—HUD's powers.

EXHIBIT 1

[From the Washington Post, June 12, 1974]

THE SYSTEMATIC FLEECING OF HOME BUYERS

It was with great interest that I read the Post editorial, "The Systematic Fleecing of Home Buyers," in the Sunday, June 2, edition. Your newspaper and reporter Ron Kessler are to be commended for the attention given the urgent need for reform of residential real estate settlement procedures.

However, I must point out that the edi-

torial is in serious error when it urges passage of S. 3164, a so-called settlement reform bill passed by the Senate Banking Committee. It is true, as your editorial points out, that S. 3164 prohibits the practice of kickbacks among those providing real estate sales and settlement services and requires advance disclosure of settlement costs to prospective homebuyers. Certainly these are important and highly desirably features.

But your editorial failed to point out that S. 3164, as it is now written, has one significant and disastrous failing which turns it into anti-consumer legislation. That failing is a provision to repeal the legal authority of the Housing and Urban Development Department to regulate settlement costs applying to FHA insured and VA guaranteed residential real estate transactions. These mortgages represent about one-third of all home mortgages. This authority was given to HUD in the Emergency Home Finance Act of 1970.

It is true that HUD has as yet not exercised this authority, but its very existence, coupled with growing awareness of abusive settlement practices has begun to produce substantial benefits for the homebuying public on the local level around the country.

In effect, real estate developers, lawyers, residential mortgage lenders, title insurance companies and others have been placed on notice that settlement transactions for federally insured and guaranteed residential mortgages could be regulated by a simple administrative decision to do so. This fact has prompted the adoption of settlement reform legislation by a growing number of state legislatures.

The Senate bill, far from achieving reform, would eliminate HUD's settlement cost regulatory authority—in my view the main item that is now motivating state action. In view of this, it is indeed ironic to find The Post supporting S. 3164 which I think is a thinly disguised step backward on the road to true settlement reform.

Rather than adopt S. 3164 and its counterpart in the House, I am convinced the wisest course to follow at present is to give the states a reasonable opportunity to respond to the pressure of existing HUD authority and to public awareness of the need for change. At the appropriate time during the next Congress, members of Congress can evaluate state action and determine what if any additional federal legislation is needed.

Your editorial, quite rightly, emphasized the need for settlement reform articulated by Chief Justice Burger in a recent speech to a meeting of the American Law Institute here in Washington, D.C. It is interesting to note that in a statement printed in the Congressional Record on May 23, 1974, nine days before your editorial, I cited Chief Justice Burger's address, but also clearly pointed out the crucial weakness in settlement measures under consideration in the Senate and the House. It is unfortunate that The Post did not feel compelled, in its editorial, to point out the public criticism of Senator Proxmire and myself of S. 3164 as anti-consumer legislation.

I do not wish to discourage The Post from further pursuing the issue of settlement reform and supporting its achievement, but elimination of kickbacks and disclosure are not the only important issues involved in the settlement reform field. Retaining federal legal authority to correct abuses is essential to achieving meaningful reform.

LEONOR K. SULLIVAN,
Member of Congress,
Third District, Missouri.

It is disconcerting to see The Washington Post, a long time spokesman for meaningful real estate settlement reform, lend support to a Senate bill (S. 3164) which promises only superficial change and, even worse, repeals existing law which permits HUD to regulate settlement charges.

S. 3164, sponsored by anti-consumerist Senator William Brock, is simply an industry ruse to pre-empt meaningful alternative proposals which would go to the heart of the problem—the gross overcharges for settlement services. The Brock bill would simply prohibit kickbacks, a practice already illegal in most states, and require disclosure of settlement procedures and costs. While it may be desirable for the consumer to be fully informed of the costs of settlement, it is not very consoling to learn that the costs are exorbitant and there is no competition among providers of settlement services, i.e. realtors, lawyers and title companies.

It is especially anomalous for The Post to advocate passage of S. 3164 at the end of an editorial which accurately catalogues many of the real abuses in the area most of which are ignored by the Brock bill. The enactment of S. 3164 would hardly do justice to writer Ron Kessler who uncovered the horrors of real estate settlements in a fine series two years ago. A little more homework by the editorial board would have disclosed a number of proposed bills which come much closer to an effective solution to this costly consumer abuse.

LEWIS H. GOLDFARB.

GRAZING ON FEDERAL LANDS

Mr. MONTOYA. Mr. President, one of the most perceptive pieces of mail I have received in a long time has been sent to me by Mrs. John Nalda, the secretary of an organization called the Canyon Cowbelles, a local chapter of the New Mexico Cowbelles Association.

Mrs. Nalda has written to me about the concerns which ranchers have over the controversy now raging as to the propriety of continued grazing on BLM land.

I would like to call this letter to the attention of my colleagues and ask unanimous consent that Mrs. Nalda's letter be printed in the RECORD.

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

CORONA, N. MEX.,
May 31, 1974.

Hon. JOSEPH M. MONTOYA,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MONTOYA: My husband, two sons, and I own and operate an average size ranch near Corona, New Mexico. We are rather typical of most ranch people in our life-style, traditions, and in the problems that we face day to day. Also typical are many of my fellow Canyon Cowbelle members and their families. Canyon Cowbelles is a local chapter of the New Mexico Cowbelles Association. Most of us are wives of ranchers who are themselves members of the New Mexico Cattle Growers Association. I have been directed by our membership to act in my official capacity of secretary of our local chapter and write to you in regard to some matters which are of grave concern to us.

A few days ago we all learned through the news media that the nation's largest maker of steel had announced a price increase. Knowing that steel is used in the manufacturing of automoblies, appliances, furniture, and numerous other products, we are certain that it will only be a short while before the makers of these other products will one by one announce their own price increase. We will be told by these manufacturers that they are forced to pass on to the consumer the increase in their production cost. Those of us who ranch for a living have been faced with rises in production cost year after year. Despite this fact, we have never been able to pass on to the consumer any part of our cost increase by announcing a higher price on our own product. We wonder how many consumers can really appreciate the fact that the livestock producer has never announced his own price. The packer and the supermarket name their own prices, but not the producer. We have never been "price setters"; we are "price takers". Yet each time we shop for the innumerable goods and items necessary to operate our ranch and raise our children, we must pay the "set" price—be it a windmill tower, a tractor, or a toothbrush.

We have found through conversations with people of other professions that the average consumer today seems most concerned about high prices, inflation, the energy crisis, and the deplorable conduct of some of our country's high government officials. The rancher shares all of these very real concerns, but because of the nature of his business, he is equally as anxious about droughts and blizzards; insects and predators; livestock diseases which destroy a few head or kill an entire herd; poison weeds which also kill; parasites; ever-rising grazing fees and interest rates; the prohibitive costs of hiring laborers; cattle rustling; astronomical feed prices; scarcity of essential goods and materials. As for high prices, this is not a new problem for us. Each year the rancher has been faced with paying higher prices for most of the products essential to his operation. Yet, by comparison, (and except for last year) the prices received by ranchers for their livestock for the past twenty years have remained the same, or have been only slightly higher, and in some years have been even less than twenty years ago.

The financial squeeze on livestock producers right now is driving some near bankruptcy. Cost increases in our business hit 19 per cent last year and are predicted to climb at least 14 per cent more this year. As of now, livestock prices have collapsed. Many cattle feeders are losing up to $200 a head. Some of us will suffer financial losses from which we will not be able to recover, thus making it necessary for even more families to leave the land which they have worked and been a part of for generations. Small independent farmers and ranchers cannot survive years of huge financial losses, and so we find tax-subsidized conglomerates and non-agriculture corporations buying up the lands which we can no longer afford. And so right now, as we livestock producers find ourselves in one of the worst loss periods in history, we also find that we are confronted with yet another very real problem, the consequences of which could prove disastrous. Disastrous not just to the producers, but to the nation and even to the world. I am referring to the law suit brought by the Natural Resources Defense Council and others against the BLM and the Secretary of the Interior. The litigation involves livestock grazing permits on about 140 million acres of Public Lands in the Western United States, of which 13.6 million acres are in New Mexico.

This law suit and the possible harmful effects it might have on the rancher is in fact the reason for this letter. It is to this matter that Canyon Cowbelles most respectfully wish to direct your attention. Our members have a great common concern for those who use the land for raising livestock. Most of us who are Cowbelles live on the land with our families. We love the land and the homes we have made on it; we love our work with the land; and above all, we love our special kind of life in which the family unit is the most important element.

In the Introduction of their Complaint, Plaintiffs state, "Livestock grazing and the attendant management practices have had significant adverse environmental effects on the Public Lands, including reductions in types and populations of fish and wildlife, accelerated erosion, deterioration in soil

quality and water quantity and quality, fundamental changes in plant ecology, and the impairment of esthetic and recreational uses." Plaintiffs further state," . . . defendants and others acting under authority have issued and will continue to issue and renew permits for grazing of domestic livestock in numbers and circumstances which have significant and adverse environmental effects on the Public Lands."

We whose livestock graze the lands are not at odds with the environmentalists who want to protect the land. For the most part, livestock producers in general respect the land too much to abuse it. It is, after all, the basis for our livelihood and so would be to our disadvantage to use it unwisely. Many of us are second and third generation ranchers whose fathers and grandfathers grazed the land before us. Our roots are deep in the soil, and we do not abuse that which we love. We are guided, as were many of our pioneer ancestors, by the philosophy, "You take care of the land and the land will take care of you."

Experts everywhere are predicting a global food crisis. United Nations Secretary General Waldheim has listed food as the third crisis in his list of great world crises. He has said that never in recent decades have world food reserves been so frighteningly low. Others in government refer to "large-scale disaster", "world famine", 'the millions who will die of starvation". For years it has been the American farmer and rancher who have provided the food to make theirs the best fed nation of the world, and at the same time also supplied much of the food for the rest of the world. Those of us who supply these foods already number less than 4 per cent of the population. In view of the present food shortage as well as predicted shortages of even greater magnitude, the USDA has asked our nation's agriculture people for all-out production of crops and livestock in 1974. At the same time there are those, the Natural Resources Defense Council among them, who would cut livestock production by decreasing the amount of Public Lands available for grazing purposes. This would seem to us greatly inconsistent with the needs of our nation and the world.

It is our view that our country's priorities must be realistic. World food shortages, starvation of millions, great imbalances in population and food supplies must be given their proper place in our nation's concerns!

Canyon Cowbelle members and their families are understandably distressed at the prospect of having some or all of their grazing rights revoked. There would be those among us who would lose part of, or in some cases most of, their means of income. Our concern is not confined to our own individual situations, for we feel just as strongly for all the other farmers and ranchers who find themselves faced with this same prospect. This law suit involving our grazing rights presents us with a new challenge, both as individuals concerned for the welfare of our families and as members of farm and ranch organizations who wish to protect our livelihoods. While meeting to determine how to best face this new challenge, Canyon Cowbelle members suggested that when writing this letter I should emphasize the following five points.

One: We contend that grazing the Public Lands is not necessarily incompatible with preservation of wildlife—quite the contrary. In our part of the country, the ranchland supports a large population of deer and antelope. Most of us are not fortunate enough to have natural streams, in which case the only water is from the wells which we have drilled. The deer and antelope water at the same wells as our cattle and sheep. The ranchers constantly watch for sickness or disease in the wildlife, and if they detect any such signs they immediately inform the Game and Fish Department. During hunting season, the ranchers help protect the deer and antelope population by doing what they can to insure that no hunter kills illegal game, and to see that no hunter kills more than his permit allows. It is a fact that during severe winter storms when deer, elk, and other wildlife find it impossible to eat the natural forage, mnay ranchers put out hay for them to eat. In the Teton Valley of Wyoming near Jackson Hole, some ranchers leave parts of the land ungrazed so that the elk can winter upon them when they are driven down from their high summer range by the snow and cold. This is not an uncommon occurrence among livestock growers.

Two: We very strongly take issue with the charge that grazing impairs the aesthetic and recreational use of Public Lands. The landowner who pays for grazing rights on land that is adjacent to or intermingled with his own property acts as a protective agent and a policing force for the Public Lands. It is sad but true that there are some people who demonstrate a complete lack of respect for the property of others—be it privately owned or government owned. This is made evident by the vandalism which occurs daily. We ranchers are very often confronted by vandals who would destroy landmarks, precious trees, wild game and such, as well as our own storage tanks, windmills, fences, and domestic livestock. We make no distinction between private land and Public Lands in our efforts to discourage such abuses. We believe that without the rancher acting as a controlling force, some of our Public Lands would indeed be ruined and would therefore have no aesthetic, no recreational value.

Three: Grazing permits have already been discontinued in an area on the eastern side of the Manzano Mountains near Mountainair, New Mexico, in order that the land could be used for recreational and camping purposes only. There has been no significant increase in the number of campers and hikers in the area, and the land that used to be grazed by livestock is sitting idle, not being used by livestock nor humans. The grass is quite tall and in fact creates a definite fire hazard.

Four: During the last twenty years there has been an appreciable change in the amount of rainfall in New Mexico. This can be verified by Dr. Marx Brooks, Dr. Charles Holmes, and Dr. Marvin Wilkening, all professors in Weather Research at the New Mexico Institute of Mining and Technology. With any substantial decrease in moisture to the soil, there of course follows a decrease in natural forage. During these times the affected lands support a smaller number of livestock, thus making it necessary for the rancher either to decrease his herd or lease additional land in order to maintain his normal herd. It is therefore imperative that we not lose grazing permits which are absolutely essential if we are to remain in the livestock business and if we are to continue in our efforts to meet the increasing demands for more food.

Five: Through the years ranchers have made many improvements on the Public Lands on which their livestock graze. Fences, corrals, pipelines, dirt tanks, storage tanks—all have been built by the rancher at his own expense with no financial aid from the federal government. If at any time the rancher's grazing rights are revoked, he receives no compensation whatever for any of the costs of such improvements. He is allowed to remove from the land any of the improvements he has built; but in some cases removal is impossible, in other cases the cost is prohibitive. Therefore, whatever the rancher cannot remove from the Public Lands becomes a total loss to him.

Finally, we know it to be a fact that proper grazing practices are good for the reproduction and condition of the plants and soils. When we use the land wisely there are benefits not only for us but for the land as well.

At the present time the ranchers in our area are suffering severe drought conditions. Because of the extreme dryness, we are called upon almost daily to fight grass fires and forest fires which threaten to destroy our ranches and homes. Our struggle to survive is one comprised of many such battles with nature and the elements. Blizzards, ice storms, lightning, poison weeds, dry wells, insects, parasites and the like are all dictates of nature, and not man-made. Only the Lord controls such things. But price squeezes, meat boycotts, truckers' strikes, inflation, and law suits are also a part of our struggle, and all these things are controlled by the men and women of our nation. We seek your support and any assistance you might be able to give in this latest battle in our struggle for survival—the battle for the right to continue our grazing of the Public Lands.

Thank you very much for your interest.

Sincerely,

Mrs. JOHN NALDA,
Secretary, Canyon Cowbelles.

SENATOR TOWER SUPPORTS COMPREHENSIVE FINANCIAL REFORM

Mr. McINTYRE. Mr. President, in a speech today to the American Bankers Association's Governmental Affairs Conference, I addressed myself to the continuing and pressing need for comprehensive structural reform of our financial industry. In this regard, I am very pleased by the recent statement by the distinguished senior Senator from Texas, Mr. TOWER, expressing his support for a comprehensive review and reform of our financial institutions. The opinion of the ranking minority member of the Senate Banking Committee is widely respected in financial and academic circles and his endorsement of sound structural reforms is particularly significant.

I would also like to call attention to a recent speech by Senator TOWER which has turned out to be a timely and farsighted statement on the structural problems of our financial system and which was the subject of a recent editorial in the American Banker. Three months ago, Senator TOWER accurately predicted the emergence of the corporate type of savings bonds such as those recently announced by Citicorp.

Mr. President, I ask unanimous consent that a copy of Mr. TOWER's recent statement, a copy of excerpts from his speech of April 22, 1974, and a copy of the American Banker editorial be printed in the RECORD.

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

STATEMENT BY SENATOR TOWER

WASHINGTON.—Senator John Tower, R-Texas, today urged early enactment of pending legislation to reform laws governing banks and savings and loan groups to allow thrift institutions to meet growing competition.

Tower, ranking Republican on the Senate Banking, Housing and Urban Affairs Committee, referred to a recent development whereby Citicorp of New York announced plans to issue $850 million in "floating rate notes" designed to attract the small investor.

The notes would be redeemable semi-an-

nually at par and would carry an interest of one percent above the average for three-month treasury bills.

The move by the New York bank holding company has generated considerable debate throughout the financial community and within Congress.

Tower said the move had generated considerable concern among all thrift institutions about their future viability on grounds that they may not be able to compete effectively against such a saving certificate.

"Obviously, if thrift institutions cannot maintain their competitiveness there will be dire consequences not only for that industry, but also for the housing industry which depends heavily upon the mortgage financing originated by savings and loan associations," Tower said.

Tower said the offering by Citicorp "is a manifestation of the poor structure of our financial system which has allowed a situation to develop whereby a vast number of small consumer-savers are not receiving sufficient return on their savings. Citicorp has offered to do so."

Tower said that past efforts had been insufficient in that the government had merely reacted to every crisis instead of seeking long-range solutions.

"It is now appropriate to move on basic structural reform which will put the thrift institutions in a position to meet competitive challenges," he said. "Reform legislation is pending in committees of both Houses of Congress, and should be acted on."

Some of the proposed changes would allow thrift institutions to offer checking accounts, provide consumer loans, invest in high grade securities, make real estate loans in a more flexible manner, and in general offer the services demanded by the public.

"However, we must keep in mind that we will have to adjust the services of all of our financial institutions and keep them in balance if we are to finally cure the basic ills which are now afflicting our financial industries," Tower said.

"Furthermore in all of our deliberations, we must keep the interests of consumers—both as savers and borrowers—uppermost in our mind, and since housing is so reliant on our financial institutions, we must be conscious of the effects any changes may have on it."

EXCERPTS FROM A SPEECH BY SENATOR JOHN TOWER

First, unless sound structural reforms are enacted, our financial institutions will become increasingly reliant on the credit advances of government-sponsored agencies. These agencies have already exhibited a trend towards expanding the size and scope of their operations. For example, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Government National Mortgage Association, the Federal Home Loan Banks, and the agencies of the Farm Credit Administration have generated a debt growing from $13 billion outstanding at the end of FY 1965 to $65 billion at the end of September 1973. Since many activities of these organizations are manifestations of government reaction to our financial crises, their projected debt growth is particularly significant.

These agencies are strong competitors for the savings dollar, and interest rates on their securities must be high enough to attract funds from investors who would otherwise deposit with banks, savings and loan associations, and other thrift institutions. Thus, the "disintermediation process," which disrupts the normal flow of mortgage and other funds through lending institutions, is aggravated by the borrowing of government and government-sponsored agencies. Although these borrowings were allegedly intended to insulate the mortgage market from changing economic conditions, they actually compete with housing, small business, municipal, and other borrowing, and their net effect on allocation of credit in the economy is not clear. It is clear, however, that credit and financial institutions are becoming more heavily reliant upon federal participation and support.

Second, in addition to the fact that the savings industry as presently structured will become more and more heavily dependent on government involvement, we are also faced with a possible disintegration of the entire "intermediation system," comprised of banks, savings and loans, and mutual savings banks. Awkward and antiquated banking institutions will succumb to the competitive edge of other groups which have improvised better means of attracting deposits and extending credit.

In fact, the growth of the commercial paper market almost crippled the commercial banking business in 1969. This development was a result of the human tendency to avoid the expense and complication of traffic through a middleman. Only the Penn Central collapse and other corporate scares, coupled with the relaxation of Reg Q on negotiable CD's, retrieved the commercial banking function from this viable competitor. If these events had not happened, we might be observing today a different banking system entirely.

Third, I believe that a significant portion of the "consumer intermediation" system will be dissipated if financial institutions cannot compete with market rates. If banks, savings and loans, and mutual savings banks do not provide the best means of collecting and investing the deposits of small depositors, then they will lose this business to a more efficient method. Other banks and savings and loans are not their competitors; the entire world is, and we must wake up to this fact.

Large corporations are now able to approach their customers directly for their capital requirements, and I could foresee a situation developing in which financial institutions could never regain their historical role as a depository and lender. If Reg Q continues to suppress the rate earned by small depositors while corporate borrowing rates continue to be substantially higher, then the stage is set. For example, if General Motors, AT&T, or any other major company with a solid customer or employee base and an electronic data processing system offered small savings bonds at 8%, then the financial system as we know it could be staring obsolescence in the face. If the banking and savings institutions cannot develop earning potential that will allow them to pay market rates, the confrontation may occur in the uncomfortably near future.

Some economists insist that the present system can withstand the pressures from exposure to any one of the adverse circumstances I have mentioned, but a combination of these factors bleeding its resources could prove lethal to its positive contribution to society. In fact, one circumstance would probably harvest the others as well, and the whole thing could be cultivated by a prolonged period of high and rising interest rates nurtured in an over-protective and rigid financial system.

[From the American Banker, May 15, 1974]

DISINTERMEDIATION BY DEFAULT

The case for banking reform, disparaged in numerous commentaries, fading in urgency as a public issue, has been given forceful reaffirmation by Sen. John Tower, R., Tex., ranking minority member of the Senate Banking, Housing and Urban Affairs Committee.

"First, unless sound structural reforms are enacted, our financial institutions will become increasingly reliant on the credit advances of government-sponsored agencies," he told the recent Conference of State Bank Supervisors. "These agencies have already exhibited a trend toward expanding the size and scope of their operations. For example, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Government National Mortgage Association, the Federal Home Loan Banks, and the agencies of the Farm Credit Administration have generated a debt growing from $13 billion outstanding at the end of fiscal year 1965 to $65 billion at the end of September, 1973. Since many activities of these organizations are manifestations of government reactions to our financial crises, their projected debt growth is particularly significant.

"These agencies are strong competitors for the savings dollar, and interest rates on their securities must be high enough to attract funds from investors who would otherwise deposit with banks, savings and loan associations, and other thrift institutions," Mr. Tower pointed out. "Thus the disintermediation process, which disrupts the normal flow of mortgage and other funds through lending institutions, is aggravated by the borrowing of government and government-sponsored agencies. Although these borrowings were allegedly intended to insulate the mortgage market from changing economic conditions," he explained, "they actually compete with housing, small business, municipal, and other borrowing, and their net effect on allocation of credit in the economy is not clear. It is clear, however, that credit and financial institutions are becoming more heavily reliant upon federal participation and support.

"Second," he noted, "in addition to the fact that the savings industry as presently structured will become more and more heavily dependent on government involvement, we are also faced with a possible disintegration of the entire intermediation system composed of banks, savings and loans, and mutual savings banks. Awkward and antiquated banking institutions will succumb to the competitive edge of other groups which have improvised better means of attracting deposits and extending credit.

"In fact, the growth of the commercial paper market almost crippled the commercial banking business in 1969. This development was a result of the human tendency to avoid the expense and complication of traffic through a middleman. Only the Penn Central collapse and other corporate scares, coupled with the relaxation of Regulation Q on negotiable certificates of deposit, retrieved the commercial banking function from this viable competitor. If these events had not happened, we might be observing a different banking system entirely.

"Third, I believe that a significant portion of the consumer intermediation system will be dissipated if financial institutions cannot compete with market rates. If banks, savings and loans, and mutual savings banks do not provide the best means of collecting and investing the deposits of small depositors, then they will lose this business to a more efficient method. Other banks and savings and loans are not their competitors," Mr. Tower warned; "the entire world is, and we must wake up to this fact."

WE NEED TO EXTEND THE PETROLEUM ALLOCATION ACT

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. As a result of those hearings, I found it necessary to introduce S. 3717, a bill to extend the Emergency Petroleum Allocation Act from February 28, 1975, to June 30, 1976. Twenty-two of my colleagues have joined in sponsoring this bill.

On July 16, in communications to the chairman of the Senate Interior Committee, Secretary of the Treasury William E. Simon, and John Sawhill, Administrator of the Federal Energy Administration, objected to the possible extension of the Emergency Petroleum Allocation Act. It seems to me that Mr. Sawhill and Mr. Simon are attempting to avoid an important requirement of the Allocation Act.

They have not addressed themselves to the problem of the reducing market share of the independents. The FEA has not even been able to submit monthly market share reports to Congress which were due for January, February, March, April, May, and July. On the other hand, unpublished FEA reports show the independents have gone from nearly 28 percent of the market in 1972 to 18 percent in early May.

I again ask Mr. Sawmill, what is happening to the market share of the independents and what are you doing about it?

My conclusion now and my conclusion on June 13, the day of the hearing on the plight of the independents, is that the FEA is absolutely unwilling to use the power it clearly has to solve the problems of the fast shrinking markets of the independent oil refiners and gasoline marketers.

It is imperative that the FEA address the serious economic problems of the independent oil dealers. The FEA ought to be hard at work on assuring reasonable price controls for crude oil, rather than pushing forward with a decontrol plan. The FEA should use its statutory power to carry out the objectives of the Allocation Act, rather than phase-out programs mandated by Congress.

How long can the independents last, if the FEA does not carry out the provisions of the Allocation Act? How long can they last if Mr. Sawhill begins decontrol of oil products?

The FEA has clearly ignored the law by not protecting the competitiveness of the independents. The Emergency Petroleum Allocation Act states explicitly that the FEA must preserve, "the competitive viability of independent refiners, small refiners, nonbrand independent marketers, and branded independent marketers."

The FEA has also clearly side-stepped the law by not submitting reports of the market share of independents for the last 7 months. But the FEA moves on with its plans to phase out the allocation program, and the independents, the only true competitive force in the oil industry, continue to lose their market share to the majors, and the consumers ultimately pay more for gas.

The Independent Gasoline Marketers Council recently reported that the "small nonbranded independent gasoline marketers lost about 17.8 percent of their market share during the first quarter of 1974 compared with the like period of 1972. Since 1972, the nonbranded independent marketer as a class has suffered a 21 percent loss of sales volume."

At my subcommittee hearing, Mr. R. J. Peterson, of the Independent Gasoline Marketers Council, very graphically described the economic crunch of the independents compared to that of the majors:

The major-brand dealers' cost of product is represented by dealer tankwagon prices. These prices are posted for 55 major city market areas across the country. Taking an average of these figures for the first quarter of 1972, major-brand dealers during that period of time paid 17.64 cents per gallon for regular gasoline. Since then, the Platt's postings have risen to an average of 27.11 cents per gallon during the first quarter of 1974. Thus, product costs to major-brand dealers across the country have risen only about 53 percent, whereas independents' costs have risen over 109 percent. Moreover, in April, a comparison of dealer tankwagon prices in 1972 with the same prices in 1974 shows that the prices rose from 17.2 cents per gallon to 29.7 cents per gallon. This is an increase of only 72 percent. Whereas, the increase to nonbranded independent marketer is over 135 percent.

Mr. President, these figures make it abundantly clear that Congress must take action to continue authorizations under the Emergency Petroleum Allocation Act for a sufficient duration to assure that the competitive position of small independent operators around the country is not further eroded.

On June 10, 3 days before my subcommittee hearing, Mr. Sawhill circulated his plan to phase out both petroleum allocation and price controls under the Emergency Petroleum Allocations Act, although nothing was said of this plan when I asked Mr. Sawhill about decontrol.

Information which has recently come to my attention indicates that Mr. Sawhill is planning to decontrol crude oil by October, gasoline by December, propane and butane by September, and aviation fuel by October. In just 14 days, Mr. Sawhill plans to have complete decontrol of residual fuel oil.

Mr. Sawhill's decontrol plans are discussed by Mr. Morton Mintz in an excellent article which appeared in the Sunday, July 14, Washington Post. Mr. President, I ask unanimous consent that the Mintz article be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection it is so ordered.

Mr. HUMPHREY. Mr. President, I submit that this decontrol would do severe damage to the independents and ultimately to the consumer. The dismantling of oil price controls would mean another windfall profit of about $10 billion per year to domestic crude oil producers, primarily the major oil corporations, as the prices of so-called "old crude" even up to the price level of uncontrolled oil set by the OPEC cartel. This windfall would approximately equal the one the oil producers were given last year by the Administration's oil pricing decisions.

Mr. President, I urge my colleagues to support my measure to extend the Emergency Petroleum Allocation Act to June 30, 1976. It is a bill which will protect independents as well as the consumers from the profit hungry major oil corporations.

I would like to thank Governor Wendell R. Anderson of the State of Minnesota for his support of S. 3717, stated in a recent letter to me. I think Governor Anderson has very eloquently expressed the vital need for this legislation.

Mr. President, I ask unanimous consent that the text of Governor Anderson's letter also be printed in the RECORD.

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

STATE OF MINNESOTA,
St. Paul, July 12, 1974.

HON. HUBERT HUMPHREY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HUMPHREY: I applaud your stand on the Emergency Allocation Program.

We, in Minnesota, recognize that the only hope for the independents in the oil industry is a continuance of the Emergency Allocation Program. Without it, the independents are at the mercy of the oil monopolies. Minnesotans in general, and our farmers in particular, need a continuance of the program to assure them of a supply of LP gas. Without the Mandatory Allocation Program, our distributors of LP gas would be at an extreme disadvantage in competing with the petrochemical industry for this vital fuel supply.

With warmest personal regards.

Sincerely,

WENDELL R. ANDERSON.

[From the Washington Post, July 14, 1974]

SAWHILL SEEKS FUEL CONTROL BY MARCH 1975

(By Morton Mintz)

A grand strategy for an "orderly phase-out of both petroleum allocation and price controls" has been proposed by Federal Energy Administrator John C. Sawhill to the White House, it was learned yesterday.

"It is essential that our strategy promote a stable economic *and political* environment in which the allocation program will be seen as having served its purpose and vested interests in its extension will be minimal," Sawhill said in a 13-page memo. The emphasis was in the original.

Sawhill said the strategy is aimed at achieving "a smooth transition to total decontrol by Feb. 28, 1975," when the Emergency Petroleum Allocation Act is due to expire, and to "avoid congressional action to extend the Allocation Act."

Sawhill sent the memo—a copy of which was obtained by a reporter—to six top White House advisers, including Kenneth Rush, President Nixon's co-ordinator of economic policy; Roy L. Ash, director of the Office of Management and Budget; William E. Simon, Secretary of the Treasury, and Herbert Stein, chairman of the Council of Economic Advisers.

The last page of the memo, which was dated June 10, was a "time schedule for deallocation" listing for each major category of petroleum products a proposed action and the month in which the action would be taken.

As recommended by Sawhill, the "phased decontrol strategy" would begin with residual fuel oil and be followed by propane and then by aviation fuel.

The strategy for residual fuel oil was in fact implemented on July 5, to deregulate.

The agency apparently intends to proceed on a compressed schedule. It did not disclose the technical basis for the proposal until last Friday, although it set hearings for July 22 and 23, and although the allocation law gives Congress only five days to exercise a vote before deregulation takes effect—in this case, on Aug. 1.

One purpose of the law is "to protect the competitive viability of the independent sector of the petroleum industry," Sawhill notes in the memo.

The squeeze on independents is largely limited to gasoline, heating oil and independent refineries, while "other products do

not have a significant independent marketing sector, and a decision to deallocate does not hinge on market-share questions," Sawhill said.

However, an informed source told a reporter that independent sellers of residual fuel oil whose customers do not include utilities have about 70 per cent of the market in the New York metropolitan area and about 65 per cent in New England.

The desire for overall "quick decontrol must be weighed against minimizing the possibility that Congress will (1) extend the Emergency Petroleum Allocation Act, . . . or (2) enact more comprehensive or stringent petroleum controls," Sawhill told the White House advisers, who also included Peter Flanigan and John T. Dunlop.

"Similarly, we wish to insure a smooth transition, with minimal risk of creating economic dislocations or the need to reverse ourselves and reimpose controls later in the year should unforeseen events adversely affect current supply/demand projections," Sawhill said.

He went on to outline the "phased decontrol strategy" which, after deallocating residual fuel oil, propane and aviation fuel would:

Substantially relax controls over other products "when suppliers possess more than sufficient quantities to meet the entitlements of their historical customers."

End the system under which certain supplies are set asides for states to allocate and under which states are authorized to establish priorities among purchasers who are without allocations.

Implement "a marketshare monitoring system and begin the analysis and recommendations on the two-tier pricing system needed prior to decontrolling crude oil, gasoline and distillate."

Under the two-tier system, the price of "old" oil is controlled and the price of "new" and imported oil is not.

The price of a barrel of "old" crude is $5.25. The Cost of Living Council and Sawhill have acknowledged that it was raised by $1 last December without any hard evidence that the increase would produce the desired result, a significant expansion of production.

The uncontrolled world market price of a barrel of crude, landed in New York, is about $12.25.

For the time being, such "wide disparities" in prices for controlled and uncontrolled crude make it "not feasible" to decontrol crude as well as gasoline and distillate, Sawhill said.

He pointed out that major oil companies control "a very large percentage" of the domestic production of less costly "old" oil. For that reason, he said, the average crude oil cost for the 15 largest refiners is only about $8.70 per barrel, while for independents and small refiners it ranges up to $15 even if a few pay as little as $5.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

HAWAII AND U.S. PACIFIC ISLANDS SURFACE COMMERCE ACT OF 1974

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of S. 1566. The bill will be stated by title.

The second assistant legislative clerk read as follows:

A bill (S. 1566) to provide for the normal flow of ocean commerce between Hawaii, Guam, American Samoa, or the Trust Territory of the Pacific Islands and the west coast, and to prevent certain interruptions thereof, reported from the Committee on Labor and Public Welfare, without amendment.

The PRESIDING OFFICER. The time for debate on this bill is limited to 3 hours, to be equally divided and controlled by the Senator from Hawaii (Mr. INOUYE), and the Senator from New York (Mr. JAVITS), 30 minutes on any amendment, and 20 minutes on any amendment to an amendment, debatable motion or appeal.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. INOUYE. Mr. President, I ask unanimous consent that during the consideraton of this measure, Mr. Charles Kern, Mr. Eiler Ravnholt, and Mrs. Alice Thompson be permitted the privilege of the floor.

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

Mr. GRIFFIN. Mr. President, I make a similar request with respect to Mr. James Shaner and Mr. David Klein.

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

Mr. INOUYE. Mr. President, this day, July 17, 1974, will be long remembered by the people of Hawaii, for on this day the United States Senate will determine the fate of S. 1566, referred to by some in Hawaii as Hawaii's economic declaration of independence.

I fully realize that the use of these words may appear to be a bit trite and facetious to some. However, I hope that upon hearing the sad statistics involved in this matter, the appropriateness of these words will become apparent.

Mr. President, first of all, Hawaii is an island State, as everyone knows, noncontiguous to mainland United States, and approximately 2,400 miles to the nearest land mass. There are no highways or rail lines connecting Hawaii with the west coast of the United States.

Since World War II, more than 4 years, or approximately 1,500 days, have been lost through transportation strikes affecting Hawaii. Eight major strikes, only one centered in Hawaii, account for 637 of the lost days, and they are as follows: the first, the 53-day west coast shipboard union strike in 1946; the second, the 96-day west coast shipboard union strike in 1948; the third, the 177-day Hawaii longshoremen's strike in 1949; the fourth, the 66-day west coast sailors' strike in 1952; the fifth, the 27-day west coast shipboard union strike in 1962; the sixth, the 43-day machinists' strike of five trunk air carriers in 1966; the seventh, the 134-day west coast longshoremen's strike in 1971–72; the eighth, the 41-day west coast ship officers' strike in 1972.

Mr. President, following the 1949 dock strike, Hawaii's unemployment rate rose to an unbelievable 17 percent of the work force. I realize that this is past history; but in July of 1971, in our most recent strike, 18,650 people were unemployed in Hawaii. Four months later, this number increased to 23,000. Business slowdowns and bankruptcies resulted in 12,469 fewer jobs than would have been the case if there had been no shipping dispute.

Hawaii's warehousing costs are 250 percent of the national average. A recent study shows that stockpiling or inventory buildup in anticipation of a strike adds 3 to 5 percent to the cost of products in Hawaii. The reduction in input of goods and services is calculated to have been $153 million, or 4 percent, of Hawaii's residents' personal income.

Furthermore, a study shows that tax revenues declined sharply to more than 7 percent of the anticipated revenues, resulting in curtailment of many necessary State projects.

Mr. President, I could go on and on, citing sad statistics after sad statistics, but I think the above should suffice. For many years since Hawaiian statehood, we in Hawaii have listened patiently to and abided by the advice and counsel of our executive and legislative leaders. We have been told to rely upon the relief provided in the Taft-Hartley Law. We have been told to rely upon collective bargaining. Taft-Hartley is no help to Hawaii, for Hawaii's predicament does not constitute a national emergency, and as far as collective bargaining is concerned, I have just cited to you some of the statistics resulting from our reliance upon collective bargaining.

Mr. President, we have waited many years for some real relief. We have called upon management, we have called upon the Government, we have called upon labor leaders to provide us with some guidance.

Mr. President, may I say that we do not need any more speeches that Taft-Hartley be amended to provide reasonable application, because for all these many years that proposal has amounted to rhetoric, and rhetoric, Mr. President, does not provide employment or food.

Please, Mr. President, do not further compound this by suggesting that on our next devastating shipping strike a special Senate ad hoc committee will be established to study our problems.

Mr. President, we need action and we need it now. So after much thought and much consideration, Hawaii's congressional delegation, Hawaii's Governor, all of our mayors, our legislature, and our various councils, have come forward with a reasonable solution, and this is Senate bill 1566.

My distinguished senior colleague will fully explain Senate bill 1566, but briefly, this bill says that in the event of a shipping strike or transportation stoppage occurring on the west coast, the Governor of Hawaii or the Chief Executive of Guam, Samoa, or the Trust Territory, is authorized to go to the appropriate Federal district court and seek an injunction not to exceed 160 days and during that period, cargo destined for these islands

will be handled by longshore labor and onboard labor.

It will affect approximately 3 percent of the man-hours on shore and about 7 percent of the man-hours on shipboard, and for those who have handled cargo during the strike period, their pay will be retroactive according to the decision reached in collective bargaining.

Mr. President, I think this is a reasonable approach. It will not deny labor or, for that matter, management of its collective bargaining muscle; 97 percent of the longshore man-hours are still struck, 93 percent of the shipboard labor is still struck, and so no one can say that this bill is anti-collective bargaining.

We have tried many approaches and we feel that this is the most reasonable and we hope that the U.S. Senate, upon considering our plight and upon considering the reasonableness of our approach, will look upon us with favor.

I am pleased to yield to my senior colleague, Senator FONG.

The PRESIDING OFFICER. The Senior Senator from Hawaii is recognized.

Mr. FONG. Mr. President, the consideration by the Senate today of S. 1566, the Hawaii and U.S. Pacific Islands Surface Commerce Act, is a momentous occasion for the people of my State of Hawaii.

As I stated in a letter sent to each of my colleagues a few days ago, in the nearly 15 years of my tenure in the Senate since Hawaii statehood, I can recall no other legislation whose enactment has been of greater importance to the people of my State. If S. 1566 is passed, the people of the island State of Hawaii will be safeguarded from disastrous stoppages in shipping operations on the west coast of the United States—stoppages which disrupted our ocean lifeline in seven major strikes for a total of 464 days and in scores of lesser strikes totaling more than 1,000 days since World War II.

I approach this problem as one who is firmly committed to the principle of collective bargaining. This is one of the cornerstones of our Nation's labor-management relations. The freedom of labor and of management to bargain across the table on wages, hours, working conditions, and fringe benefits is one of the hallmarks of America's private enterprise system and distinguishes our system from many other nations where government controls and operates industry, both management and workers.

At the same time, I also have a deep commitment to the public interest, to the general welfare of our citizens. On those occasions when collective bargaining, mediation, conciliation, and other normal processes have failed to settle labor-management disputes, then in the public interest, for the public good, something must be done.

HAWAII DEPENDS ON ITS OCEAN LIFELINE WITH MAINLAND UNITED STATES

My State and the well-being of its people are almost entirely dependent on a lifeline of ships which traverse the nearly 2,500 miles of Pacific Ocean which separate us from the west coast ports. To cut into or sever that ocean lifeline is to cut to the very heart of Hawaii's economic health and security.

Sea transportation normally carries 99 percent of all goods which travel between Hawaii and the U.S. mainalnd. Air cargo, which carries the remaining 1 percent, can expand in an emergency to carry at most only 3 percent of normal freight tonnage.

Approximately 80 percent of all physical commodities purchased by Hawaii's 881,000 people are important, primarily from the U.S. mainland and almost entirely shipped from the west coast; 79.5 percent of our oceanborne imports arrive from the west coast ports, 2.3 percent from the east coast, and 18.2 percent from foreign sources, excluding petroleum products.

Almost without exception, the goods and supplies essential to modern living in Hawaii are either imported or import-dependent.

Cement and concrete products used in construction, for instance, are produced in Hawaii—but two essential ingredients, silica sand and gypsum rock, must be brought in from the U.S. mainland. To cite another example, some 60 percent of all the food needed for Hawaii's people must be imported. Furthermore, the pressures of urban development are steadily shrinking what limited land is still available for agricultural production.

As you may be aware, housing is very costly in Hawaii and is in critically short supply. Yet 97 percent of the lumber needed for construction in my State must be imported. When wood, paint, nails, plumbing fixtures, roofing, and other construction materials are not shipped to Hawaii in a steady flow, costs increase and the effort to meet the housing demands of our people falls even further behind.

Hawaii has no metal resources, with the exception of bauxite, which has never been commercially exploited. We have few nonmetallic minerals, and we totally lack any deposits of oil or coal. Every drop of oil needed to produce electrical energy, to operate equipment and to run our motor vehicles must be imported.

In summary, no industry or individual in Hawaii, from the corporate giant to the newborn baby, is free of dependence upon imported goods. Whether a resident of my State buys a car or a typewriter, a bag of rice or a piece of plywood, his purchase must first be transported over thousands of miles of ocean in order to reach the point of retail sale.

It is no less essential that Hawaii must be able without fear of interruption to export its sugar, pineapple, textiles, and other locally produced or manufactured products. For example, an average of 1,200,000 tons of raw sugar must be shipped from Hawaii to the U.S. mainland each year for refining and distribution in a very competitive market. Excepting tourism, our sugar and pineapple exports are the two leading income producers for Hawaii.

Mr. President, at the conclusion of my remarks, I ask unanimous consent to have printed in the RECORD an exhibit detailing Hawaii's vulnerability to transportation strikes, prepared by Dr. Thomas K. Hitch, senior vice president and chairman of the research division of the First Hawaiian Bank.

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

(See exhibit No. 1.)

Mr. FONG. Although other States enjoy alternative interstate transportation services, Hawaii, of course, cannot be linked to the mainland by trains or trucks or buses or automobiles. Hawaii has only ships and planes. When shipping stops, the result can be near-paralysis in our economy. Indeed, in view of the predominantly import-export nature of our economy, the mere threat of a major maritime or longshore work stoppage on the west coast reverberates throughout my State.

THE THREAT IS REAL

Is it realistic to fear that our ocean lifeline may be cut? I must respond to such a question, unfortunately, with a resounding "yes." Since World War II, strikes in the west coast longshore and maritime industries have come with devastating frequency and have cost Hawaii almost 4 years in lost shipping services.

Since the close of World War II in 1945, there have been eight major shipping strikes, only one of them centered in Hawaii, totaling 641 days. These were as follows:

First. The 53-day West Coast Marine Engineers, Masters, Mates, and Pilots and International Longshoremen's and Warehousemen's Union—ILWU—strike of 1946.

Second. The 96-day west coast strike by the ILWU and four offshore unions in 1948.

Third. The 177-day Hawaii ILWU strike of 1949.

Fourth. The 66-day West Coast Sailor's Union of the Pacific strike of 1952.

Fifth. The 27-day west coast strike by four offshore unions in 1962.

Sixth. The 47-day west coast strike by four offshore unions in 1969.

Seventh. The 134-day west coast ILWU strike of 1971–72.

Eighth. The 41-day west coast masters, mates, and pilots strike of 1972.

Thirty-five additional strikes lasting 2 days or more and scores of shorter or more limited strikes add many hundreds of days to the 641-day total, in all aggregating almost 4 years of strikes in the last 29 years. How many States could endure such a situation so often in which only a trickle of goods flows in and major exports cannot be shipped out.

CONCENTRATION OF HAWAII-WEST COAST SHIPPING SERVICE INCREASES THE RISKS

An important new development occurred this year, when one of the three shipping lines serving Hawaii, Seatrain, discontinued service to my State effective last April 9. Matson Lines, already by far the largest carrier with 70 percent of the Hawaii trade, has taken over most of the 25 percent formerly handled by Seatrain, leaving the third carried, U.S. Lines, with about the 5 percent it now handles.

The significance of Seatrain's withdrawal becomes apparent when it is realized that, whereas Seatrain and U.S. Lines have their collective bargaining agreements made on the east coast with all shipboard personnel, Matson licensed

and unlicensed ratings are subject to west coast collective bargaining agreements. With Seatrain's withdrawal, virtually all trade between my State and the west coast will be cut off during strikes or lockouts over west coast offshore union contracts.

During the 41-day masters, mates, and pilots strike of late 1972, when Matson alone was struck, a small but helpful percentage of shipping continued between the west coast and Hawaii on Seatrain and U.S. Lines. Today, a maritime stoppage on the west coast, which formerly cut off 70 percent of the shipping with Hawaii, now will cut off more than 90 percent, Matson's new share of shipping between the west coast and Hawaii.

THE DEVASTATING IMPACT OF SHIPPING STOPPAGES

When west coast shipping is suspended, Hawaii's 881,000 people suffer from shortages of necessities of life and business, from higher prices, rising unemployment and reduced working hours, small business failures, a sharp drop in construction activity, a loss of investor confidence in the growth and viability of our economy, and, not least, an inability to ship our two major exports, sugar and pineapple, to mainland markets.

It will be a long, long time before the people of my State forget the uncertainty and acute distress which came in such abundance betwen July 1, 1971, and December 31, 1972. During the 18-month period, a series of three west coast longshore and maritime strikes cut Hawaii's sea transportation service with the west coast for a total of 176 days—6 months out of 18 or 1 day out of 3.

These strikes did not originate in Hawaii, had no participants in Hawaii, and were not susceptible to any direct influence which might be exerted by public opinion and economic distress in my State. Neary 1 million American citizens were effectively held hostage by a few thousand west coast dockworkers and shipboard personnel.

I know of no other labor-management situation in which so many people in our country can be affected so adversely by the actions of so few who are so far away.

The following statistics, which relate to the impact of the 18-month 1971–72 strike period, indicate the economic injury which is inflicted upon the people of my State by the disruptions whose impact S. 1566 seeks to limit:

Unemployment in February 1972, toward the end of the 134-day west coast longshore strike, reached 6.5 percent, the highest in Hawaii's history as a State up until that time.

Even with phase I of the wage-price freeze in effect beginning in mid-August, Honolulu food prices jumped 4.5 percent between June and October 1971. By contrast, U.S. food prices declined 0.3 percent during the same period. By February 1972—after 115 cumulative days of the west coast longshore strike and despite relief through an 80-day Taft-Hartley injunction and two voluntary extensions—a head of lettuce in Hawaii cost 72 cents, a dozen oranges $1.45, and 10 pounds of potatoes $2.28 on the average.

Local retailers, responding to a survey on the impact of the west coast longshore strike, reported sales declines ranging up to 17 percent.

Construction-generated earnings declined 7.8 percent in 1971 and rose a mere 2.4 percent in 1972.

The annual increase in State tax collections fell from 12 percent in 1970 to 7½ percent in 1971 and 7.9 percent in 1972.

Personal income growth fell from 14.1 percent in 1970, nearly twice the national average, to 6.4 percent in 1971.

Hawaii's per capita personal income soared 11.3 percent in 1970, which compared very favorably with the national gain of 6.3 percent. In 1971, however, it increased only 4.1 percent. Only seven States had lower per capita personal income growth rates than Hawaii that year, and the national gain was 5.6 percent. In 1972, still plagued by shipping problems and their resultant impact on business activity, per capita personal income in Hawaii increased only 5.9 percent, compared with the national growth rate of 7.9 percent. Only three States had a smaller per capita personal income growth rate than Hawaii in 1972.

In 1970, Hawaii's personal income was the sixth highest in the Nation—exceeded by only four States and the District of Columbia. The blows to the economy which came during the strike years lowered Hawaii's ranking to ninth in 1971, where it remained in 1972.

A major cost of the ever-present strike threat in Hawaii is the fact that it compels our businessmen to keep very large inventories on hand at all times. This stockpiling, which greatly increases the cost of doing business, is passed on to the consumer and contributes significantly to the high cost of living in Hawaii.

My colleague (Mr. INOUYE) has already stated figures showing the cost to the Hawaiian businessman of stockpiling goods, because of the uncertainty of the flow of commerce to Hawaii.

Shipping tieups also have serious long-range repercussions on the State of Hawaii. The principal impact is to make it more difficult to attract investment capital. For the last 20 years or more, the economic growth of Hawaii has been financed in large part by capital attracted from outside the State. This is true, because local funds are inadequate, because savings of Hawaii residents are often funneled into mainland opportunities, and because out-of-State owners of Hawaii enterprises return profits to home offices located on the mainland or in a foreign country.

Personal savings and business profits, therefore, tend to flow out of Hawaii, and the economic development of my State depends upon local ability to attract outside investment funds. Shipping interruptions can so shake investor confidence that the capacity to attract such funds is dealt a severe setback.

Finally, and very importantly, shipping strikes imperil or destroy markets for Hawaii's export industries, which are principally sugar and pineapple. The primary market for Hawaii sugar, for instance, is in the Western States, where sugar is already in surplus supply. In the past, shipping interruptions have caused Hawaii sugar producers to lose important industrial customers, who have turned elsewhere for their supplies.

THE INADEQUACY OF EXISTING REMEDIES

Existing remedies for Hawaii in the event of west coast shipping tieups are inadequate. For example, the Taft-Hartley Labor-Management Relations Act has been employed 12 times in national emergency disputes in the longshore and maritime industries since its enactment in 1947. The results have been dismal. Only one of the nine longshore and two of the three maritime disputes were settled during the 80-day cooling-off period provided by the act once an injunction was obtained in court.

Considering the west coast alone, Taft-Hartley has been invoked only four times in shipping disputes and only twice did it lead to settlement there.

Because an emergency must be "national" in scope to qualify for a Taft-Hartley injunction, the act was not employed in the 1971–72 west coast longshore strike until after 100 days had elapsed, until after extensive economic injury had spread as far as the Middle West farm belt, and until after a strike by the International Longshoremen's Association on the east and Gulf coasts had closed down those other mainland ocean ports. When it finally was used, Taft-Hartley proved a towering failure. Although the injunction period was twice voluntarily extended by consent of the parties, the west coast longshore strike ultimately resumed for 34 more days.

In another instance, the 41-day west coast masters, mates, and pilots strike of late 1972, Taft-Hartley again could not be used because the stoppage was not deemed a national emergency.

I would like to assure my colleagues, on behalf of the people of Hawaii, that it can be just as painful to be caught in a "regional" emergency as a "national" one.

THE INADEQUACY OF PROMISED CONGRESSIONAL REMEDIES

I welcome the willingness of the Labor and Public Welfare Committee, as expressed in its adverse report on S. 1566, "to consider all emergencies, on an ad hoc basis, which current procedures for settling disputes do not abate." The people of Hawaii and their representatives in the Senate and House recently discovered, however, that an ad hoc congressional response to a strike emergency affecting their State can be very slow and requires an extraordinary combination of circumstances.

The enactment of legislation requiring compulsory arbitration of the 1971–72 west coast longshore strike, which virtually compelled a voluntary settlement by the parties themselves, is cited by the committee as evidence of Congress readiness to deal with critical stoppages. Congressional action, however, came, first, only after the dockworkers had been out on strike for over 120 days—more than 4 months; second, only after an 80-day Taft-Hartley injunction and two voluntary extensions thereof had failed

to bring settlement; third, only after virtually every port in the Nation was shut down, since the east and gulf coasts were also struck; and fourth, only after the people and economy of Hawaii had suffered grievously.

It is no wonder the people of my State take small comfort in such promises of congressional action, no matter how well-intentioned. For we have seen time and again that Congress is very reluctant to act promptly in west coast labor-management disputes. Hawaii needs more reliable remedies.

THE SEARCH FOR REMEDIES

Over the past 3 years, I have made repeated and substantial efforts to promote settlement of various strikes in progress and to devise legislation which could effectively safeguard the people and economy of Hawaii from disastrous impact of west coast shipping interruptions.

During the 1971–72 west coast dock strike, for instance, I sought many times through personal contacts to get the parties back to the bargaining table when negotiations broke down, as they frequently did. While negotiations were in progress, I worked hard to expedite agreement. I had regular contact with the White House, the Secretary of Labor, the Mediation Service, and others directly involved in the settlement effort. All concerned were made aware of the continuing and increasing economic harm inflicted on my State—the lost jobs, the business failures, the price increases, the depleted savings, the crippled development.

I introduced or cosponsored four bills to remedy Hawaii's plight by amending the Taft-Hartley Act. Because my island State is most vulnerable to maritime and longshore strikes, precisely the two industries in which Taft-Hartley has failed most often, I became convinced that the act should be amended, first, to permit an injunction in "regional" as well as "national" emergency disputes and in disputes depriving any section of the country of essential transportation services; second, to allow vital shipping services to Hawaii; and third, to guarantee settlement of emergency disputes in the transportation industry.

In 1971 and 1972, I cosponsored three bills to reform Taft-Hartley to meet these objectives: S. 2850, the Emergency Labor Disputes Act of 1971; S. 2959, a revised Emergency Labor Disputes Act; and S. 3232, the Transportation Crisis Prevention Act of 1972. Early in the present Congress, on January 31, 1973, I introduced S. 640, the Emergency Transportation Disputes Act, which took a similar approach.

While retaining the familiar 80-day injunction, these bills provided new options for use in emergency disputes in the transportation industry. These were, first, further 15- or 30-day extensions of the injunction period; second, partial operation of the affected industry, which could provide emergency shipping services to Hawaii; and third, the final offer selection process, whereby a neutral panel would select the most reasonable of the final offers submitted by labor and management, which would become their binding contract unless the choice were found to be arbitrary or capricious by a Federal court. I was instrumental in assuring that these options, as well as the familiar 80-day Taft-Hartley injunction, would be expressly available in regional as well as national emergencies, a critical point for Hawaii.

After hearings were finally held on these and related bills to reform handling of emergency labor-management disputes, the Labor and Public Welfare Committee did not report any bill for consideration by the entire Senate, despite the best efforts of those of us urgently seeking reform.

We were able on two occasions, however, to offer the substance of the bills I cosponsored as an amendment to legislation then pending on the Senate floor, once to amend the Economic Stabilization Act Amendments, S. 2891, and once to amend the bill requiring compulsory arbitration of the west coast longshore strike, Senate Joint Resolution 197. I participated in vigorous, but ultimately unsuccessful, floor fights on both these amendments.

During the economic stabilization debate in November 1971, our reform amendment was tabled by a vote of 58 to 29. We were told prior to the vote that the Committee on Labor and Public Welfare was holding hearings on emergency labor dispute legislation and that that was not the appropriate time to take it up in the Senate.

When the compulsory arbitration measure came before the Senate for a vote on February 8, 1972, we again offered our Taft-Hartley reform proposals as an amendment. The committee had not reported a bill dealing with emergency labor disputes so the vote became closer. After a close, hard-fought debate, the Senate tabled our amendment by a margin of just 3 votes, 42 to 39, before proceeding to pass the compulsory arbitration bill, 79 to 3.

S. 1566: SOLUTION TO HAWAII'S DILEMMA

Still endeavoring to find appropriate legislative safeguards for Hawaii, early in 1973, the four members of Hawaii's congressional delegation, Senator DANIEL K. INOUYE, Representative SPARK M. MATSUNAGA, Representative PATSY MINK, and myself, decided that the Senate and House might be more responsive to legislation designed to remedy Hawaii's particular problem during west coast shipping interruptions, rather than the larger issues of emergency disputes in the transportation industry generally. In time and after intensive effort, we reached agreement on two bills.

One of these, which I introduced in the Senate as S. 1567 and which Representative MINK introduced in the House as H.R. 7065, with cosponsorship by our respective colleagues from Hawaii in each body, would establish a uniform expiration date for all contracts in the west coast maritime and longshore industry, thus reducing the frequency with which Hawaii is threatened with disruption of shipping operations. This proposal has drawn support from both the employers' bargaining group, the Pacific Maritime Association, and a number of the unions involved, but, unfortunately, has made no legislative progress in either House.

The other proposal upon which we reached agreement is the bill which is before us here in the Senate today. It was introduced in the Senate by Senator INOUYE with my cosponsorship as S. 1566, and in the House by Representative MATSUNAGA, with Representative MINK's cosponsorship, as H.R. 7189.

S. 1566, the Hawaii and U.S. Pacific Islands Surface Commerce Act, provides that no west coast maritime or longshore strike or lockout shall be permitted to interrupt normal shipping between the west coast of the United States and Hawaii or the other islands in the Pacific under the American flag—Guam, American Samoa, and the Trust Territory of the Pacific islands—for a period of 160 days beginning on the first day of such strike or lockout.

An injunction to secure an exemption may be petitioned for in any Federal district court having jurisdiction by the Governor of Hawaii, Guam, or American Samoa, or by the High Commissioner of the Trust Territory of the Pacific Islands. As reported by the Committee on Labor and Public Welfare the bill also permits an injunction to be sought by any employer or labor organization which is a party to the strike or lockout, but, as I shall explain later, it is the intention of the sponsors to delete that provision.

An exemption injunction may not be requested if a Taft-Hartley injunction is in effect. If a Taft-Hartley injunction is later obtained, the running of the exemption injunction shall be suspended until the Taft-Hartley injunction is discharged.

Employees working during the exemption period will be subject to the wages, hours, and working conditions provided by their last contract, but will be paid retroactively for the exemption injunction period any additional wages won under the agreement resolving the dispute.

For purposes of the act, an interruption of shipping services is defined as, first, a refusal at a west coast port to load or unload cargo or to permit the loading or unloading of cargo destined for or shipped from Hawaii or any U.S. Pacific island or, second, a refusal to operate or permit the operation of a ship with cargo destined for or originating from Hawaii or any U.S. Pacific island if any such refusal was a cause of a ship leaving the dock facility more than 48 hours late or not being unloaded more than 48 hours after arrival.

CRITICISMS OF S. 1566 REFUTED

S. 1566 has been criticized by the Labor and Public Welfare Committee in its report for allowing an employer or labor organization to seek an injunction continuing the normal flow of commerce with the Pacific islands, thus placing a "private weapon" in their hands.

Through clerical error, an amendment adopted by the Commerce Subcommittee on Transportation deleting this authority was not included in S. 1566 as

reported from the Commerce Committee or as considered by the Labor and Public Welfare Committee. The amendment would allow only the Governors of Hawaii, Guam, or American Samoa, or the High Commissioner of the Trust Territory of the Pacific islands, to seek an injunction applying the act. An amendment deleting the "private weapon" authority of the parties to the dispute will be proposed by the sponsors of this bill.

The Labor and Public Welfare Committee also suggests that the broad sweep of the bill's language would permit the act "to be invoked if a single ship is delayed by as much as 48 hours," which is contrasted unfavorably with the "national emergency" requirement of Taft-Hartley and the "essential" transportation services standard found in the Railway Labor Act.

It is my belief that the Governor or chief executive of Hawaii or of the other U.S. Pacific islands would make a responsible distinction between a minor tieup and a major shutdown of ocean commerce sufficient to imperil the people and economy of his State or territory.

The committee also states in its report on S. 1566:

That it could be very disruptive to enact Federal legislation which could affect the interests and bargaining positions of both labor and management.

A recent study indicated that the exemption for Hawaii provided by S. 1566 would involve only 3½ percent of the man-hours normally worked by west coast longshoremen and only 7.3 percent of the total man-days worked by shipboard labor with west coast contracts. It is clear that this would have only a negligible effect on collective bargaining negotiations and on the ability of labor and management to apply pressure on each other. Indeed, providing an exemption for the Pacific islands would probably reduce the likelihood of much more massive Federal intervention under Taft-Hartley.

During the 1971–72 west coast longshore strike, the dockworkers union and the employers' bargaining group voluntarily agreed to move—and did move—military cargo approximately equal to the combination of the military and the Pacific islands cargo which would be handled today under S. 1566.

According to Military Sealift Command records, 6,217,815 revenue tons of military cargo, other than bulk, moved through U.S. Pacific coast ports in 1971. By 1973, the volume of such military cargo had declined to 3,662,930 revenue tons. The estimated total of commercial cargo, other than bulk commodities, moving between the Pacific coast and the U.S. Pacific islands covered by S. 1566 was 3,590,300 revenue tons in 1973. Therefore, the combined effect of the military cargo exemption and the exemptions contemplated by S. 1566 is presently around 7,250,000 revenue tons on an annual basis—not significantly more than was exempted by voluntary and common consent during the 1971–72 longshore strike.

I wish to stress again at this point that Hawaii cargo would require but a small fraction—3½ percent—of the longshore hours worked on the west coast and but 7.3 percent of the man-hours worked by shipboard labor with west coast contracts.

The committee report states that in the 4 months following the commencement of the west coast dock strike on July 1, 1971, there was a 32-percent increase in waterborne shipments arriving in Hawaii from foreign ports over the same months in the previous year. Figures available from the Department of Commerce demonstrate that that increase was only 11 percent when petroleum products are excluded.

The more significant fact is that our total imports by sea from all sources during the third quarter of 1971, excluding petroleum products, totaled only 191,415 tons, a decline of 67.4 percent from the 587,400 tons which normally would have been imported were the strike not in effect.

The committee makes considerable use of the testimony of Dr. Shelley Mark, director of the Hawaii Department of Planning and Economic Development, which was prepared in January 1972, part way through the 1971–72 west coast longshore strike. Dr. Mark indicated that in his view key shortages do not appear in Hawaii until well into the third month of a strike, making remedial action unnecessary until that time unless there is a complete shutdown of all U.S. mainland ports.

Dr. Mark's statement is true to the extent Hawaii businessmen are forced to—and are able to—carry huge inventories. This sharply increases the cost of doing business in Hawaii, as I indicated earlier, and drives up consumer prices.

Mr. President, with reference to the committee's use of Dr. Mark's testimony, I request permission to insert into the RECORD at this point an editorial from the Pacific Business News of Honolulu, entitled "Twisted Quotes."

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

[From the Pacific Business News, July 1, 1974]

TWISTED QUOTES

The U.S. Senate vote on S. 1566, introduced more than 14 months ago to protect Hawaii and other U.S. Pacific islands for up to 160 days from West Coast longshore or maritime strikes, may be taken shortly after the July 4 recess. A lot of opposition is stacked against it in spite of thousands of letters in support of it by people in nearly every state.

Curiously, the recent "Adverse Report" from the Senate Committee on Labor and Public Welfare, rests a considerable portion of its case against the bill on testimony from Dr. Shelley Mark, director of our Department of Planning & Economic Development. The 1972 testimony was on another bill—S. 2836, which called for Federal government operation of shipping after 30 days stoppage.

Two major quotes from Mark are used in an attempt to demolish the need for the 160-day exemption:

". . . the recent experience indicates that key shortages of crucial items do not appear until well into the third month (of a strike)."

"So long as there is not a complete shutdown of all ports, there is probably no need for more drastic measures until after the third month." (Emphasis added by the Committee).

This is a perfect illustration of how the true facts can be distorted. The *real* reason that no serious shortages occur is that the ever-present threat of shipping tie-ups has forced Hawaii business to carry three to six month inventories month after month and decade after decade. This built-in stockpiling sharply increases the cost of doing business which is passed on to the consumer and results in a higher cost of living. No other state has to contend with such huge inventories as a standard way of doing business. No other state is so totally dependent on a single means of transport.

Despite strong statements supporting S. 1566 from Senators Fong and Inouye, from Mayors Fasi and Cravalho, from Representatives Matsunaga and Mink, from the Governor of Guam, from Lieutenant Governor George Ariyoshi, and from Matson and U.S. Lines, the Senate Labor Committee has pinned a good part of its anti-S. 1566 case on dated (and poor) testimony on another bill—that of Shelley Mark.

The case for Hawaii is a strong one. If the U.S. Senate relies on the Labor Committee's report for its decision, then Hawaii will have no recourse but to continue the fight unabated for however many sessions it takes.

The pursuit of justice is not a sometime thing.

Mr. FONG. The Labor and Public Welfare Committee states in its report that S. 1566 "is at odds with current policies of the executive branch and with an emerging pattern of industrial harmony."

I certainly endorse, along with the committee and also with the report of the President's National Commission for Industrial Peace, the efforts of labor and management to find new procedures and set up new mechanisms to settle their disputes without resort to strikes or lockouts. I share the hope that this will lead to an atmosphere of more harmonious collective bargaining. I do not believe, however, that the minimal impact of S. 1566 on the hours worked by west coast longshoremen and maritime labor will interfere with these efforts to improve labor-management relations.

The committee states in its report that S. 1566 "is at variance with what the committee believes would be an even-handed approach to dealing with bona fide emergencies" since it would cover west coast stoppages but not disputes in Hawaii or the Pacific islands.

The committee correctly cites the bill's sponsors as saying that Hawaii stoppages are not covered because, first, there has been only one extended dispute affecting shipping commerce with Hawaii since World War II which was Hawaii-centered; second, Hawaii disputes are amendable to public pressure from the fellow citizens of those engaged in the dispute; and third, disputes in Hawaii are subject to State action under the Hawaii Dock Seizure Act, which authorizes the Governor to seize and operate the docks in an emergency.

The people of Hawaii do indeed believe that they are able to—and rightfully should—cope with shipping tieups within their own State. They feel it is equally true, however, that remedial legislation is needed which will protect them from disputes which are far beyond their bor-

ders, out of reach of Hawaii State law and Hawaii public opinion.

The Labor and Public Welfare Committee also suggests that "action on the bill could precipitate demands for legislation of broader application." The "slippery slope" argument is familiar to all of us, but equally familiar is the understanding that extraordinary circumstances require an extraordinary response. In my view, this is such an occasion.

S. 1566 IS BOTH ESSENTIAL AND APPROPRIATE

S. 1566 is an effective and timely response to a long-standing problem of great seriousness and vital importance for the people of Hawaii. It will provide an essential measure of protection for nearly a million American citizens who, because of unalterable geographical circumstances, are uniquely dependent upon one mode of transportation and therefore uniquely vulnerable to disruptions of that service.

I have documented the impact of shipping tieups on Hawaii—the lost jobs, rising prices, depleted savings, economic disruption and blighted hopes. Recent history conclusively shows that the possibility of such stoppages on the west coast is regularly transformed into a reality.

There is no doubt of the inadequacy of Taft-Hartley to safeguard Hawaii, both because of its spectacular lack of success in resolving shipping disputes and because of its national emergency requirement, which a regional dispute cannot satisfy until very late in the day, if at all.

Congress has rarely responded to Hawaii's plight when our ocean lifeline has been severed. When Congress has responded, that response has been tardy and has been dependent upon a remarkable constellation of supportive events, as was made clear during the 1971–72 west coast longshore dispute.

My colleagues and I from Hawaii have been searching for some time for a remedy which will effectively protect Hawaii against circumstances beyond her control or sphere of influence, which will be acceptable to the Congress, and which will not tip the scales against either labor or management. In S. 1566, we feel we have found that remedy. Since both organized labor and the employers bargaining group involved in west coast shipping contracts oppose this bill on the grounds it favors the other side, it appears S. 1556 is, in truth, evenhanded.

I do not anticipate that S. 1566 would be used other than with great caution in a limited number of instances, and it would have, as I have indicated, a very limited impact on the collective bargaining process.

Affirmatively, however, this bill would do what is essential to alleviate hardship in Hawaii and the other U.S. Pacific islands when labor-management disputes on the west coast cut our ocean lifeline.

The people of Hawaii are watching this debate.

They remember the many, many strikes of years gone by and their impact on themselves and their enterprises.

They remember the inadequacy and tardiness of Taft-Hartley and previous congressional response to our plight.

They remember the long history of the determined effort by their entire congressional delegation to secure a legislative remedy, the effort which has finally brought us to this day.

The overwhelming majority of the people of Hawaii strongly support action to safeguard them from the impact of future maritime and longshore disputes on the west coast—the thousands of messages which have come from people in all walks of life throughout my State attest to that.

On behalf of the people of Hawaii, therefore, I ask my colleagues to vote for this bill. To do so will be to take the right action at the right time—before, not after, another emergency strikes.

EXHIBIT 1

HAWAII: THE MOST VULNERABLE STATE IN THE NATION—A CASE STUDY

CHAPTER 1—HAWAII'S VULNERABILITY TO TRANSPORTATION STRIKES

Apart from her uniquely isolated location, which has already been discussed in the Introduction, Hawaii is particularly vulnerable to transportation strikes because her economy is preeminently an export-import economy.

Were we largely self-sufficient based upon producing locally the things we consume, then the situation would be different. But it is obviously not economically feasible nor physically possible for the Islands to produce a complete range of goods for a population of only around 800,000. With the exception of bauxite, which has never been mined commercially, Hawaii has no metal resources. The Islands have few nonmetallic minerals and no deposits of oil or coal. Land suitable for agriculture is limited and its availability is shrinking with increasing urban demands. Thus about 80 percent of all physical commodities purchased by residents of Hawaii come from overseas, mainly from the Mainland states of the Union.

Let us look at this situation item by item.

Food

Aside from sugar, pineapple, and a few other export crops, agricultural production in Hawaii is on a fairly small scale. We depend on imports, mostly from the Continental U.S., for a large proportion of the food we consume.

Imports account for 52 percent of the beef consumed in the State, 64 percent of the pork, 75 percent of the chicken, and all of the lamb, mutton, and turkey. Although we are largely self-sufficient in fresh milk and eggs, we bring in all of our butter and margarine, most of it from the Mainland. Even the meat and dairy products produced locally are ultimately dependent on imports, since nearly all of our livestock feed comes in from other states.

Some 58 percent of the fresh vegetables marketed in Hawaii are imported (nearly all from the West Coast)—including 99 percent of the potatoes, 89 percent of the carrots, 58 percent of the lettuce, and 44 percent of the tomatoes. And this doesn't include frozen and canned vegetables, all of which are brought in from outside. The State does produce a variety of tropical fruits, but its imports of such Mainland fruits as oranges, apples, pears, and grapefruit total more than 31 million pounds a year.

With the exception of corn, no grain is produced locally for human consumption. Rice occupies much the same position in the Hawaiian diet as potatoes do in the typical Mainlander's diet. About 55 million pounds of rice are brought into Hawaii annually mostly from the Sacramento area. Yearly imports of around 68 million pounds of Mainland wheat are milled locally to produce 96 percent of the flour consumed in the State, while another 6.6 million pounds of Mainland-milled flour make up the remaining 10 percent.

In addition to dairy processing and flour milling, food processing in Hawaii is concentrated largely in the production of sugar, canned pineapple, fruit juices and preserves, canned fish, bakery products, and some ethnic foods—and even these industries rely to varying degrees on materials, machinery, and containers brought in from outside the State. We are entirely dependent on imports for such things as cereals, baby foods, soups, cheese (except cottage cheese), TV dinners, pet food, wine and most hard liquors, cooking oils, most salt, and an endless list of other food items.

Clothing

Hawaii's garment industry produces island-style sportswear which meets some of the needs of local residents for work as well as play. But unlike the tourist in Waikiki, local residents don't normally spend all of their time in aloha shirts, muumuus, and bikinis. We need business suits and dresses, shoes, socks or hose, sweaters, belts, underwear—all of which must come from outside the State. One large Honolulu department store estimates that only 30 percent of its women's clothing and 20 percent of its men's clothing sales are of locally manufactured goods. Nearly all of the rest of its stock is brought in from the Mainland U.S.

Even in the local garment industry is by no means self-sufficient. There is no textile manufacturing in the State, except for the printing of some imported fabrics. Until recently around 90 percent of the fabric used by local garment manufacturers was imported from Japan. (While Japan remains the major supplier, revaluation of the yen and rising prices in that country have caused the industry to turn increasingly to other sources in Asia and the Mainland U.S.) Although only a local dock tie-up can seriously interfere with the bulk of Hawaii's textile imports, since fabrics are largely of foreign origin, interruption on the Mainland-Hawaii route can still affect garment production. The industry relies on Mainland manufacturers for most of the buttons, zippers, and thread it uses.

Transportation Equipment

With the exception of boats and specialized truck bodies (both mad from imported materials), Hawaii manufactures no transportation equipment. All cars, trucks, buses, airplanes, tires, batteries, and parts must be imported. Demand is substantial. In 1971, there were more than 425,000 motor vehicles registered in the State, and new cars sold in Honolulu County alone totaled more than 32,000.

Over half of the cars brought into Hawaii come from Mainland ports on U.S. vessels. In 1970, with no transportation tie-ups, American-made autos accounted for 60 percent of the new cars sold in Honolulu County. (In strike-plagued 1971, American cars fell to 51 percent of the tot.l, but in 1972 they rebounded to 55 percent.) The increasingly popular Japanese makes, whicl. have accounted for about one-third of new car sales in Honolulu in recent years, are imported from the country of origin on foreign-flag vessels, as are Volkswagen and some other E.ropean cars. But several European makes and most European auto parts are shipped to Hawaii from West Coast ports on American ships.

Other Machinery

Hawaii's almost total lack of metal resources makes the State ultimately dependent on imports for all types of machinery—home, office, and industrial. There is some machinery manufactured locally, primarily agricultural equipment, but of course the

raw materials are imported. All such goods as typewriters, television sets, radios, refrigerators, computers, cash registers, clothes washers and dryers, and communications equipment—as well as parts for all of them—must be brought in from either the Mainland U.S. or abroad.

Paper and Allied Products

There are no pulp or paper mills in Hawaii. We depend on imports, either in raw or finished form, for all of the paper products consumed in the State—paper towels, toilet paper, and napkins for homes; stationery, envelopes, and printed forms for offices and banks; industrial paper goods and containers for factories; and newsprint and coated paper for the printing industry. In 1970, when shipping was normal, we imported more than 166,000 tons of pulp, paper, and printed matter. Around 38,000 tons was newsprint, which comes primarily from Canada. But of the remaining 128,000 tons, more than 98 percent came from Mainland states.

Medical Supplies

Hawaii depends on Mainland U.S. manufacturers for all of its drugs and hospital supplies. Because of the critical nature of these items, of course, the State has never had to do without, even in the most serious transportation strikes. One major distributor reports that 15 percent of its medical supplies are normally brought in by air, and that most other essentials can be given priority in air shipment during maritime or dock strikes. Emergency arrangements could be made in a major airline strike. But the fact that such emergency measures are necessary only further emphasizes Hawaii's vulnerability to transportation interruptions.

Building Materials

Construction is big business in Hawaii. At its peak in 1970 (before the West Coast dock strike and a general business slowdown), the industry accounted for 7.6 percent of total employment in the State, compared to only 4.3 percent in the U.S. as a whole. Total construction put in place was valued at more than $873.8 million, or the equivalent of 22.6 percent of total personal income, while nationally it was equivalent to only 11.7 percent. The industry depends on Mainland imports for nearly all of its materials and equipment.

Eucalyptus robusta is the only Hawaii-grown wood used in any quantity in local construction, and it meets only a tiny fraction of the industry's wood requirements. Hawaii's imports of lumber from the Mainland were estimated at 115 million board feet in 1967—95 percent of the State's total lumber consumption. Locally produced hardwoods made up only 3 percent of total consumption, while foreign imports (primarily from Canada) accounted for 2 percent. Plywood and veneer imports from the Mainland were estimated at 22 million square feeet, or 86 percent of Hawaii's total consumption of these products, with the rest coming from foreign countries. It was estimated that the construction industry accounts for more than two-thirds of the State's total wood consumption.

Hawaii's mineral resources are essentially limited to sand and gravel, clay, lime, pumice and volcanic cinder, and bauxite. Cement and concrete products are produced locally for construction, but two necessary ingredients—silica sand and gypsum rock—come from the Continental U.S. All metal materials must be imported in some form, generally as finished products such as structural steel, wire, pipe, plumbing fixtures, sheet metal, etc. All glass is imported, predominantly from the Mainland, as is all paint.

Agricultural materials

Even the State's agricultural industries—major sources of export income and employment—are far from self-sufficient. Although some of the fertilizers used for sugar, pineapple, and other Island crops are mixed in Hawaii, all ingredients must be imported. No insecticides, pesticides, or herbicides are manufactured from local materials. Our imports of both agricultural chemicals and fertilizers come almost exclusively from the Mainland U.S.

Our sugar and pineapple manufacturers depend on imports for machinery, of course, but also for assorted raw materials. For instance, although cans for Hawaii's pineapple products are manufactured locally, every material that goes into them—tinplate, solder, labels, glue—must be brought in.

As we noted in our discussion of foods, in spite of repeated attempts to develop local sources of feed grain, nearly all of the feed consumed by Hawaii's livestock industry is imported from the Mainland. In 1970, our feed inshipments amounted to nearly 166,000 tons. By 1971, in spite of shipping interruptions, inshipments had increased to over 177,000 tons.

Miscellaneous items

No industry or individual in Hawaii is free from dependence on imported goods. Other items for which we depend on outside sources range from large household durables to the most mundane necessities—toothpaste, razor blades, soap, most furniture, rugs, household and hotel linens, china, cooking utensils, light bulbs, cigarettes—even U.S. currency, which local banks ship in at the rate of millions of dollars a year. If a thing can't be made out of lava, coral, air, water, or semi-tropical plants, then the chances are good that Hawaii must import it or its components.

Obviously in order to import commodities in such volume, Hawaii must have a very large export trade to provide the money to pay for the imports. Hawaii's exports, like the exports of any country or part of a country, fall into two categories—visible and invisible.

Hawaii's visible—or commodity—exports are mainly sugar and pineapple, although there is a considerable volume of other products that we produce and ship to the Mainland U.S.

Sugar

In a normal year we will ship to the Mainland approximately 1,200,000 tons of raw sugar.

Pineapple

Pineapple production is somewhat more variable than sugar production. In recent years, pineapple production, most all of which is shipped to the Mainland, has been in the range of 17 million cases of solid fruit, 11 million cases of juice, and 1 million of juice concentrates. It is expected that in 1973 Hawaii will additionally ship to the Mainland close to 70 million pounds of fresh pineapple.

Garments

No precise figures are available, but is estimated that approximately $15 million of garments made in Hawaii go to the Mainland markets each year.

Papaya

Since 1964, Hawaii has more than doubled her outshipments of fresh papaya to the Mainland. Now close to 10 million pounds of fresh papaya are air flown to the Mainland each year and local producers look to continued expansion of this market.

While Mainland marketings comprise between 40 and 45 percent of the volume of Hawaii's fresh papaya sales, the return on these marketings accounts for 50 percent of papaya receipts.

In addition to fresh fruit marketings, Hawaii ships close to 1 million pounds of processed papaya products to the Mainland each year.

Macadamia nuts

In 1971, 1.5 million pounds of processed macadamia nuts went to Mainland markets—double the 1964 volume of shipments. With the tremendous planting of new trees in recent years, as the orchards mature and as more trees reach the bearing stage, the increase in macadamia exports to the Mainland should be even greater during this decade.

Flowers and nursery products

Out-of-state sales of flowers and nursery products were valued at $2.7 million in 1971. The sale of anthuriums accounted for 56 percent and orchids 28 percent of Hawaii's horticultural exports. Although no figures are available, it is known that the overwhelming majority of these exports go to the Mainland.

Anthurium outshipments to the Mainland doubling in the past six years, totaled 6.5 million flowers last year. Mainland sales represented 49 percent of Hawaii's anthurium market in 1970 and 65 percent in 1971.

Hawaii's invisible exports—services sold locally for Mainland dollars—consist primarily of sales to the Federal government (mainly the defense agencies) and to Mainland visitors.

Defense

About one-third of all defense agency expenditures in Hawaii are for the purchase of commodities or services from outside contracting agencies. This amounts to between $200- and $300-million a year, and a fairly large fraction of this is for contract construction. Shipping strikes, which interfere drastically with the flow of building materials to the Islands, cause a very large loss in revenue from this source.

Visitors

Approximately 1.6 million visitors came to Hawaii last year from the Mainland U.S., staying an average of 9.3 days each (14.9 million visitor days) and spending while in Hawaii approximately $41 per person per day ($607 million). There are various ways to measure the impact of this on Hawaii's economy, but our best analysis would indicate that visitor spending supports, directly and indirectly, close to 20 percent of Hawaii's total economy. The visitor industry in Hawaii is of course completely dependent upon the maintenance of uninterrupted service by the eight U.S. trunk air carriers that serve Hawaii.

In summary, Hawaii is completely dependent for her economic life on the movement of commodities to and from the Mainland U.S., mostly by ship but partly by air, and on the movement of people to and from the Mainland U.S., now entirely by air.

It is estimated that in 1973 commodities moving to Hawaii from the Mainland U.S. by ship will amount to 5 million tons and by air to 50,000 tons. Commodity movement from Hawaii to the Mainland U.S. will be 2 million tons by ship and 25,000 tons by air. With a 1973 population of 823,000, this will mean 8.6 tons per person per year. This amounts to nearly 35 tons for a family of four.

As far as people are concerned (visitors plus local residents), it is estimated that in 1973 westbound carriers to Hawaii, most of which are domestic trunk carriers, will fly 2.3 million people to Hawaii.

It is obvious that without full, uninterrupted service between the Mainland U.S. and Hawaii, the Hawaiian economy suffers badly, and if the interruption is long and severe, we suffer drastically. This is documented in the following chapter.

CHAPTER II—TRANSPORTATION STRIKES AND THEIR IMPACT ON HAWAII

Over the past several decades, there have been hundreds of interruptions of shipping and air transportation between Hawaii and the Mainland U.S. Not merely a severe inconvenience and strain for Hawaii's consumers and businessmen, these interruptions have caused untold economic losses throughout the State.

Since World War II, more than four years' time has been lost through transportation strikes affecting Hawaii. Eight major strikes, only one centered in Hawaii, accounted for 637 of the lost days. They were:

1. The 53-day West Coast shipboard union strike in 1946.
2. The 96-day West Coast shipboard union strike in 1948.
3. The 177-day Hawaii longshoremen's strike in 1949.
4. The 66-day West Coast sailors' strike in 1952.
5. The 27-day West Coast shipboard union strike in 1962.
6. The 43-day machinists' strike of five trunk air carriers in 1966.
7. The 134-day West Coast longshoremen's strike in 1971–72.
8. The 41-day West Coast ship officers' strike in 1972.

Some of the scores of shorter or less damaging strikes which cost over a thousand more lost days are listed in the Appendix.

In addition to this cumulative total of over four years of interrupted transportation to and from Hawaii, there is the prestrike period of frantic stockpiling and the poststrike period of getting business back to normal. The cumulative total time of disruption due to transportation disputes may therefore well be in the range of six years since World War II—or nearly one-fourth of the time.

The 1949 strike of Hawaii's dockworkers was not only the longest, but the most severe. Because local docks were closed to all but military ships, virtually *all* of our oceanborne commerce was completely cut off.

But no one can say that a strike centered on the Mainland has much less of an impact on Hawaii. The great bulk of our commerce is with the Mainland states, primarily through West Coast ports. Although this two-way trade traverses thousands of miles of international waters, it is still considered domestic commerce and the law requires that it be carried on U.S. flag vessels. (The same type of regulation applies to air as well as ocean transportation. Passengers, for example, may not fly from any Mainland U.S. city to Hawaii on a foreign airline unless their destination is a foreign city beyond Hawaii.) Except in the event of a strike involving Hawaii's ports, foreign vessels can keep our commerce open with foreign countries. But our foreign commerce is nothing compared to our dependence on trade with the Mainland and foreign vessels can do nothing to restore that.

Let's take a look at some of the most devastating transportation interruptions that have hit Hawaii in the past 24 years.

The 1949 Hawaii dock strike

The International Longshoremen's and Warehousemen's Union (ILWU) struck seven Hawaii stevedoring companies on May 1, 1949, when deadlocked talks on a wage reopener could not be resolved. Military shipping was exempted by the union and special ships carrying food were also allowed to unload, but otherwise the Islands' docks were effectively closed. Hawaii's Governor seized the docks under a special dock seizure law passed by an emergency session of the Territorial Legislature, but little traffic could be resumed. The strike ended October 25, 1949, and the Governor returned the docks to the companies following a wage agreement.

The 1952 sailor's strike

The Sailors Union of the Pacific struck the Pacific Maritime Association (PMA), which represents West Coast shipping companies, on May 24, 1952, after contract negotiations broke down. The settlement didn't come until July 29—66 days later. This was followed by additional brief work stoppages by other shipboard unions which had been bargaining with the PMA but had waited until the Sailors' settlement.

The 1962 west coast maritime strike

The three unlicensed seamen's unions—Sailors Union of the Pacific, Marine Firemen's Union and the Marine Cooks and Stewards Union—struck the Pacific Maritime Association on March 16, 1962. They had failed to reach agreement after negotiating for seven months.

The merchant fleet of 120 ships operated by member companies of the PMA was idled for 27 days until the Taft-Hartley injunction invoked by President Kennedy sent the seamen back to work. Agreements were reached during the 80-day cooling-off period.

The 1966 airline strike

The Machinists Union struck five trunk airlines—Eastern, Northwest, Trans World, United, and National—on July 8, 1966, after lengthy negotiations failed to bring agreement. An estimated 4,100 flights and 150,000 travelers were affected daily by the strike. The airlines estimated their daily revenue loss at more than $7 million.

United and Northwest airlines, two of the three scheduled U.S. carriers that served Hawaii at that time, normally operated a combined total of around 15 round trip flights daily between Hawaii and the Mainland, with an average combined load of 2,300 passengers. The 43-day strike, which ended on August 19, cost the Hawaiian economy some $13.5 million, including the loss of 40,000 potential visitors. Hotels in Waikiki reported that occupancy rates were down 10 percent due to the strike. Obviously some hotels were hit harder than others, and these suffered severe financial strain. The two interisland air carriers reported their passenger load down substantially during the strike.

The 1971 west coast dock strike

The ILWU struck the Pacific Maritime Association, representing West Coast stevedoring companies, on July 1, 1971, closing down docks all along the coasts of California, Oregon, Washington, and Alaska. Lengthy negotiations had failed to resolve disputed contract issues, chief of which was a jurisdictional dispute between the ILWU and the Teamsters Union.

As the strike wound up its third month, there was no progress. On October 6, 1971, President Nixon intervened by invoking the Taft-Hartley Act and asking the courts for an injunction. The injunction sent longshoremen on the West Coast back to work on October 9 for an 80-day cooling-off period. There were hardly any negotiations during the interim, however, and when the injunction expired in December, West Coast longshoremen rejected the employers' final offer and resumed the strike on January 17, 1972, after a holiday grace period.

Meanwhile, on the East Coast, the International Longshoremen's Association struck on October 1, 1971, closing all Atlantic and Gulf ports until President Nixon again invoked Taft-Hartley on November 26.

Agreement on the West Coast strike was finally reached on February 18, 1972. This agreement, which took so long to negotiate, will expire on June 30, 1973.

The 1972 west coast maritime strike

The Masters, Mates and Pilots Union struck the Pacific Maritime Association on October 25, 1972, just before the critical holiday shopping season, leaving many Hawaii stores without their Christmas goods. A strike was not expected, and when it came, news reports anticipated only a brief stoppage. But the strike lasted 41 days—until December 4. A union of approximately 300 members was able to tie up the whole Pacific Coast merchant fleet of 67 ships for 41 days, cutting off supplies for more than 800,000 people in Hawaii. The dispute was finally settled on terms that were basically the same as those offered before the strike.

It is impossible to gauge the total impact of these transportation interruptions on the Hawaiian economy. There is no way to measure the number of businessmen who decided not to invest in Hawaii or the number of vacationers who decided not to visit Hawaii because of a strike—or even the threat of one. But the impact is painfully clear in the increased costs of doing business, the unemployment, and the rises in the cost of living resulting from these strikes.

The first and the hardest hit is the local business community. Retailers and wholesalers can't get their merchandise; construction firms can't get their materials; farmers can't get their chemicals and feeds; and manufacturers can neither get their supplies nor reach their usual markets.

Inured to the problem, many Hawaii firms resort to stockpiling supplies when a strike is threatened. But the cost of extra warehousing and handling and to borrowing or tieing up capital to build inventory are tremendous. Some businesses devise emergency alternative means of reaching suppliers or markets—using air shipments during an ocean tie-up, routing goods through East Coast ports when West Coast ports are struck, etc. But this, too, is expensive. The squeeze on businesses was especially severe during the 1971 West Coast dock strike, when Phase I of the wage-price freeze prevented them from passing on most of these added costs. (Whether the costs are passed on or absorbed, of course, someone in Hawaii ends up paying.)

As the strike wears on, the impact on the business community is compounded. Local business services and lenders suffer as accounts fall behind in their payments. Advertising volume is reduced because merchants have nothing left to sell. Architects find that construction plans are put off, while employment agencies find that no one is hiring.

During the local dock strike in 1949, retail sales in Hawaii fell 12.5 percent below the same period in the previous year, while nationally they showed no appreciable change. With many small businessmen giving up entirely, out-migration accelerated and bank deposits declined. Farmers suffered severe shortages of fertilizer and feed, and some were forced to kill off part of their livestock. Construction volume dropped precipitously, and even the number of visitors to Hawaii was reduced.

During the 1971 West Coast dock strike, a pronounced slowing in the State's general fund tax collections reflected the overall damage endured by Hawaii's businesses. Revenues had increased 9 percent in the fiscal year ending June 30, 1971, the day before the strike began. But in the following five months, when Hawaii was in the midst of or recovering from the strike, the rate of increase in revenues slid to 2.8 percent. While it is true that 1971 was a recession year for Hawaii, tax revenues were up in the six months directly preceding the strike, with June ahead of the previous June by 9.9 percent.

Responding to a survey on the impact of the 1971 strike, local retailers reported sales declines ranging from 3 to 17 percent. Because of extra inventory and transportation costs, however, the drop in their profits was much more marked. Profits before taxes were down 50 percent from normal for a foreign car dealer, down 53 percent for an appliance dealer, down 25 percent for a housewares dealer, and down 19 percent for one drug store. A domestic car dealer reported profits down 200 percent (a loss, in other words), while for a paper products dealer profits were down 138 percent. Most businesses survived the strain, but some could not. One medium-sized furniture store struggled through the 134 days of the 1971 and early 1972 West Coast dock strikes, but it was caught by sur-

prise by the deck officers' strike in the fall of 1972. Christmas furniture orders arrived too late for the holiday buying season, and the store went out of business.

The 1971–72 strike also had a severe effect on the State's construction industry. Construction in progress suffered lengthy delays, increasing costs considerably. Completion of two large Honolulu office buildings was held up, for instance, and the resultant loss of rentals was serious. A hospital was forced to postpone its opening date because the dock strike delayed arrival of certain construction materials necessary for the building's completion. With conditions so uncertain, developers became hesitant to put new projects out for bid. One large construction company reported $18 million in lost revenue and $1.5 million in lost profits. Its employees lost $10 million in wages. A construction materials supplier reported profits before taxes down 225 percent from normal, a substantial loss. Profits were down 20 percent for an equipment dealer, 20 percent for a general contracting firm, and 28 percent for one concrete accessories firm.

Hawaii's vital sugar and pineapple export industries suffer great financial losses during prolonged shipping strikes because they cannot get their products to market. Even in normal times, the returns on sugar and pineapple are below acceptable rates. Failure to supply their very competitive markets—as in the 1971–72 dock strike—results in lost customers, further deteriorating the industries' financial health.

Our pineapple industry markets 80 percent of its annual pack through West Coast ports, and the remaining 20 percent by way of Atlantic and Gulf ports. The 1971 West Coast dock strike caught the industry during the peak canning season, and millions of cases of pineapple backed up here, unable to find their way to market. One company had more than 9 million cases stored in warehouses at one time. A load was set by chartered ship to the East Coast and hauled back overland to California to preserve that important market. Such storage, extra handling, and detoured transportation cost one company a million dollars.

National policy allows foreign pineapple to come into this country duty-free but U.S. pineapple is kept out of foreign markets by high tariffs. The only place that Hawaii's high-cost pineapple industry can compete is on the Mainland. But when shipments are temporarily cut off by a transportation interruption, consumers buy other canned fruits or foreign pineapple, and those customers may be lost to us forever. It is no wonder that pineapple is a dying industry in Hawaii.

The sugar industry also had serious problems during the 1971 dock strike. Loss of markets has been of deep concern to the industry because it sells most of its sugar in the Western states where sugar production is in surplus. If the supply of sugar from Hawaii is cut off, industrial users can easily get their requirements from others, and this lost business is not easily won back. Then Hawaii is forced to ship its produce further east, and added transportation cost reduces margins. A transportation interruption truly reduces sugar's competitiveness.

During the 1971 strike, emergency sugar storage proved insufficient, and some of the production had to be stored outdoors under tarpaulin. More than 91,000 tons of raw sugar and 10,000 tons of molasses were in supplemental storage at the peak of the strike. Storage was eased to some extent by chartering ships to Gulf and East Coast ports and to Vancouver, from where the sugar was railed to the California refinery—but the added expense was enormous. The industry reported that extra costs resulting from the strike totaled close to $6 million.

Next to suffer from the effects of transportation stoppages are Hawaii's wage earners, whose jobs disappear as the economy winds down. The impact on jobs is not immediate. Supplies on hand at the beginning of a strike can keep businesses operating normally for a while, and even when supplies begin to run out, employers try to keep workers on the payroll by shortening hours or by scheduling vacations during the slack period. But when the stoppage lasts more than two or three months, the number of people thrown out of work accelerates. Whatever gains are won by the strikers when the strike ends the wages lost by these nonparticipants can never be recovered.

The worst spell of unemployment in Hawaii's modern history followed the longest dock strike in Hawaii's history. The islands' unemployment rate was already up to 7 percent in 1949 as a result of the ongoing national recession. But the 177-day shutdown of local docks in May-October 1949 sent unemployment skyrocketing to over 32,000 workers—nearly 17 percent of the labor force at that time.

The second worst spell of unemployment in Hawaii's modern history followed the second longest dock strike. More than 23,000 workers were on the jobless rolls in November 1971, following the first 100 days of the West Coast dock strike. When the strike was resumed in January-February 1972, unemployment rose to 23,650 workers in February. This gave Hawaii an unemployment rate of 6.3 percent in November and 6.5 percent by February—the highest rates experienced since 1954, and the first period since 1956 when Hawaii's unemployment rate exceeded the national average.

And finally, transportation interruptions often send prices soaring at a time when Hawaii's families can least afford it. The impact of these strikes on Hawaii's consumer prices is well documented by the consumer price and food price indexes compiled by the U.S. Department of Labor's Bureau of Labor Statistics.

Consumer prices in Hawaii climbed 3 percent during the May-October local dock strike in 1949, while nationally prices declined slightly.

The effect was even greater during the 100-day West Coast dock strike in the third quarter of 1971. Even with Phase I of the wage-price freeze in effect beginning mid-August, Honolulu food prices jumped 4.5 percent between June and October. By contrast, U.S. food prices declined 0.3 percent over the same period.

The major reason for the sharp increase in food prices was that grocery chains were forced to airlift fresh produce from the Mainland at much higher freight costs. The higher transportation costs were passed on to consumers because raw agricultural products were exempted from price controls. The fruits-and-vegetables price index for Honolulu vaulted 8.2 percent in August 1971 and 5.3 percent in September, while nationally these prices declined 1.9 percent in August and 5.7 percent in September. Hawaii's fresh produce prices normally would have followed this seasonal decline.

The same pattern of rising food prices appeared when the 1971 dock strike was resumed in January 1972 after the Taft-Hartley cooling-off period, and again during the strike of the Masters, Mates and Pilots Union in the fall of 1972.

Price indexes are academic, but the effect on the pocketbook is not. How many Mainland families would have been willing to pay 72¢ for a head of lettuce, $1.45 for a dozen oranges, or $2.28 for 10 pounds of potatoes in February 1972? Yet in Hawaii, where salaries are generally no higher than on the Mainland, these were the average prices families had to pay—or do without.

These effects are most pronounced during a long transportation stoppage, but it should be realized that it isn't just long transportation strikes that hurt Hawaii. Short strikes are short strikes only in retrospect, they could turn into long strikes and they trigger the response that a long strike would provoke: stockpiling, hoarding, panic buying, etc. And even the threat of a strike that never comes off is only a threat in retrospect: when the threat looms on the horizon, businessmen and consumers adopt, a here-we-go-again attitude and a resulting behavior pattern that can be as costly and disruptive as would be the case if the strike ultimately occurred.

The conclusion is clear: Hawaii must somehow find her way out of this precarious situation that she has been in for so long.

TRANSPORTATION STOPPAGES AFFECTING HAWAII, 1946–72

Strike	Date commenced	Days' duration	Involving
Longshore	Jan. 2, 1946	16	ILWU, Port Hueneme, Calif.
Longshore	Feb. 4, 1946	9	ILA, New York.
Longshore	June 11, 1946	4	ILWU, Hawaii.
Longshore	June 17, 1946	2	ILWU, Los Angeles.
Maritime	July 10, 1964	4	NMU, SIU, Atlantic.
Longshore	July 12, 1946	2	ILWU, Los Angeles and Long Beach
Maritime	Sept. 5, 1946	16	Seamen AFL–CIO, nationwide.
Maritime and longshore	Oct. 1, 1946	53	MEBA, MMP, ILWU, 21 States.
Longshore	Nov. 23, 1946	16	ILWU, Puget Sound, Wash.
Maritime	June 16, 1947	4	NMU, ARA, nationwide.
Longshore	June 17, 1947	2	ILWU, Hawaii.
Longshore	July 11, 1947	2	ILWU, Hawaii.
Longshore	Oct. 1, 1947	7	ILWU, Los Angeles and Long Beach.
Longshore	Nov. 10, 1947	17	ILA, east coast.
Longshore	Feb. 29, 1948	20	ILWU, Los Angeles and Long Beach.
Maritime and longshore	Sept. 2, 1948	96	MEBA, NUMCS, ARA, MFOW, Pacific; ILWU, west coast.
Longshore	Nov. 10, 1948	18	ILA, east coast.
Longshore	May 1, 1949	177	ILWU, Hawaii.
Maritime	June 16, 1951	10	MEBA, ARA, NMU, nationwide.
Longshore	July 6, 1951	43	ILA, Boston and New York.
Maritime	July 28, 1951	4	ARA, Pacific.
Longshore	Oct. 12, 1951	4	ILWU, Hawaii.
Longshore	Oct. 15, 1951	26	ILA, New York and Boston.
Longshore	Nov. 21, 1951	2	ILWU, Hawaii.
Maritime	May 27, 1952	66	SUP, Pacific.
Maritime	July 28, 1952	4	MMP, ARA, Pacific.
Longshore	Oct. 9, 1952	5	ILWU, Hawaii.
Maritime	Nov. 5, 1952	6	SUP, Pacific.
Longshore	Nov. 20, 1952	12	ILWU, Hawaii.
Longshore	June 19, 1953	3	ILWU, Hawaii.
Maritime and longshore	Oct. 1, 1953	5	ILA, MMP, east coast.
Longshore	Feb. 28, 1954	10	ILA, IBT, New York.
Longshore	Mar. 5, 1954	29	ILA, New York.
Maritime	Dec. 2, 1954	6	ARA, Pacific.
Airline	June 19, 1955	10	Pilots, UAL.
Longshore	Aug. 16, 1955	3	ILWU, Hawaii.
Longshore	Sept. 7, 1955	8	ILA, New York.
Longshore	Oct. 1, 1955	20	ILA, New York.

Strike	Date commenced	Days' duration	Involving
Maritime	Dec. 7, 1955	2	MFOW, San Francisco and Los Angeles.
Maritime	May 11, 1956	8	MMP, MEBA, SIU, Atlantic and gulf.
Longshore	Nov. 16, 1956	9	ILA, east coast and gulf.
Longshore	Feb. 12, 1957	10	ILA, east coast.
Longshore	June 29, 1958	2	ILWU, Hawaii.
Longshore	March 9, 1959	3	ILWU, San Francisco.
Longshore	July 4, 1959	2	ILWU, Hawaii.
Longshore	Oct. 1, 1959	8	ILA, east coast and gulf.
Longshore	Apr. 16, 1960	3	ILWU, Hawaii.
Longshore	Aug. 12, 1960	14	ILWU, Los Angeles.
Longshore	Feb. 9, 1961	5	ILWU, San Francisco.
Longshore	Mar. 7, 1961	7	ILWU, Los Angeles and San Francisco.
Maritime	June 16, 1961	17	MMP, MEBA, ARA, nationwide.
Maritime	Sept. 28, 1961	14	MMP, Pacific.
Airline	Feb. 19, 1962	2	Flight engineers, Pan American.
Maritime	Mar. 16, 1962	27	SUP, MFOW, SIU, MCS, Pacific.
Longshore	Sept. 12, 1962	5	ILWU, Hawaii.
Longshore	Sept. 23, 1962	2	ILWU, Hawaii.
Longshore	Oct. 1, 1962	5	ILA, east coast and gulf.
Longshore	Dec. 24, 1962	33	ILA, east coast and gulf.
Maritime	Jan. 18, 1964	2	MEBA, San Francisco.
Longshore	Jan. 11, 1965	61	ILA, east coast and gulf.
Airline	Apr. 1, 1965	10	Pilots, Pan American.
Maritime	June 16, 1965	79	MEBA, MMP, ARA, Atlantic.
Longshore	June 21, 1965	2	ILWU, Hawaii.
Longshore	Aug. 7, 1965	2	ILWU, Hawaii.
Maritime	Oct. 17, 1965	4	ARA, Pacific.
Longshore	May 23, 1966	3	ILWU, Hawaii.
Airline	July 7, 1966	43	IAM, United and Northwest.
Maritime	July 19, 1966	5	MEBA, Pacific.
Longshore	Feb. 14, 1967	4	ILWU, Hawaii.
Longshore	Mar. 20, 1967	3	ILWU, Hawaii.
Longshore	June 1, 1967	3	ILWU, Hawaii.
Maritime	June 15, 1967	7	MMP, east coast and gulf.
Longshore	Oct. 20, 1967	19	SSU, ILA, New York.
Airline	Feb. 20, 1968	3	BRACK, Pan American.
Longshore	Mar. 18, 1968	11	ILA, east coast.
Maritime	June 29, 1968	3	NMU, Atlantic.
Longshore	Nov. 18, 1968	5	ILWU, San Pedro, Calif.
Longshore	Dec. 20, 1968	125	ILA, east coast and gulf.
Longshore	Mar. 17, 1969	20	ILWU, San Francisco and Los Angeles.
Maritime	Nov. 17, 1969	47	MFOW, SUP, MCS, Pacific.
Longshore	May 11, 1970	25	ILWU, Oregon.
Airline	July 8, 1970	43	BRAC, Northwest Airlines.
Longshore	Dec. 7, 1970	3	ILA, New York and New Jersey.
Longshore	June 9, 1971	10	ILWU, San Francisco.
Longshore	July 1, 1971	100	ILWU, west coast.
Longshore	Oct. 1, 1971	57	ILA, east coast and gulf.
Longshore	Jan. 17, 1972	34	ILWU, west coast.
Airline	June 30, 1972	95	Pilots, Northwest Airlines.
Maritime	Oct. 25, 1972	41	MMP, Pacific.

Note: This list is far from complete. Excluded are hundreds of short strikes of less than 2 days, strikes involving only 1 ship, or strikes holding up shipping that is not essential to Hawaii. Whatever the cumulative toll of these brief strikes in terms of delays, uncertainties, and costs may be, we omit them here because this appendix would be about 30 pages long if they were all listed.

The PRESIDING OFFICER. Who yields time?

Mr. INOUYE. Mr. President, how much time remains?

The PRESIDING OFFICER. Thirty minutes remain.

Mr. INOUYE. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 4, line 8, beginning with the word "An" strike out through the word "the" on line 9, and insert in lieu thereof "The".

On page 6, line 1, strike out the word "jurisdiction" and insert in lieu thereof "injunction".

Mr. INOUYE. Mr. President, this amendment is necessitated because of clerical errors which occurred when the measure was sent to the Committee on Labor and Public Welfare from the Committee on Commerce.

The first provision is the deletion of a reference to an employer or labor organization who is a party to a strike or lockout as having the right to petition to call for an injunction. This provision was deleted in the Commerce Subcommittee on Merchant Marine, and the bill was ordered printed on June 13, 1973, but inadvertently it was included when this bill was referred to the Committee on Labor and Public Welfare.

The second provision in the amendment refers to a typographical error. The word "jurisdiction" was erroneously used in place of the word "injunction."

Mr. FONG. Mr. President, I ask unanimous consent that my name be listed as a cosponsor of the amendment.

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

Mr. JAVITS addressed the Chair.

Mr. WILLIAMS. Mr. President, will the Senator yield? I am prepared to make a statement in opposition, or I will wait upon the Senator from New York.

Mr. JAVITS. I think that the Senator from New Jersey, as the chairman of the committee, should proceed.

Mr. WILLIAMS. I thank the distinguished ranking member of the Committee on Labor and Public Welfare, the Senator from New York.

Mr. President, this is an unusual occasion when I rise to oppose a bill sponsored by my good friend, the distinguished Senator from Hawaii. From where I sit, there is one good thing about the bill, and that is its sponsorship, but I must end my approval there. While I strongly disagree with his recommendation that S. 1566 be adopted, I must say that, in his usual fashion, he has worked very effectively to bring this issue before the Senate.

The Senator from Hawaii has made a very impressive statement about the problems which confront Hawaii when it is cut off from its principal channels of commerce with the west coast. However, the case which he makes is—understandably—only one side of the issue.

It was the obligation of the committee on Labor and Public Welfare to ascertain just how serious are the problems which Hawaii faces during a dock or maritime work stoppage. We needed to determine, in addition, how these problems for Hawaii compare with those experienced by other States during transportation work stoppages.

Under the terms of the bill's referral to the Labor Committee, we had only a limited time to study the matter. As the committee report makes clear, we found that the evidence of damage to Hawaii from work stoppages was not compelling. that the evidence of damage to Hawaii does have special problems relating to its separation from the mainland, but that its vulnerability to harm from transportation work stoppages is certainly not unique.

Many other parts of the United States are dependent on a single mode of freight transportation. As noted in the committee report, about 37,000 communities are served exclusively by truck. Moreover, Hawaii is not completely dependent on commerce with the west coast. A substantial amount of its trade is with the east coast of the United States, with the west coast of Canada, and Mexico, and with other foreign countries.

During the short time the committee had the bill before it, we attempted to find out by how much imports from these other sources increased during the 1971 strike, which went into the early part of 1972. We were surprised to learn that the data were not available. Neither the State of Hawaii, nor any Federal agency could tell us by how much imports actually declined during the 1971 dock strike. And the figures we were able to develop on ship arrivals suggested that the decline in imports was nowhere near as dramatic as the proponents of the bill suggest.

The figures on ship arrivals are contained in the adverse report that the Labor Committee filed on this bill. Perhaps I should mention that this is the only report I have seen that has been filed in connection with this matter. This bill went originally to the Committee on Commerce. It is my understanding that it was reported without recommendation, and no report accompanied the Commerce Committee action. The adverse report of the Labor Committee is available to all Members, and the limited statistical data that is available is included in that report. I reiterate that the figures show that the decline in ship arrivals during the last strike in 1971 was nowhere near as dramatic as suggested by the proponents of the bill.

At the same time, we do not maintain that Hawaii has no special problem. Obviously, its dependence on maritime commerce is unusual. Therefore, we have made a strong commitment to give careful consideration to Hawaii's problems if a protracted labor dispute should threaten to harm that State. We would do the same for any other State or region. I think that on our record we have shown an alertness and a sensitivity to the problems that can befall an area, and we have taken appropriate action, as we did in the 1971–72 strike situation.

On the other hand, the committee cannot support special legislation, on a standby basis, providing preferential treatment for 1 of the 50 States. We see no place in American labor law for a bill which would virtually guarantee that

this one State—and only this one State—would never again suffer even the slightest inconvenience from a transportation dispute. That would be the practical effect of a 160-day moratorium, when added to the 80-day injunction period under Taft-Hartley. It is inconceivable that the Federal Government would permit a strike to persist for longer than 8 months. And the bill permits an injunction to be obtained when there is any interruption, whatsoever, in commerce. Such an interruption could be determined to exist if a single ship is delayed by as much as 48 hours.

The senior Senator from Hawaii mentioned this in his opening remarks. He suggested that this is not probable. Probable or not, the possibility is there, under this bill; and if it should become law, the stoppage of a single ship, delayed by as much as 48 hours, could promote an injunction.

I should also like to point out that the Federal district court is evidently not expected to make a judgment as to whether a genuine emergency exists before issuing an injunction under the bill. Contrary to the approach in other Federal labor legislation, the bill apparently determines conclusively that "any disruption" of maritime commerce with the west coast "automatically imperils the health and well-being" of the people of Hawaii, and the other affected islands.

I can well understand the Senator's concern about the effects of previous disputes. I know only too well how troubled the Nation was in 1972 by recurrent labor disputes. But the evidence seems to indicate that we may be moving into a new era of more harmonious relationships in the transportation industry.

The National Commission for Industrial Peace recently recommended against further statutory involvement of the Government in labor disputes. It is truly a blue ribbon commission of knowledgeable and experienced people. Its report, which is contained in the appendix material of the Labor Committee's recommended reading for all of us who want to understand the atmosphere that prevails today in labor-management relationships. It is an excellent report. They recommend against further statutory involvement of the government in labor disputes.

The Commission observed that there were encouraging signs of improved labor relations. Both labor and management spokesmen have been looking toward the greater use of voluntary arbitration to avoid work stoppages.

I think this point was made in the day of hearings that the Commerce Committee had on this bill in 1973. It came from some of those in high office in important unions that are part of the maritime picture. I believe it was Mr. Moody, of the Maritime Trades Department at the AFL–CIO. I believe the statement is also contained at some point in one of the documents in our report, from the president of the Seafarers Union, Mr. Hall. We know that Mr. Meany, president of the AFL–CIO, on many occasions has addressed himself to voluntary arbitration as a promising hope for the future to avoid work stoppages.

The Federal Mediation and Conciliation Service has been giving special attention to the transportation industry. It is notewortohy that the North Atlantic Shippers and the International Longshoremen's Association—ILA—have just agreed on a 3-year contract—even though the current contract does not expire until September. This is one of the most promising developments we have seen in connection with maritime shipments. There is a good chance that the ILWU, whose west coast contract does not expire until June 1975, will be able to settle on a similar, 3-year contract at that time.

Both labor and management strongly oppose the bill, as does the executive branch. All these circumstances suggest to me that it would not be wise to enact standby legislation when the committee has so strongly indicated its willingness to deal, on an ad hoc basis, with any genuine emergencies which may arise.

Mr. President, the Commerce Committee reported the bill, I emphasize again without recommendation, after brief hearings. The Labor Committee's adverse report was unanimous. The Senate has not been asked to consider a bill adversely reported since 1955. I strongly urge my colleagues to support the recommendation of the Committee on Labor and Public Welfare that the bill do not pass.

I thank the ranking member of the committee, the senior Senator from New York, a valued partner in this and so many other things.

Mr. JAVITS. Mr. President.

The PRESIDING OFFICER. The Senator from New York.

Mr. JAVITS. Mr. President, who controls the time in opposition?

The PRESIDING OFFICER. Senator JAVITS has time.

Mr. JAVITS. I yield myself 10 minutes on the bill.

Mr. President, the amendments which the Senator has asked for are amendments which he is certainly entitled to make in order to perfect the bill which he wishes to present to the Senate. Personally, I shall not in any way oppose those. So, I yield myself time on the bill.

Mr. President, the arguments which have been made by the chairman of the Labor Committee have covered a certain amount of the ground. I would like to cover other ground on this matter. The main thrust of my own argument against the bill is the danger which it presents. Indeed, it invites disaster in labor-management relations because Hawaii is not a separate part of the United States in any juridical, constitutional, or collective bargaining sense.

Hawaii is separated by an ocean, but Hawaii joined the Union when it became a State, and this bill proceeds on the theory that it did not join the Union when it became a State.

Mr. President, the effect of carving out this particular enclave, for what really is a prohibition against strikes, will unquestionably so change the labor situation of the whole United States as to the maritime unions that the security of the United States will be endangered in economic terms as it relates to strikes and local unions. It is for this reason that we felt so strongly about the bill to report against it.

I would like to join Senator WILLIAMS in my own admiration for our colleagues from Hawaii and our own appreciation for the unique problems of Hawaii as a State of the United States. It was not an easy thing for us to take the position that we did, and it had to be based upon grounds which were very strong and very conclusive to us in the committee. There was no dissent in the committee. It was unanimous that we should report against the bill, and that went for men of conservative views as well as men of liberal views.

Mr. President, we are buttressed in this position by the fact that both the Labor Department and the Federal Mediation and Conciliation Service—which usually does not comment on proposed labor bills—have come out against this bill exactly on the grounds which I have mentioned.

The Labor Department did so in a letter dated June 3, 1974, and also the Federal Mediation and Conciliation Service in a letter dated the same day, which are contained in the adverse report of the Committee on Labor and Public Welfare, which is on file in the Senate, but to complete my presentation, I ask unanimous consent that they be included as part of my remarks.

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

U.S. DEPARTMENT OF LABOR,
OFFICE OF THE SECRETARY,
Washington, D.C., June 3, 1974.

Hon. HARRISON A. WILLIAMS, Jr.
Chairman, Committee on Labor and Public Welfare, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your request for the Department of Labor's views on S. 1566, a proposed "Hawaii and United States Pacific Islands Surface Commerce Act of 1974."

S. 1566 would prevent interruptions in shipping between the West Coast and Hawaii and between the West Coast and the other U.S. Pacific Islands caused by longshore and maritime strikes and lockouts for 160 days. This anti-strike provision would be enforceable upon petition of certain designated parties to a United States District Court for an injunction or temporary restraining order. It is supplementary to the 80-day "cooling-off period" of the Labor-Management Relations Act, 1947, allowing a 240-day postponement of strike action where both laws apply.

We are both very much aware of the problems faced by island residents because of their dependence on shipping. However, dependence on various forms of transportation is to varying degrees a problem which faces the whole country. While a 160-day injunction might postpone a work stoppage, it might also postpone a settlement of the dispute involved. In this connection, we agree with the recently published final report of the National Commission for Industrial Peace, which states:

"* * * we must bear in mind that our best hope for peaceful settlements lies in the ability of the parties to arrive at agreement. We must not look for relief or protection through some miracle formula or technique. There is no substitute in our kind of society for a procedure under which the parties persuade themselves to compose their own differences."

Proponents of this legislation have stated

that while the economic consequences are great for the State of Hawaii and other islands, the pressures upon labor and management to settle their disagreements would not be significantly disturbed by the legislation. They conclude that the impact of the legislation on the collective bargaining process would be minimal. We are not aware of substantial evidence to support such a conclusion. It is unclear that the present collective bargaining structure would be maintained; thus the prospective effect of such legislation is also unclear. We also note that there may be serious difficulties in maintaining service to the islands despite the intent to prevent disruption, because this legislation would require separating cargo bound for Hawaii and the U.S. Pacific Islands from cargo bound for other locations. The economic feasibility of such a procedure is open to question.

Thus, there are many uncertainties concerning the balance between the adverse effect on the economy of these islands from strikes and the potential impact of this bill on the collective bargaining process in the maritime and longshore industries. Therefore, we do not believe it is advisable to enact S. 1566 at this time.

The Office of Management and Budget advises that there is no objection to the submission of this report from the standpoint of the Administration's program.

Sincerely,

PETER J. BRENNAN,
Secretary of Labor.

FEDERAL MEDIATION AND CONCILIATION SERVICE,
Washington, D.C., June 3, 1974.

Hon. HARRISON A. WILLIAMS, Jr.,
Chairman, Committee on Labor and Public Welfare, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your request for the views of the Federal Mediation and Conciliation Service on S. 1566, a bill which seeks to prevent West Coast dock strikes from imperiling the health and safety of the citizens of Hawaii and the United States Pacific Islands.

The proposed legislation would prohibit strikes or lockouts in the longshore or maritime industries on the West Coast, which interferes with shipping between the West Coast and Hawaii, Guam and other Pacific Islands, for a period of one hundred and sixty (160) days. The anti-strike provision is enforceable upon petition by certain designated parties to a United States District Court for an injunction or temporary restraining order. This would be in addition to the injunctive relief available under Section 208 of the LMRA, 1947.

The Service is, of course, greatly concerned with the problem of work stoppages in the longshore and maritime industries. Moreover, the rationale of protecting the health and safety of the people of Hawaii and the United States Pacific Islands is compelling. However, a question arises as to whether this type of proposed legislation promotes the resolution of labor disputes that affect the various forms of transportation throughout the country; whether selectively postponing a work stoppage aids in settling the dispute which caused the disruption. In this regard, we agree with the recently published report and recommendations of the National Commission for Industrial Peace which stress the point that our national labor policy relies on collective bargaining as the primary means of resolving labor disputes. The report also notes that the parties have been successfully searching for substitutes to economic strife and have placed increasingly greater reliance upon mediation and fact-finding as tools of voluntary dispute resolution.

Although we recognize the economic disruption to Hawaii and other Pacific Islands, we question whether providing for additional selective injunctive relief would aid in encouraging labor and management to seek peaceful means of resolving their differences in collective bargaining instead of relying upon economic disruption. For that reason, we do not believe enactment of this bill would be desirable at the present time.

The Office of Management and Budget advises that they have no objection to the submission of this report.

Sincerely,

W. J. USERY, JR.,
National Director.

Mr. JAVITS. The Labor Department, as the key to its opposition—which bears out the basic point that I have made—says that this matter has repercussions far beyond the confines of Hawaii. It says of those who support this legislation that have concluded that the impact of the legislation on the collective-bargaining process would be minimal.

We are not aware of substantial evidence to support such a conclusion. It is unclear that the present collective bargaining structure would be maintained; thus the prospective effect of such legislation—meaning this bill—is also unclear.

We also note that there may be serious difficulty in maintaining service to the Islands despite the intent to prevent disruption, because this legislation would require separating cargo bound for Hawaii and the U.S. Pacific Islands from cargo bound for other locations. The economic feasibility of such a procedure is open to question.

Thus, there are many uncertainties concerning the balance between the adverse effect on the economy of these islands from strikes and the potential impact of this bill on the collective bargaining process in the maritime and longshore industries. Therefore, we do not believe it advisable to enact S. 1566 at this time.

In short, what the Department of Labor is saying is that this is too risky for the whole collective bargaining process, remembering that these unions are international unions and not just local as between the west coast and Hawaii. These are unions which are national in their scope. Hence what is done between Hawaii and the west coast has a very material and adverse impact on collective bargaining with all unions, but certainly the maritime unions which affects us throughout the United States.

Now, one other thing that is critically important in this matter. We may have a situation here where the injunction which is anathema to labor in the United States may make some men work, even on the west coast, and some not work, because all west coast business is not connected with Hawaii. A good deal of business is coastal and goes to places in the world other than Hawaii.

So we would endeavor by this bill to carve out an enclave of workers who would be working while their fellows were on strike, which is not good for either the manufacturer or worker in respect to collective bargaining unions.

Finally, Mr. President, we would be legislating in a highly specialized way on a matter which should be legislated in a national way. We have insisted that that is the way it should be done, and we have been trying very much to have that done.

Now, let me point out why the Taft-Hartley Act, which is the only Federal law permitting labor injunctions of a statutory kind, permits an injunction in a case where, if the strike or lockout were permitted to occur or continue, would imperil the national health or safety.

This is section 206 of the National Labor Relations Act and the operative section is 208(a)(ii), which says:

. . . if permitted to occur or to continue, will imperil the national health or safety . . .

Therefore, our approach to Taft-Hartley injunctions as they are called has been on a basis of a national emergency.

As yet, there has been no determination by the Congress or the country that we should have injunctions of regional paralysis strikes. So, we have depended upon the ad hoc practices of the Congress, and those have been exercised in quite a few cases.

Since 1963, there have been 10 such cases and in many instances strikes were completely avoided. In some cases, strikes were ended, and that goes also for the longshore strike about which Senator FONG spoke so feelingly a little while ago.

Let us remember that in the longshore case, the strike went on from July 1, 1971, to October 6, 1971, then there was a Taft-Hartley cooling-off period until January 17, 1972, which was brought about very much by congressional pressure, and then the strike was renewed from January 17, 1972, to February 19, 1972, at which time it was settled. Indeed, it was settled in principle the day we actually passed the legislation. So in that particular case, you had a long strike, but a strike that was interrupted.

The other point that comes out of the legislation before us is this—and Senator WILLIAMS has emphasized that, and I would like to emphasize it further because it is critically important—page 4, lines 2 and 3 of the bill which is before us, that is section 3 of that bill, relating to strikes or lockout says:

The PRESIDING OFFICER. The Senator's 10 minutes have expired.

Mr. JAVITS. I yield myself an additional 5 minutes.

No strike or lockout . . . shall be permitted to interrupt normal shipping.

is the operative wording of the statute.

Now, that is unheard of in American injunction legislation. We would have an outcry from American labor heard from coast to coast, if we were going to extend the injunction right to interrupt normal activity. The whole concept on which even Taft-Hartley, which was considered strongly antilabor, was based, was the creation of an emergency affecting the health and safety of the country. This proposal has no such criteria.

As the Senator from New Jersey (Mr. WILLIAMS) very properly pointed out, a local judge, very much affected by local conditions would have every right under this law to issue an injunction against the whole labor movement on the west coast if a ship were 2 days late, or four or five or six ships, whatever would "interrupt normal shipping." It is inconceivable that we could permit a new type of labor injunction, going back to long before the days of the Norris-LaGuardia Act, for that purpose.

It has already been made clear by Sen-

ator WILLIAMS' arguments that the facts simply do not bear out the conclusion reached, that because of an organized stoppage due to strikes, Hawaii would suffer economically all these adverse effects. On the contrary, it left very much in doubt, as to whether there were other causes. As Senator WILLIAMS said, and I wish to say, Hawaii is vulnerable. But then I call attention to the fact that the port of New York City, in the middle of the winter, was tied up by 500 tugboat captains and mates and their workers; they tied it up completely, and the city could have frozen to death.

Other places in our country, for example, are not served by railroads. There are about 37,000 of those. They could be tied up, with disastrous effects, by a trucking strike. In short, this is not absolutely unique to Hawaii. What about the condition of Alaska, separated from the mainland by an enormous ocean voyage? It, too, could come in and claim it requires special consideration.

So my feeling, Mr. President, to sum up our position, is that the whole country—and Hawaii is a part of the whole—could be very deleteriously affected by this effort to make very special provisions for a particular part in terms of the total collective bargaining picture insofar as the United States is concerned.

Hawaii is by no means unique; there are other segments of our economy in geographical terms that have the same difficulties. Therefore, we should consider—and Senator WILLIAMS and I are working with the committee toward that end—general legislation dealing with regional paralysis due to strikes. That is an intelligent way to do it, because we would then deal with the whole labor movement frontally.

Moreover, if we do run into a particular jam, Congress has shown its ability and its willingness to act in order to deal with a particular situation on an ad hoc basis.

To say that we can in that way avoid any hardship whatever from a strike or lockout to Hawaii, of course, is not true, any more than we can avoid any hardship from a strike or a lockout to any place in the country reached by trucks if there is a truck strike, or, as I have pointed out, any place in the country where a key enterprise is touched.

For example, there have been utility workers' strikes which have endangered communities tremendously, but somehow or other we have tried to strike a balance in national terms between the right of labor to strike and the right of the community to be safeguarded in its essential operations.

That is a national, not a Hawaiian problem—that is what we are pleading—and, therefore, it should be handled on a national basis; and we believe it would be materially prejudicial if we were to try to carve out a special Hawaiian enclave. We oppose it on that ground, labor opposes it on that ground, and even the Federal Mediation and Conciliation Service opposes it on that ground.

Therefore, Mr. President, the Senate ought to reject this bill, on the grounds that I have stated, in the highest national interest.

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

Mr. GRIFFIN. Mr. President, I wonder if I might have some time on the bill.

Mr. JAVITS. Surely.

Mr. INOUYE. Mr. President, can we not resolve this amendment first?

Mr. GRIFFIN. Is there an amendment pending?

Mr. INOUYE. If the Senator from New York will yield back the remainder of his time, I have yielded back my time.

The PRESIDING OFFICER. Does the Senator from New Jersey yield back the remainder of his time on the amendment?

Mr. WILLIAMS. Mr. President, the Senator from New York controls the time on the amendment.

Mr. JAVITS. Yes, I yield back the remainder of my time on the Inouye amendment.

The PRESIDING OFFICER (Mr. JOHNSTON). All remaining time having been yielded back, the question is on agreeing to the amendment of the Senator from Hawaii (Mr. INOUYE).

The amendment was agreed to.

Mr. INOUYE. Mr. President, I would like to spend a few minutes clarifying some of the arguments which have been brought forward by our two distinguished friends, though not wishing to minimize the effects of trucking strikes, railway strikes, and tugboat strikes.

I would like to point out that there is something basically different. When there is a shipping strike in Hawaii, it is impossible for the people of Hawaii to get to Los Angeles, San Francisco, San Diego, or Seattle. If there is a trucking strike, there is still a possibility, even though it is inconvenient, for the people living in the affected community to drive to the next community to buy their food and groceries.

Second, as the chairman of the Labor and Public Welfare Committee pointed out, it is true that during a strike period, ships did visit the State of Hawaii, but it should be noted that half of them came in without cargo. They came in to pick up supplies, such as bunker oil, or to be repaired.

Another situation is that of the military vessels. As Senators may be aware, there is an agreement to exempt military vessels, so those ships go back and forth; and when one speaks of military cargo, it does not include just tanks and guns, it also includes goods for the post exchanges and commissaries. So military cargo includes steaks, and it includes men's cologne; and while the military are receiving those items, the people of Hawaii are required to pay 72 cents for a head of lettuce and $1.43 for a dozen oranges. I think this is outrageous; this was in 1972, when everything else was cheaper throughout the United States.

So I hope the Senate will consider the uniqueness of our problem. I think Hawaii is unique, and contrary to what was suggested by my distinguished colleague from New York, we wanted to become a part of the United States, and we are delighted to be a part of the United States. We have no intention to be out of the United States.

We hope that the uniqueness of our situation and our problems will be noted by our colleagues.

The PRESIDING OFFICER. Who yields time?

Mr. INOUYE. Mr. President, I yield my colleague from Hawaii such time as he may require.

Mr. JAVITS. Mr. President, will the Senator yield to me?

Mr. FONG. I yield.

Mr. JAVITS. When the appropriate time comes, Mr. President, I would like to yield 10 minutes to the Senator from Michigan (Mr. GRIFFIN).

Mr. FONG. Mr. President, to equate the strike of 500 tugboat captains in the State of New York to a dock or maritime strike on the west coast cutting shipping to and from Hawaii is really farfetched; and to say that 37,000 communities on the mainland have only trucking facilities, and that when there is a trucking strike they are as helpless and defenseless as the people of Hawaii in a shipping strike is ridiculous.

Of these 37,000 communities of which the Senator speaks, I am sure that not one of them has a population of over 50,000 people. If they had more than 50,000 people, they would have at least some transportation available by air.

If there is a trucking strike, goods could be brought in by automobiles. Goods could be brought in by buses, carts, wagons, and even bicycles. They could also be brought in by airplanes.

But imagine that a strike has isolated the city of Washington, D.C., which, with 800,000 people, approximates the population of the State of Hawaii. If there were an encirclement of the city of Washington, so that no automobiles could come in, no trucks could come in, no trains could come in, no tugboats could come in, nobody could walk in, and nobody could swim out, then you would have something comparable to the situation we have in Hawaii when there is a west coast dock strike and shipping is cut off. We look then to airplanes, but airplanes bring in only 1 percent of the goods that we need in Hawaii; 99 percent of our imports arrive by ship. When there is a dock strike, we increase the flow of air cargo, but we can only increase it from 1 to 3 percent of our total requirements. There is no other situation like that in the whole of the United States.

You can readily imagine the outcry if this happened to the city of Washington, D.C., with its 800,000 people suffering and deprived of virtually all imports except what one could bring in by air.

Mr. President, this is the problem which we face in Hawaii. This is certainly a unique situation; it is an extraordinary situation, and it is an extraordinary situation that requires extraordinary remedies.

Now, the distinguished Senator from New York stated that a committee is working on remedial legislation to take care of situations such as this.

The PRESIDING OFFICER. The Senator's 6 minutes have expired.

Mr. FONG. Mr. President, will the Senator yield to me for 2 additional minutes?

Mr. INOUYE. I yield to the Senator from Hawaii.

The PRESIDING OFFICER. The Senator from Hawaii is recognized.

Mr. FONG. Mr. President, in November 1971, we had a debate on the Economic Stabilization Act amendments. At that time, because Hawaii was in a very sad predicament—we were in the toils of a west coast longshore strike that had started in July 1971—we proposed an emergency transportation disuptes amendment to take care of such conditions as were being experienced in Hawaii. We were told by members of the Labor and Public Welfare Committee that the members of the committee were working on emergency labor disputes legislation and that they would have hearings and, therefore, that that was not the appropriate time to bring in such an amendment. Our amendment was tabled by a vote of 58 to 29.

By the time the west coast dock strike compulsory arbitration bill came before the Senate on February 8, 1972, we had waited many months and the committee still had not reported an emergency labor disputes bill. So we again proposed an emergency dispute amendment and this time we were defeated on a tabling motion by the very close margin of only three votes, 42 to 39. This is July 1974, and nothing more has been done by the committee with regard to such legislation.

This bill, S. 1566, has been before the Committee on Labor and Public Welfare. The committee produced a very negative report saying, "We do not need such a bill." Now, they come before the Senate and say, "Leave it to us again. We will take care of you by having hearings on the bill."

Mr. President, we know very well that the Committee on Labor and Public Welfare is not going to do anything to remedy the unique situation with which Hawaii is confronted when its shipping is cut off.

Our ocean lifeline to and from the west coast was disrupted for 6 of the 18 months between mid-1971 and the end of 1972—1 day in 3. Considering such facts, I hope my colleagues will recognize the uniqueness of Hawaii and the uniqueness of the transportation problems facing my State.

That is the reason we are asking for this bill without further delay.

Mr. PEARSON. Mr. President, I speak today in support of legislation sponsored by the distinguished Senators from Hawaii (Mr. INOUYE and Mr. FONG), a measure designed to protect the vital supply lines between Hawaii and the U.S. Pacific Trust Territories and the U.S. mainland in the event of a strike or lockout involving the west coast ports.

Those of us on the Commerce Committee are sensitive to the role of transportation in the economy and in protecting the public health and welfare. All of us recognize, for example, that a strike or lockout of any significant duration involving the national rail system is intolerable. The national interest requires fair treatment of labor and of management, as well as a healthy respect for the fundamental right of collective bargaining in the private sector. But in the field of transportation, it has been recognized by Congress that the paramount public interest involves the protection of individual citizens, businesses, and communities who depend upon essential transportation services for their survival.

When a major work stoppage has occurred in the rail industry, Congress in recent years has responded with ad hoc legislation to insure that the strike or lockout is not of protracted duration and that the essential transportation services are maintained without serious interruption.

The situation of Hawaii is unique in two respects: First, that State is more dependent on transportation services than any other State. Second, that State has not enjoyed the prompt enactment of ad hoc legislation to maintain transportation services when such services are interrupted by labor-management disputes.

Mr. President, in seven major west coast labor-management disputes since 1946, Hawaii has been isolated for a total of 596 days. In 1971–72, west coast shipping to Hawaii was shut down for 175 days without congressional relief and without a declaration of national emergency and injunctive relief under the provisions of the Taft-Hartley Act.

Because we respect the fundamental rights of management and labor freely to engage in collective bargaining, we are reluctant to impose upon that process Federal legislative mandates which deprive the parties of the opportunity for lockout or strike. The United States has built the most prosperous and productive economy without excessive intervention by Government in labor-management relations. But there are exceptions which require, because of the unique circumstances surrounding them, special treatment and individual consideration in the Congress.

The desperate vulnerability of Hawaii during a west coast maritime strike constitutes a special case and requires special treatment in our labor laws.

Mr. President, if the Federal courts conclude that a west coast maritime work stoppage constitutes an emergency for the citizens of Hawaii, this legislation would require only 3 percent of the dockside labor and only 7 percent of the shipboard labor in the west coast trade to continue to work. And 97 percent of the dockside labor, or 93 percent of the shipboard labor, could continue to strike or be subject to lockout and amendable to the procedures established under the Taft-Hartley Act. The economic effect of maintaining this traffic on either management or labor would be minimal.

But the citizens of Hawaii would be afforded the protection which they deserve.

This legislation has been termed precedential in nature by its opponents. But that is not the case, because no other States is so uniquely situated or deserving of special treatment in this context. I would observe that the precedent involved in this bill is simply that no State which finds itself isolated geographically should find itself isolated economically because of circumstances beyond its control.

When Hawaii has found itself isolated economically in the past, Congress has failed to respond. The time has come to establish machinery to insure that this pattern of neglect, so prevalent over the past quarter of a century, is not continued in the coming years.

Mr. GRIFFIN. Mr. President, I rise to support the bill, but I do so with mixed feelings. I agree that some of the arguments presented by the opponents have merit. This legislation should be national in its scope; ordinarily, we should not deal with problems of this kind through special legislation which applies to only one region of the country.

What is wrong with this legislation so far as I am concerned is that it does not recognize the fact that serious emergency situations can and do develop in other regards of the country, as well as in Hawaii and the Pacific islands.

At a later point I shall offer an amendment to provide that while Hawaii and the Pacific islands may have the 160-day cooling-off period contemplated in this bill, recognizing their unique geographical situation, a cooling-off period of at least 80 days should be available when an emergency situation of similar proportions develops in another region of the country.

As both of the distinguished Senators from Hawaii have pointed out in their presentations, under the Taft-Hartley law as it stands now, the 80-day cooling-off period is not available in any region of the country simply because a paralyzing strike creates an emergency situation in that particular region. Relief is not available under the act until the regional emergency spreads and develops into a national emergency.

This point has been discussed on the floor many times, and with due respect and deference to the members of the Committee on Labor and Public Welfare, assurances have been given over and over again that the committee would come to grips with the need for reform of the laws now available to deal with emergency strike situations.

Yet, as the Senators from Hawaii have pointed out, the Senate has received nothing but assurances so far.

I certainly can understand the deep feelings of concern that were generated in Hawaii in 1971, when, after a west coast dock strike that lasted for 99 days, the unemployment rate in Hawaii rose to 6.4 percent. However, the Senators from Hawaii will be interested in the fact in similar emergency strike situations, the unemployment rate in Michigan has exceeded 10 percent. During the 3-month Arab oil embargo, Michigan's unemployment rate reached 12 percent. When there is a paralyzing strike situa-

tion in our region of the United States, an unemployment rate of 6.4 percent would be considered as very mild, compared to the economic dislocation generally realized.

Yet, under this legislation as it is presented to the Senate, a 160-day cooling-off period would be available for Hawaii and the Pacific islands, but no relief whatever would be available to other regions of the country.

I would hope that my amendment, which is very simple, would be adopted by the Senate, to recognize that other areas of the country should be entitled to at least an 80-day cooling-off period if 160 days are to be available to Hawaii.

In addition, Mr. President, I shall offer a second amendment to provide greater guarantees of democracy for union members in the process of making this very important decision to go out on strike.

It will be recalled that in 1959, when I was a Member of the other body, I coauthored a bill which was enacted and has become known as the Landrum-Griffin Act. The thrust of that law is to guarantee democratic rights for union members, in the selection of union officers and in other respects. However, the Landrum-Griffin law does not guarantee a secret ballot vote in the case of the decision by a union to strike—a decision which, in many respects, is the most important one that a union can make.

The decision of a union to strike is not only very important to the individual union members themselves, but it is also very important to the public.

It seems to me that it would be in the public interest, as well as the interest of the union members, to make sure that a decision to strike actually represents a decision by a majority of the employees who would be directly affected; that a majority of union members in the bargaining unit actually support the action.

Such an amendment, needless to say, would provide protection for union members not only in Hawaii, but in the other States of the Union as well. It would provide that before a strike can be called a secret ballot referendum conducted under procedures established by the National Labor Relations Board would be held to determine whether a majority of the employees support strike action and reject the employer's last offer. After a strike is called, and continued in progress, the amendment also provides a procedure for additional secret ballot votes on employer's last offer at reasonable intervals, but not more frequently than 30 days. Accordingly there would be an opportunity for a majority of employees to terminate a strike when and if the employer's last offer becomes acceptable.

This is a reform that I have advocated for many years. Perhaps it would not eliminate a large percentage of the strikes that take place. But I believe it would eliminate some strikes.

Incidentally, in the Washington Post this morning, it is noted that there are now some 588 strikes in progress throughout the United States. The Post article indicates that there seems to be a growing trend of more and more strikes.

I believe very strongly in the right of union members and employees to strike. In many instances such strikes are necessary and justified. Certainly I would oppose any effort to eliminate the right to strike. My amendment would merely seek to assure union members and the public that when a strike is called, it represents the action of a majority of the employees to be directly affected—who will have to suffer the consequences of a strike.

Mr. President, I hope both of my amendments will be adopted by the Senate. I shall ask for a yea-and-nay vote on each of them at the appropriate time. If the amendments are adopted, we will be able to pass this legislation with the knowledge that it provides significant protection, not only for Hawaii and the Pacific islands, but also for the rest of the country as well.

The PRESIDING OFFICER. Who yields time?

Mr. WILLIAMS. Mr. President?

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. WILLIAMS. Mr. President, the Senator from Michigan has been talking about two amendments. Have either one of these amendments been offered?

The PRESIDING OFFICER. The amendments have not been offered.

Who yields time?

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

Mr. INOUYE. Mr. President, on the quorum call, I ask unanimous consent that the time not be taken out of the bill.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

Mr. GRIFFIN. Mr. President, I send printed amendment 1565 with a slight modification to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment as modified, will be stated.

The second assistant legislative clerk read as follows:

On page 1, between lines 2 and 3, insert the following:

"TITLE I—HAWAII AND UNITED STATES PACIFIC ISLANDS SURFACE COMMERCE PROVISIONS".

On page 1, line 3, strike out "That" and insert in lieu thereof "SEC. 101.".

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

"TITLE II—EMPLOYEE STRIKE VOTE PROVISION

"SEC. 201. That this Act may be cited as the "Employee Strike Vote Act".

"SEC. 202. Section 8(b) of the National Labor Relations Act (29 U.S.C. 158(b)) is amended by striking out the word 'and' at the end of paragraph (6), by striking out the period at the end of paragraph (7) and substituting a semicolon and the word 'and', and by adding at the end of such subsection the following new paragraph:

"'(8) to call, maintain, continue, or resume a strike in any bargaining unit after—

"'(A) a majority of the employees voting on the question has voted in a secret ballot referendum conducted in accordance with procedures established by the Board among the employees in such bargaining unit, to accept the employer's then current offer; or

"'(B) such referendum has been requested before a strike begins and the result thereof has not been certified.

Any such referendum may be requested by (i) any labor organization which is a certified or recognized collective-bargaining representative of employees in any bargaining unit whose members, in whole or in part, have an interest in the outcome of the controversy giving rise to the strike or potential strike, (ii) the employer, or 5 per centum or more of the members of such bargaining unit. Such request may be made in writing at any time when the employees in such unit are contractually free to strike, or within not more than five days prior thereto: *Provided*, That no such referendum may be held until at least thirty days have elapsed following any prior referendum among employees in the same bargaining unit. Any referendum pursuant to this subsection shall be conducted as expeditiously as possible and shall take precedence over elections pursuant to section 9(c)(1) of this Act. Any employee who participates in a strike after a majority of the employees in the same bargaining unit voting in a referendum conducted pursuant to this section have voted to accept the employer's current offer, shall not during the existence of the strike or thereafter, unless reemployed or reinstated by the employer, be considered to be an employee of such employer for the purposes of this Act.'.".

The PRESIDING OFFICER. Who yields time?

Mr. GRIFFIN. Mr. President, how much time is there available under the unanimous-consent request?

The PRESIDING OFFICER. Thirty minutes on each amendment and 15 minutes to each side.

Mr. GRIFFIN. Mr. President, as I have already indicated, this particular amendment would provide greater guarantees for union membership in connection with the very crucial, important decision to go out on strike. The amendment would in no way diminish the right of a union to strike.

As a matter of fact, some unions today, even without this legislation, do have secret ballot votes on this very important question before the decision is made to go out on strike.

Unfortunately—and I think the most ardent unionist would have to agree with this observation—there are times and circumstances when the crucial decision to go on strike is not made in a very democratic way. There are situations when, on a Sunday afternoon, in a small union hall, with only a small percentage of the total union membership present and packed into the hall, a vote on the decision to strike is not very meaningful—not very democratic. Those who may disagree with the union leadership are put in a very awkward and vulnerable position in terms of harassment or intimidation.

Approval for the recommendations of the union leadership of the union in such a situation is often registered by shouting

or by a show of hands. Those who may dissent are not in a good position to register their views.

Mr. President, union members elect their union officers by secret ballot under existing law. Certainly, that has worked very well.

I believe that a secret strike ballot procedure would work well too; and that some strikes could be avoided, or at least ended sooner.

This is a simple amendment, it is a fair amendment, it represents true reform. It is in the interest of the union member. It is in the public interest. The Senate should adopt it.

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

Mr. JAVITS. I yield 3 minutes.

Mr. WILLIAMS. Mr. President, I oppose this amendment being offered by the Senator from Michigan (Mr. GRIFFIN). It will do great harm to the process of free collective bargaining as we know it today.

In addition, the amendment as drafted would create an administrative nightmare for the National Labor Relations Board.

This is really not accurately described as a small and simple amendment. It would have profound effect on the collective bargaining process. For a multitude of reasons, I can think of right now, even before thorough consideration of such a far-reaching suggestion in the proper legislative way in committee hearings, I strongly oppose this amendment.

Among other things I can imagine, an employer could promote any number of secret ballots—leading to a perpetual wearing down of the workers by coming back every 30 days. It would frustrate the strong hope we have these days for more effective and harmonious collective bargaining.

This is exactly the sort of thing that the National Commission for Industrial Peace, which was named by the President and has just reported, strongly recommended against. The Commission said we should strive to prevent the Government's statutorily involving itself in the free climate of collective bargaining.

I strongly oppose this motion and will support any motion that might be made to table it.

This idea should only be considered in the Senate, in my judgment, after it has been digested in the full legislative process, particularly through committee hearings. This amendment has not been considered fully. The idea came up when we were talking about emergency disputes. The executive branch pulled away from any suggestion of this nature at that time.

This amendment has as its purpose to mandate that the employer's last offer during collective bargaining be subjected to a vote by employees of the bargaining unit. All strike activity would be permanently enjoined if a majority of the employees voting accept the management proposal, and strike action would be forbidden until the results of such referendum are certified by the NLRB. Violations would be considered as unfair labor practices.

The amendment would enable not only the certified labor organization, but also the employer, or 5 percent of the employees in the bargaining unit to petition the NLRB for a referendum on the employer's last offer. From the moment of the request, no strike activity would be permitted.

This amendment would not be a stabilizing factor in the Nation's labor relations environment. The entire institution of collective bargaining is based on the concept of bargaining table equality upon which each party is able to exert different, but relatively equal, pressures in order to achieve a reconciliation of competing economic interests.

For an employer to be permitted to force his own offer to a vote, using the sanction of the NLRB as a club, would in my opinion be a usurpation of the authority and responsibility of the duly elected representatives of the employees.

Likewise allowing a minority as small as 5 percent to initiate such action would also undermine the concept of majority rule and the exclusivity of the certified bargaining agent. Since the amendment also enables the last offer referendum to be recycled every 30 days, the employer may well be tempted to use this technique of wearing the union down instead of good faith bargaining.

As for the amendment's provision making it an unfair labor practice to strike after the majority of workers have voted to accept the management's final offer, I think the reality of contemporary intraunion politics all but renders this provision moot. Just as in democratic institutions, union leadership must be responsive to the wishes of its membership or there will soon be a change in leadership.

We must also recognize that the collective bargaining process is not particularly amenable to third-party pressures, especially if such involvement is viewed as coercive in nature. Thus, union members are not likely to support either in numbers or in emotion a statutorily devised referendum.

Even the Supreme Court, some 16 years ago, in holding that a last-offer ballot was not within the definition of mandatory bargaining, noted that such a procedure was contrary to the conceptual underpinnings of the collective bargaining process.

The 27-year experience under the national emergency disputes provision of the Taft-Hartley amendments, is as good an indicator as any of the absolute futility of the last-offer ballot concept.

The emergency disputes section has been involved 34 times, and in 17 instances a vote of the employer's final offer was taken. In every case where the vote results were tabulated and certified, 14 in all, the employees rejected the employer's last offer. While in three instances the voting process was never completed, there stands no recorded case where the employees have ever accepted the employer's last offer in the context of board-ordered balloting.

Mr. President, as of 1970, there were approximately 139,000 collective bargaining agreements in the private sector known to the Department of Labor. There is every reason to believe that the number has since increased. If one were to set the average life of a single contract at 3 years, it would mean that over 45,000 expire during each calendar year.

In short, this amendment would effectively strangle the NLRB and our entire system of labor relations.

Mr. JAVITS. I yield myself 3 minutes.

Mr. President, on the grounds just stated by Senator WILLIAMS, I oppose this amendment.

It is well known that efforts have been made and will continue to be made for piecemeal amendment of the Taft-Hartley Act and that the whole effort may be known as "the can of worms amendment." In other words, the minute you get into it, it is endless.

I believe that we should—probably, it would have to await the new Congress—enter into a revision of the Taft-Hartley Law. But if we try to snip away at it in this way, we will encounter not only this particular amendment by the Senator from Michigan—and perhaps another amendment he may propose, dealing with the Taft-Hartley Law injunction—but also will get into issues of a very serious character.

I know many Members who would like to move to put labor under the antitrust laws by removing the exemption which labor has under the antitrust laws. Many other things are going the rounds here, in the way of representation elections; representation of workers by cards, or whatever other way one ascertains how many adhere to a labor organization; picketing, and thousands of other things. The courts have been full of these cases for years.

So, Mr. President, with all respect to the Senator from Michigan, we are having enough trouble with this carving out of Hawaii as an enclave in the general bargaining process respecting strikes and lockouts. If we begin to put amendments to the Taft-Hartley Law on this bill and seek to make it a vehicle for that purpose, we are in for an endless proceeding. The record on these matters is by no means before us, the adversary parties that will have to fight it out have not been heard.

For all those reasons, I oppose the amendment.

Mr. INOUYE. I yield myself 1 minute.

Mr. President, having heard the arguments for and against, much as I respect the views of the distinguished Senator from Michigan, I am compelled to move to table the amendment.

Mr. GRIFFIN. Mr. Presiednt, I ask for the yeas and nays.

The PRESIDING OFFICER. The motion to table is not in order until all time on the amendment has expired.

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

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

The PRESIDING OFFICER. The Senator has 10 minutes.

Mr. GRIFFIN. Mr. President, I wish to say, in response to the argument made by the distinguished Senator from New

York, that the bill before the Senate deals with strikes and the serious economic dislocations that arise as a result of strikes in the State of Hawaii and the Pacific islands.

The two amendments I am offering deal with the same subjects, and do not reach into other areas, such as antitrust, for example.

I hope that the motion to table will be defeated and that the Senate will have an opportunity to vote up or down on the merits of the amendment.

I yield back the remainder of my time.

The PRESIDING OFFICER. All time on the amendment has been yielded back. The question is on agreeing to the motion to table.

Mr. GRIFFIN. Mr. President, I ask for the yeas and nays.

The yeas and nays were not ordered.

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

The PRESIDING OFFICER. the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. GRIFFIN. Mr. President, I ask for the yeas and nays on the pending motion.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the amendment of the Senator from Michigan. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from North Carolina (Mr. ERVIN) and the Senator from Louisiana (Mr. LONG) are necessarily absent.

The result was announced—yeas 66, nays 32, as follows:

[No. 309 Leg.]

YEAS—66

Abourezk	Hart	Montoya
Allen	Hartke	Moss
Bayh	Haskell	Muskie
Bentsen	Hatfield	Nelson
Bible	Hathaway	Nunn
Biden	Hollings	Packwood
Brooke	Huddleston	Pastore
Burdick	Hughes	Pearson
Byrd, Robert C.	Humphrey	Pell
Cannon	Inouye	Percy
Case	Jackson	Proxmire
Chiles	Javits	Ribicoff
Church	Johnston	Schweiker
Clark	Kennedy	Scott, Hugh
Cook	Magnuson	Sparkman
Cranston	Mansfield	Stennis
Eagleton	Mathias	Stevens
Eastland	McGee	Stevenson
Fong	McGovern	Symington
Fulbright	McIntyre	Talmadge
Goldwater	Metzenbaum	Tunney
Gravel	Mondale	Williams

NAYS—32

Aiken	Dole	Randolph
Baker	Domenici	Roth
Bartlett	Dominick	Scott, William L.
Beall	Fannin	Stafford
Bellmon	Griffin	Taft
Bennett	Gurney	Thurmond
Brock	Hansen	Tower
Buckley	Helms	Weicker
Byrd, Harry F., Jr.	Hruska	Young
Cotton	McClellan	
Curtis	McClure	
	Metcalf	

NOT VOTING—2

Ervin Long

So the motion to lay on the table Mr. GRIFFIN'S amendment (No. 1565), as modified, was agreed to.

Mr. JAVITS. Mr. President, I yield myself 1 minute.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. JAVITS. Mr. President, while Senators are in the Chamber and the majority leader is here, I wish to ask about how we will proceed on this particular matter.

The PRESIDING OFFICER. The Senator will suspend. The Senate is not in order. The Senate will be in order.

The Senator from New York may proceed.

Mr. JAVITS. Mr. President, I have consulted with the Senator from New Jersey (Mr. WILLIAMS), and it would be my intention at an appropriate time to move to recommit the bill to the Committee on Labor and Public Welfare. I shall deal with my reasons appropriately, but as I understand it the Consumer Protection Agency bill is due to be brought before the Senate at 3 p.m. I rise to ascertain the intentions of the leadership.

The Senator from Michigan has another amendment and I, of course, shall make this motion only at a time convenient to all parties. If the majority leader wishes me to do it this afternoon, I will; otherwise I shall stay my hand until tomorrow, whenever the Senator says.

Mr. MANSFIELD. Mr. President, I would hope we could dispose of the bill this afternoon one way or another. Personally, I intend to vote for the bill which is now before us, but I think we should take into consideration some of the problems which confront our Hawaiian colleagues, and hopefully, we could finish this bill before we go on to the Consumer Protection Agency legislation at 3 p.m.

Mr. JAVITS. I thank the leader. I shall proceed accordingly.

AMENDMENT NO. 1564

Mr. GRIFFIN. Mr. President, I send to the desk a printed amendment and ask that it be stated. The amendment is modified in respect to one word.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that further reading of the amendment may 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, ordered to be printed in the RECORD, is as follows:

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

SEC. 8. Subsection (a) of section 208 of the Labor-Management Relations Act, 1947, is amended by striking paragraph (ii) and inserting in lieu thereof the following new paragraph:

"(ii) if permitted to occur or to continue, will imperil the national health or safety, or the health or safety of any region of the United States, it shall have jurisdiction to enjoin any such strike or lockout, or the continuing thereof, and to make such other orders as may be appropriate.".

Mr. GRIFFIN. Mr. President, the modification of the amendment is with respect to line 8, where the word "other" should be "such".

The PRESIDING OFFICER. The amendment is so modified.

Again, this is a very simple amendment; one that does not deserve the fate of the last one, which was tabled.

Let me indicate that I intend to vote for the bill to provide relief for Hawaii now before the Senate, whether or not my amendments are adopted—whether or not there is relief given through these amendments to other sections of the country. I shall vote to provide some relief for Hawaii and the Pacific islands, even if they are the only ones that get it.

But I wish to point up, as I do by offering this amendment, that other regions and sections of the country also suffer from paralyzing strikes and serious emergency situations which also call out for some relief.

If my amendment were agreed to, Hawaii and the Pacific islands would have the 160-day cooling-off period provided for in the bill before us, and the other regions of the country, not now covered by this bill, would have—not 160 days—but an 80-day cooling-off period available in the event of an equally serious emergency situation.

The Senators from Hawaii have argued effectively that their region of the country is important, that they need some relief in situations when a paralyzing strike creates an emergency situation in their region, but not in the country as a whole.

My amendment provides that if a paralyzing, emergency situation develops in other regions of the country—an emergency which may not spread and become a national emergency—some relief would be available. It seems to me in other regions at least an 80-day cooling-off period—as contrasted to the 160 days to be accorded Hawaii and the Pacific islands—would be fair and equitable.

Mr. JAVITS. Mr. President, I yield myself 3 minutes from the opposition time.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. JAVITS. Mr. President, this issue is raised in exactly the same way as the previous issue was raised, in which we undertake on the floor of the Senate a revision of the Taft-Hartley Law.

There is no question about the fact that the Senator from Michigan (Mr. GRIFFIN) proposes an important revision of the injunction provision of the Taft-Hartley Law. I wish to say now that it is a revision I wish to support, because I believe we need urgently a better analysis of the national emergency aspect of work stoppages than we have.

But taken in isolation, I shall move to table, because the whole issue of American labor and Taft-Hartley is going to have to be a balancing of the plusses and minuses. I may like this and someone

else may like something else. There are a dozen other matters relating to balloting, pickets, organization of workers, recognition cards, and many other practices that are fair or unfair under Taft-Hartley.

These matters deserve to be considered advisedly and substantively in a general revision of the Taft-Hartley Law. It is most unwise to pick one item out of the pot and act on it separately and do something to which the reaction could be serious and to the prejudice of labor precisely because you are acting on it separately.

Mr. PASTORE. Mr. President, would the Senator yield?

Mr. JAVITS. I yield.

Mr. PASTORE. Mr. President, the thing that intrigues me about the proposal sponsored by the Senators from Hawaii is that we have an extraordinary situation here. We have to take into account that when Taft-Hartley was passed Hawaii was not a State. Now we are confronted with a very peculiar situation. Here people have to depend entirely on transportation by boat for much of their food stuffs, and it raises a very serious problem. Unless some exception is made a people could be suffocated and starved out. That would be wrong.

I think labor is ill-advised to object to this sort of exception, because geographically we have a unique situation that was not in existence at the time Taft-Hartley was passed, and for that reason it should be given special consideration. I realize that unions, as a body, are opposed to this, and I tell Senators frankly that I have been a friend of the working man; I was opposed to the enactment of Taft-Hartley in the first place. I was the first Governor of any State to speak out against it. But it is the law of the land, and now we are confronted with a situation where experience has shown that in Hawaii, because of the distance of that State from the mainland, there is a very extraordinary situation that requires some special consideration.

I would hope that the Senate would understand that and I would hope that friends of labor would understand that and that we would not take the capricious and arbitrary position that we should not tamper with this, regardless of the consequences. We must recognize the plight of the people. That is the important thing.

The reason I shall oppose the amendment of the Senator from Michigan is that what he is talking about is within the framework of the Taft-Hartley law. It was a condition existing at the time the law was passed and I do not think the situation in Hawaii should be used as an excuse this time to do what the Senator from Michigan wishes to do.

He is saying that, because of the highly concentrated automobile industry in Michigan if there is a shutdown of that industry we should invoke the Taft-Hartley law. I believe that would be a terrible mistake and would make a hodgepodge of the institution of collective bargaining.

Mr. JAVITS. Mr. President, I was addressing myself strictly to the amendment of the Senator from Michigan and the Senator from Rhode Island has addressed himself to the entire bill.

Mr. President, I yield myself 2 more minutes.

We have argued the issue of the whole bill. The Senator has mentioned his views which seem to be favorable. My contentions against the bill are that it would materially dislocate the whole process of collective bargaining in the trade union field, especially as it affects maritime unions. But we will get to that when I make the motion to recommit. At this moment, I would rather confine myself to the amendment of the Senator from Michigan (Mr. GRIFFIN) for a revision of Taft-Hartley.

Mr. President, just to repeat, I believe it highly inappropriate to seek to revise Taft-Hartley on a piecemeal basis with this particular amendment, whereas the whole of Taft-Hartley may need 20 or 30 amendments. Whereas I happen to be sympathetic with this one, it would have to be balanced out with others which would make an acceptable package to both management and labor.

For all those reasons, Mr. President, I oppose the amendment, and hope the Senate will reject it.

Mr. GRIFFIN. Mr. President, I yield myself 5 minutes.

I respect the very eloquent arguments of the Senator from Rhode Island, who has spoken against this argument. But I cannot accept his argument that, because Michigan was a State and Hawaii was not a State in 1947, when Taft-Hartley was enacted, that we cannot improve the basic law.

I will acknowledge, as I have before in this debate, that this may not be the best way to legislate, to amend Taft-Hartley by offering amendments in this fashion on the floor.

However, I must point out, with all respect and deference, that although there have been many assurances from the Labor and Public Welfare Committee no legislation to reform or improve the machinery available for dealing with emergency strikes has been reported to the floor by that committee for consideration.

Mr. WILLIAMS. Will the Senator yield?

Mr. GRIFFIN. Yes, I yield.

Mr. WILLIAMS. As chairman of the Senate Labor and Public Welfare Committee, I would like to point out that the issue of emergency disputes has had a great deal of attention by the committee. We have had studies; we have had extensive hearings; we considered a variety of proposals. The administration had a recommendation. They called their proposal the "final offer selection." They were urging legislation. We were struggling with the whole proposition when the administration changed its mind and recommended against any legislation.

If the Senator from Oregon (Mr. PACKWOOD) were here, he could give you the chronology better than I. He was carrying the fight for the administration on legislation dealing with emergency situations, particularly in transportation. The administration, suddenly one dawn, realized that this is a very complex and difficult area in which to impose Government action an area where labor and management should have the maximum opportunity to express their freedom, to bargain collectively, and to come to free decisions and independent judgment.

Since then, the President has named a National Commission for Industrial Peace. Some of the finest men from business and labor served on it. They told the President, and they told the Nation, that at this time, in this area, the less Government involvement, the better for harmony in the labor-management relationship.

When I say we had the issue before us, we did not put it under any table or under any rug. We were working on it hard and long and came to the conclusion, with the agreement of the administration, that it was no time to require more Government involvement in the labor disputes area.

The Senator from New York has consistently brought up the regional problem. He has suggested that perhaps we should change the law—which now involves a test of national health or safety—so as to cover regional emergencies. Believe me, he is persistent in bringing this before us, and it will be considered by the committee.

Right now, as the Senator from Michigan says, this is no way to amend Taft-Hartley without thorough consideration. For example, one simple question: What is a region? This is the sort of thing that has to be thoroughly discussed in hearings and reports.

Mr. GRIFFIN. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator has 5 minutes remaining.

Mr. GRIFFIN. I yield myself 4 minutes.

I appreciate that response from the distinguished chairman of the committee. Obviously, the fact that I am offering this amendment, which apparently is opposed by the administration, indicates that opposition on the part of the administration does not trouble or deter me when I believe that some reform in the labor-management laws is necessary.

Mr. President, I think it is interesting that the Senator from New Jersey is so strongly persuaded by the administration's position in this particular instance.

Mr. President, I welcome the indication of support by the distinguished Senator from New York for the purpose and principle of the amendment which seeks to provide relief on a regional basis in the case of a paralyzing, emergency situation. However, I wonder how long the Senate will have to wait before the Senate Labor and Public Welfare Committee will get around to reporting a piece of general legislation that seeks to reform and improve the present machinery for dealing with serious, paralyzing strikes.

I hope the Senate will adopt my amendment. Even if the Senate does not adopt the amendment, I shall support the bill to provide the relief for Hawaii and the Pacific islands. They do need it, and perhaps the enactment of such a bill will at least be a step in the right direction.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. JAVITS. Mr. President, I am pre-

pared to yield back the remainder of the time in opposition.

The PRESIDING OFFICER. Is all time yielded back?

The question is on the amendment.

Mr. INOUYE. Mr. President?

The PRESIDING OFFICER. The junior Senator from Hawaii.

Mr. INOUYE. Mr. President, much as I am convinced that the amendment is deserving of serious consideration, I also note the observation by the author that it is not the proper way to legislate. Therefore, I reluctantly am compelled to move to table the amendment.

Mr. JAVITS. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on the motion to table the amendment of the Senator from Michigan. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from North Carolina (Mr. ERVIN), the Senator from Arkansas (Mr. FULBRIGHT), and the Senator from Louisiana (Mr. LONG) are necessarily absent.

The result was announced—yeas 63, nays 34, as follows:

[No. 310 Leg.]

YEAS—63

Abourezk	Hartke	Montoya
Allen	Haskell	Moss
Bayh	Hatfield	Muskie
Bentsen	Hathaway	Nelson
Bible	Hollings	Nunn
Biden	Huddleston	Pastore
Brooke	Hughes	Pearson
Burdick	Humphrey	Pell
Cannon	Inouye	Proxmire
Case	Jackson	Ribicoff
Chiles	Javits	Schweiker
Church	Johnston	Scott, Hugh
Clark	Kennedy	Sparkman
Cook	Magnuson	Stennis
Cranston	Mansfield	Stevens
Eagleton	Mathias	Stevenson
Eastland	McGee	Symington
Fong	McGovern	Taft
Goldwater	McIntyre	Talmadge
Gravel	Metzenbaum	Tunney
Hart	Mondale	Williams

NAYS—34

Aiken	Curtis	Metcalf
Baker	Dole	Packwood
Bartlett	Domenici	Percy
Beall	Dominick	Randolph
Bellmon	Fannin	Roth
Bennett	Griffin	Scott,
Brock	Gurney	William L.
Buckley	Hansen	Stafford
Byrd,	Helms	Thurmond
Harry F., Jr.	Hruska	Tower
Byrd, Robert C.	McClellan	Weicker
Cotton	McClure	Young

NOT VOTING—3

Ervin	Fulbright	Long

So the motion to lay on the table Mr. GRIFFIN'S amendment (No. 1564), as modified, was agreed to.

Mr. PACKWOOD. Mr. President, my concern over the devastating results of tieups in the major transportation industries have been well documented over the years. Hence I felt it necessary at this time to explain my opposition to S. 1566, the Hawaii Surface Commerce Act.

S. 1566 would provide virtually total protection against the impact of a transportation tieup for one and only one area of the Nation. S. 1566 would require no advisory committee study of the situation to determine whether intervention is justified or necessary. It would allow intervention after only 1 day of a stoppage. Local authorities would be permitted to trigger the cooling-off procedures, rather than the Office of the President, as under current Taft-Hartley law. And the bill would authorize an automatic injunction, without any requirement that a regional or national emergency exists, that there is substantial disruption of commerce on the economy, or even that the people of the State are in some way adversely affected. The injunction is apparently available at the whim of the parties to the dispute, or the State authorities, with a simple rubber stamp by a Federal district court. I suggest, Mr. President, that such blanket authority, so loosely drawn, is not a responsible way to handle what can and in recent history has been a very critical problem for many areas of the country.

Finally, Mr. President, I cannot in good conscience support legislation which so totally and blatantly ignores the transportation disasters hitting Oregon and other areas of the country over the years, and which offers no protection for Oregon against recurrences of such devastating labor dispute stoppages in the future. I am not insensitive to the problems of Hawaii and the Pacific Islands. But it is neither realistic nor equitable to ignore the vulnerability of other areas of the country to the very same problems.

The inequity is further compounded by the fact that Hawaii will be protected after only 1 day of a stoppage, with no finding of harm of emergency; whereas Oregon could and most likely would be a primary victim of the kind of stoppage envisioned in this bill—but would be defenseless against the continuing ravages of the tieup. Using the most recent example at hand, during 1971–72, Oregon endured over 3 months of a dock tieup, following on the heels of an equally destructive rail stoppage, but was told by the White House that no remedial action was available under the Taft-Hartley Act, because there was no national emergency. Congress, too, refused to act on the grounds that the stoppage was not sufficiently damaging to warrant action on ad hoc legislation. In spite of my repeated urgings for some remedial action, Congress would not respond until more than 7 months after the dock strike began.

And yet today we are being asked to authorize automatic and immediate intervention after but 1 day of a stoppage, with no proof or finding that the stoppage is causing enough harm to warrant intervention in the collective bargaining process.

Mr. President, I am distressed, to say the least, that Congress would find it appropriate to respond to such a difficult problem in such a simplistic and inequitable way. The distinguished Senator from Michigan (Mr. GRIFFIN) gave the Senate the opportunity to deal with transportation crises constructively, by amending the Taft-Hartley emergency procedures to provide the flexibility to meet regional as well as national emergencies. Unfortunately, the Senate rejected this far superior alternative, 2 to 1.

In conclusion, Mr. President, may I say again that S. 1566 is grossly inequitable—inequitable to the parties at the bargaining table, who should be free to pursue self-help unless the public interest is adversely affected, a principle which remains at the heart of my concerns in this area—and inequitable to other areas of the Nation who, in far more damaging circumstances, will be left to suffer.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum with the time to be charged against both sides.

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

The second assistant legislative clerk proceeded to call the roll.

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

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

Mr. JAVITS. Mr. President, I yield myself 5 minutes on the bill.

Mr. President, I shall shortly move to recommit the bill to the Committee on Labor and Public Welfare. I am sure that issue will be decided by the Senate and that this will be the key vote on this particular matter, either on my motion or on the motion to table my motion, as the manager of the bill desires, the option being his.

Mr. President, while the Senators are here, therefore, I would like to utilize the opportunity to briefly sum up the reason for the motion.

Mr. President, this is the kind of bill that cuts out a particular segment of labor-management relations and puts it in a special enclave with special considerations. Indeed, I believe that generally speaking the proponents of the bill may, indeed, be somewhat overreaching in their own interest, but it is not for me to tell them what to do. They are good friends of mine and I respect their judgment as much as I think they respect mine.

The 160-day provision, Mr. President is almost 6 months in which an injunction can be effected. There may be some problems of a constitutional character with a 6-month injunction in a labor dispute, but, be that as it may, Mr. President, the special enclave is cut out in a definition which says that it may be operative if a dispute were to interrupt normal shipping from any part of the west coast to Hawaii.

Not even the question of public health and safety need be reached.

I doubt that the courts would sustain that. I have doubts. I may be wrong.

This is pretty strong medicine, Mr. President, with which to breach the front of a labor injunction. Even the Taft-Hartley Law calls for some form of national health and safety test. The language of Taft-Hartley, which I think is important for the Senate to hear at this point, is "will imperil the national health or safety." No such test is contained in this bill, and yet the time for which the

injunction can be effective is almost twice as long.

Mr. President, there are Senators who, out of deep conviction, feel that the Taft-Hartley law and the privileges given labor are absolutely wrong, and that they should be dismantled. They are perfectly entitled to their opinion, and I am sure they would vote with pleasure to break it up in this way. But I believe that there are many other Members—in my judgment many more than in the first category—who are very thoughtful about what needs to be done in the labor-management field, always remembering, Mr. President, that Government had better have an eye to what it can enforce. Draconian injunctions can often defeat themselves. We have had that in my own State of New York, and in other States. Labor leaders have gone to jail, but they have not obeyed the injunction. That is very unsettling, and much worse than not having an injunction at all.

So, Mr. President, I call those matters to the attention of my colleagues. If this is to be done, in my judgment it needs to be thought through much more maturely than we have. We in the Labor and Public Welfare Committee had a 40-day referral. There are a number of places in our report, to which I invite the attention of Senators, in which we say we simply have not had an opportunity to analyze the facts as to, first, whether there really was hardship to Hawaii on account of these strikes; second, whether the hardship was attributable to the strikes; and third, how this whole operation, which is so draconian, will tie in with collective bargaining generally, and especially with collective bargaining in the maritime industry.

Just as an example, the committee says, at page 6 of the report—that is, our committee, which reported unfavorably on this matter——

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. JAVITS. I yield myself 5 additional minutes.

The report says:

> In short, the Committee is not persuaded that "any disruption" in the West Coast maritime or longshore industries "automatically imperils the health and well-being of the people of Hawaii and the United States Pacific Islands," as stated in S. 1566 (Sec. 2(2)). Accordingly, it cannot support legislation of this type.

Mr. President, I say this is a key vote, because I would not wish—though if necessary I would vote against the bill—to approach the problem on the basis of the bill being dead or not dead. I would much rather recommit it to the Committee on Labor and Public Welfare, with a view toward a mature consideration of many aspects of the matter which we have not had an opportunity to consider. Considering the short time involved, with hearings, et cetera, I would be hopeful that we could bring out some piece of legislation that would deal with the problems which our colleagues feel are unique to Hawaii.

We on the committee have pointed out that they are not that unique, in that there are areas of our country like Alaska, like the California citrus area, like the Northwest grain industry area, like the 37,000 communities reached only by trucks rather than railroads, so that a trucking strike would immobilize them.

So I would say, rather than just kill the bill—though, as I say, I shall vote against it if necessary—we would rather take it back to the Committee on Labor and Public Welfare to see what can be done to meet the unique specific situation of Hawaii—incidentally, the testimony on that was very slim. It essentially came from one official of the State of Hawaii, a Dr. Hitch, senior vice president of the First Hawaiian Bank, and a good deal of testimony came from a Dr. Mark, director of planning and economic development in Hawaii. A good deal more enlightenment could be obtained by us on that score.

In addition, Mr. President, I would like to point out that the Labor Department, which came out against the bill, also felt the same way. They did not say that the bill was good or bad; they came out against it because they said, in essence, that an adequate case, in their opinion, had not been made out for it, and that a number of things were unclear; for example, they said of the proponents of the bill:

> They conclude that the impact of the legislation on the collective bargaining process would be minimal. We are not aware of substantial evidence to support such a conclusion. It is unclear that the present collective bargaining structure would be maintained; thus the prospective effect of such legislation is also unclear.

In short, many things have been left open in this matter, and it is a very serious breach in the policy of our country respecting labor injunctions, which is incorporated both in the Taft-Hartley Law and in the Norris-LaGuardia Act. So I feel it would be an appropriate disposition of the matter to recommit it to the Committee on Labor and Public Welfare, so that it may be considered within the context that I have described.

Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JAVITS. I yield 3 minutes to the Senator from New Jersey.

Mr. WILLIAMS. Mr. President, I think most of the important points have been made to my satisfaction, and I agree with the Senator from New York. Once again, this bill was introduced by the Senator from Hawaii for himself and Senator FONG on April 12, 1973. The bill was referred to the Committee on Commerce. The Commerce Committee had the bill until April 24, 1974—in other words, just over 1 year. On April 24, the Committee on Commerce reported this bill without recommendation, and it was referred to the Committee on Labor and Public Welfare with instructions to report within 40 days.

I mention this because this is the situation with which we are dealing. Here, the initial committee gave no report at all to the Senate with information that would be helpful in coming to a decision on this legislation. It came to the Committee on Labor and Public Welfare. We had only 40 days. We did ask for a brief extension of time, and we received it. We asked for that extension, because we thought there was certain statistical and factual information that was necessary for us to make a sound judgment.

I will say quite frankly that some of the information that would be most helpful in considering this bill, was not available. But notwithstanding that, the information that we did have suggested, as the Senator from New York has outlined, that while Hawaii's situation is very unusual, it is not unique. There are other areas of the country that have somewhat comparable situations.

The facts that we did have suggested that the island State of Hawaii has not suffered that great and devastating damage such as some might hypothesize has been the result of a previous strike. It just has not happened that way.

Be that as it may, considering the bill's departure from existing legislative policy, with no committee report from the Committee on Commerce, with a very limited time for consideration in the Committee on Labor and Public Welfare, there is every sound legislative reason to support a motion to recommit this bill for the kind of study it deserves. Certainly, Hawaii would be subsumed within our efforts to deal with the issue of regional emergencies.

The amendment offered by the Senator from Michigan would have extended the standard of national health or safety under Taft-Hartley to include regional health or safety. Hawaii's problem would, of course, fall within the regional situation that will be under study within our committee.

So I support the position of the Senator from New York.

The PRESIDING OFFICER. Who yields time?

Mr. INOUYE. Mr. President, I yield 2 minutes to my colleague from Hawaii (Mr. FONG).

Mr. FONG. Mr. President, I rise in opposition to the motion to recommit this bill, because recommittal would certainly sink the ships that are supposed to come to Hawaii.

Emergency transportation disputes legislation has been before the committee and before Congress for approximately 3 years. In November 1971 we offered during floor debate an emergency disputes amendment to the Economic Stabilization Act amendments bill, and we were told that the committee was working on emergency legislation, and that that was not the time for us to bring up an amendment dealing with that problem. Our amendment was tabled by a very large margin.

Then we waited and waited, and nothing happened in the committee. In February 1972, when the west coast dock strike compulsory arbitration bill was before the Senate, we offered our emergency transportation disputes amendment again. The committee had not acted, and so our amendment was tabled by only three votes.

From 1971 until 1974 is 3 years, and for 3 years the committee has held hearings but it has not reported a bill to the Senate. I have appeared before the committee and other witnesses have appeared

before the committee on emergency legislation dealing with the plight of Hawaii, but nothing has emerged from the committee.

Mr. President, to recommit this bill would mean that the committee is going to sink the ships we depend upon to carry Hawaii's essential imports and exports. Opponents of this measure say Hawaii is not a unique community; that there are 37,000 other communities that are similarly isolated. In my opinion there is no community among the 37,000 referred to which has a situation similar to the plight of the State of Hawaii when west coast shipping is halted.

When the ships stop coming in from the west coast, air cargo can expand from its usual 1 percent to carry only 3 percent of our normal freight tonnage at the maximum.

I repeat, there is no other community like our community. When shipping stops, no trains can come in, no trucks can come in, no automobiles can come in, and no one can swim to Hawaii, nor can anyone swim out of Hawaii.

This is our truly unique predicament and this is the reason we ask for this extraordinary measure.

The PRESIDING OFFICER. Who yields time?

Mr. INOUYE. Mr. President, I yield myself 30 seconds.

The PRESIDING OFFICER. The Senator from Hawaii is recognized.

Mr. INOUYE. Mr. President, we have discussed this matter for over 2½ hours and I think the facts have been rehashed and rehashed. Therefore, I am prepared to yield back the remainder of my time.

Mr. TUNNEY. Mr. President, my distinguished colleague from Hawaii, Senator INOUYE, has stated the case for S. 1566 as persuasively as possible. It is true that Hawaii and the U.S. Pacific Islands are uniquely dependent upon shipping, and I am very sensitive to whatever problems might be faced by the citizens of these islands as a result of a west coast dock strike.

I must, however, oppose the legislation now before us. It seriously fails to protect the legitimate interests of workers in the west coast longshore and maritime industries. Furthermore, S. 1566 is so sweeping in its language that it provides powers far beyond those necessary to protect any conceivable legitimate interests.

In the American labor movement, the right to strike is sacred, and justifiably so. Without it, American workers would not enjoy the good wages and decent working condition that prevail today. S. 1566, if passed, would seriously jeopardize that right to strike.

Under the bill if a ship were delayed more than 48 hours by a west coast longshoremen's or seamen's strike, or if just one piece of cargo is delayed from being unloaded on the west coast for more than 48 hours a court would have to issue a 160-day injunction ordering the longshoremen or seamen back to work

Under S. 1566, for the injunction to be issued, there need not be any showing that the strike would be detrimental to the Hawaiian economy. Such provisions are unjust and stand in stark contrast to the Taft-Hartley Act.

Congress, in deliberating upon the Taft-Hartley Act, was well aware that injunctions had a long history of being strikebreaking weapons, and that the use of injunctions, if allowed at all, was to be carefully circumscribed. As a result, the Taft-Hartley Act stipulates that, as a check upon the capricious use of injunctions, a board of inquiry must report to the President before he can seek to enjoin a strike. As additional checks, the court must find both that an entire industry or a substantial part of it is affected and that the strike imperils the national health and safety.

The absence of any similar checks in S. 1566 is ominous. Virtually any west coast longshoremen's or seamen's strike, that lasted more than 48 hours, no matter how little its impact on the Hawaiian economy, could be broken by a 160-day injunction. That is an impermissible incursion upon the right to strike.

It has been argued that since the power to seek an injunction is bestowed only upon the chief executive of Hawaii or a U.S. Pacific island, we are guarded against unfair action being taken under S. 1566. Recent events have taught us once again, however, that unfettered power can become an instrument of injustice. We should heed that lesson and not now bestow sweeping powers without also imposing sufficient checks to safeguard us against their abuse.

The case for passing S. 1566 is further weakened by the fact that it has not been convincingly shown that the impact of west coast dock strikes has been as damaging as some have claimed. According to the report of the Senate Committee on Labor and Public Welfare, during the 4 months of the 1971 west coast dock strike, the number of vessel arrivals in Hawaii did not drop precipitously. To the contrary, arrivals in those 4 months were found to be only 10 percent below the average number of arrivals for the same 4 months in 1970, 1972, and 1973. There was no acute drop in ship arrivals because shipments from foreign ports—especially those of Canada and Mexico—and shipments from the east coast increased to fill to a significant degree the vacuum left by the closure of west coast ports.

Therefore, the proponents of this legislation have failed to justify the need for measures as unfettered and as drastic as those proposed in S. 1566.

Another troubling feature of the bill is that it is not evenhanded. While west coast strikes are covered, Hawaiian strikes are not.

The ostensible argument for exempting Hawaii from coverage by S. 1566 is that Hawaii is already covered by its own State-enacted Dock Seizure Act. That argument is unpersuasive, however. First, as the Senate Committee on Labor and Public Welfare noted in its report, the State may be without authority to act in this field since existing Federal laws may be preemptive.

Thus, the State law may be unenforceable. If that is in fact the case, passage of S. 1566 will leave us with only west coast strikes being covered while Hawaiian strikes are not.

Secondly, the Hawaiian Act does not cover any maritime disputes which may originate in Hawaiian ports. S. 1566 does, however, cover maritime disputes arising in west coast ports. This lack of evenhandedness is totally unjustifiable.

Mr. President, neither the Senate Committee on Commerce nor the Senate Labor and Public Welfare Committee reported favorably on this bill. I strongly urge that the Senate defeat this unnecessarily extreme legislation. If adopted, it would create an extremely dangerous precedent for the future.

Mr. JAVITS. Mr. President, I understand it is not necessary to yield back any time in order to make this motion. May we know the situation from the Parliamentarian?

The PRESIDING OFFICER. The motion has not been made.

Mr. JAVITS. I understand that. But again I ask the parliamentary inquiry: Does time have to be yielded back?

The PRESIDING OFFICER. The time does not have to be yielded back.

Mr. JAVITS. Mr. President, in other words, the motion may be made and the debate on the motion is ended and even though time remains on the bill, we may vote. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. JAVITS. Mr. President, I move to recommit the pending bill to the Committee on Labor and Public Welfare.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from New York. The yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. HUMPHREY (when his name was called). I have a pair with the Senator from Louisiana (Mr. LONG). If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." I withhold my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Colorado (Mr. HASKELL), and the Senator from Louisana (Mr. LONG) are necessarily absent.

The result was announced—yeas 31, nays 65, as follows:

[No. 311 Leg.]

YEAS—31

Allen	Hartke	Pell
Bayh	Hathaway	Percy
Beall	Hughes	Proxmire
Buckley	Javits	Randolph
Burdick	Mathias	Schweiker
Byrd, Robert C.	McGovern	Taft
Case	Metcalf	Tunney
Clark	Metzenbaum	Weicker
Cranston	Montoya	Williams
Eagleton	Nelson	
Gravel	Packwood	

NAYS—65

Abourezk	Bennett	Brooke
Aiken	Bentsen	Byrd, Harry F., Jr.
Baker	Bible	Cannon
Bartlett	Biden	Chiles
Bellmon	Brock	

Church	Hollings	Pearson
Cook	Hruska	Ribicoff
Cotton	Huddleston	Roth
Curtis	Inouye	Scott, Hugh
Dole	Jackson	Scott, William L.
Domenici	Johnston	Sparkman
Dominick	Kennedy	Stafford
Eastland	Magnuson	Stennis
Ervin	Mansfield	Stevens
Fannin	McClellan	Stevenson
Fong	McClure	Symington
Goldwater	McGee	Talmadge
Griffin	McIntyre	Thurmond
Gurney	Mondale	Tower
Hansen	Moss	Young
Hart	Muskie	
Hatfield	Nunn	
Helms	Pastore	

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Humphrey, for.

NOT VOTING—3

Fulbright	Haskell	Long

So Mr. JAVITS' motion to recommit the bill was rejected.

Mr. JAVITS. Mr. President, I ask for the yeas and nays on final passage.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second. The yeas and nays are ordered.

Mr. JAVITS. Mr. President, I yield myself 1 minute just to state that I believe this matter has been very thoroughly debated. I felt that the key vote was the last vote, that is, the question of whether the committee should have an opportunity to really explore this subject. The Senate obviously does not feel that way. I am prepared to yield back the remainder of my time.

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.

Mr. BUCKLEY. Mr. President, I am in sympathy with the objectives of S. 1566. I believe, however, that we need national legislation that recognizes the enormous potential impact on the public health and safety that extended transportation strikes can have not just on Hawaii, but on large regions of the mainland.

I fear that adoption of this bill may lessen the pressure for addressing the entire problem in an atmosphere free of the economics that could be generated by another major railroad or trucking strike.

Furthemore, I believe an effective approach to this problem requires more than merely extending the "cooling-off" period provided under the Taft-Hartley Act.

Accordingly, for these reasons, I will vote against this legislation.

THE CONSUMER PROTECTION AGENCY ACT—UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent to proceed for 1 minute.

The PRESIDING OFFICER. The Senator from Montana.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the agreement entered into on yesterday be vitiated and that the time be reinstituted at the conclusion of the vote on the matter of the bill, so that there will be 1 hour, equally divided under the charge of the Republican leader and the majority leader, or their designees, before the vote occurs on the committee amendments.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

HAWAII AND UNITED STATES PACIFIC ISLANDS SURFACE COMMERCE ACT OF 1974

The Senate continued with the consideration of the bill (S. 1566) to provide for the normal flow of ocean commerce between Hawaii, Guam, American Samoa, or the Trust Territory of the Pacific Islands and the west coast, and to prevent certain interruptions thereof.

The PRESIDING OFFICER. The question is on final passage. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. HUMPHREY (when his name was caled). On this vote I have a pair with the Senator from Louisiana (Mr. LONG). If he were present, he would vote "yea." If I were permitted to vote, I would vote "nay." I therefore withhold my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from Colorado (Mr. HASKELL) and the Senator from Louisiana (Mr. LONG) are necessarily absent.

The result was announced—yeas 58, nays 39, as follows:

[No. 312 Leg.]

YEAS—58

Abourezk	Dole	McClellan
Aiken	Domenici	McGee
Baker	Dominick	Moss
Bartlett	Eastland	Nunn
Bellmon	Ervin	Pastore
Bennett	Fannin	Pearson
Bentsen	Fong	Percy
Bible	Fulbright	Randolph
Biden	Goldwater	Roth
Brock	Griffin	Scott, Hugh
Brooke	Gurney	Scott, William L.
Byrd, Harry F., Jr.	Hansen	Sparkman
Byrd, Robert C.	Hatfield	Stennis
Cannon	Helms	Stevens
Chiles	Hollings	Symington
Church	Hruska	Talmadge
Cook	Huddleston	Thurmond
Cotton	Inouye	Tower
Curtis	Johnston	Young
	Mansfield	

NAYS—39

Allen	Hughes	Muskie
Bayh	Jackson	Nelson
Beall	Javits	Packwood
Buckley	Kennedy	Pell
Burdick	Magnuson	Proxmire
Case	Mathias	Ribicoff
Clark	McClure	Schweiker
Cranston	McGovern	Stafford
Eagleton	McIntyre	Stevenson
Gravel	Metcalf	Taft
Hart	Metzenbaum	Tunney
Hartke	Mondale	Weicker
Hathaway	Montoya	Williams

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Humphrey, against

NOT VOTING—2

Haskell	Long

So the bill (S. 1566) was passed, as follows:

S. 1566

An act to provide for the normal flow of ocean commerce between Hawaii, Guam, American Samoa, or the Trust Territory of the Pacific Islands and the west coast, and to prevent certain interruptions thereof

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 "Hawaii and United States Pacific Islands Surface Commerce Act of 1974".

SEC. 2. The Congress hereby makes the following findings:

(1) that the unique geographical situation of the State of Hawaii and of the Territories of Guam and American Samoa, and the Trust Territory of the Pacific Islands (hereafter in this Act individually referred to as "any United States Pacific island"), which are physically isolated and separated by thousands of miles of water from both Alaska and the forty-eight contiguous States, generates a unique dependence on ocean shipping as a means for maintaining normal commerce between Hawaii or any of the United States Pacific islands and the rest of the United States;

(2) that any disruption of the normal flow of maritime interstate commerce which results from an obstruction or closing of the major seaports on the west coast automatically imperils the health and well-being of the people of Hawaii and the United States Pacific islands;

(3) that the people of the State of Hawaii and the United States Pacific islands have frequently been innocent third parties in, and suffered enduring harm from, disruptions in maritime interstate commerce described in paragraph (2);

(4) that a disruption described in paragraph (2) guarantees suffering for the people of Hawaii and the United States Pacific islands comparable to that which the people of any other State would suffer if all surface transportation serving such State were halted, thereby constructing a barrier around such State and preventing both the entry and exit of all goods transported thereto and therefrom by rail, truck, ship, barge, and any other means of interstate surface commerce, permitting only extremely expensive air transport into and out of such State;

(5) that the use of present Federal emergency dispute procedures for resolving such maritime and long-short industry disruptions have not prevented serious reductions in interstate commerce essential to the health and well-being of the people of Hawaii and the United States Pacific islands; and

(6) that provision for the continuation of normal commerce between west coast ports and Hawaii, and between west coast ports and the United States Pacific islands during the first one hundred and sixty days of any maritime or longshore industry disruption described in paragraph (2) is necessary in order to protect the health and well-being of the people of the State of Hawaii and the United States Pacific islands.

SEC. 3. (a) No strike or lockout in the longshore or maritime industries in the State of Washington, Oregon, or California (hereafter in this Act such States are referred to as the "west coast") shall be permitted to interrupt normal shipping from any port on the west coast to Hawaii or to any United States Pacific island, or from Hawaii or any United States Pacific island to any port on the west coast for a period of one hundred and sixty days beginning on the first day of such strike or lockout.

(b) The Governor of Hawaii, Guam, or American Samoa, or the High Commissioner of the Trust Territory of the Pacific Islands, or the designated representatives of any such Governor or of such Commissioner (if such a strike or lockout interrupts normal ship-

ping of Hawaii or any United States Pacific island where such Governor or High Commissioner is the executive) may petition any United States district court having jurisdiction to issue an injunction or temporary restraining order to enforce the provisions of subsection (a). Any such injunction and temporary restraining order shall in the aggregate remain in effect until the end of the one hundred sixty day period provided by subsection (a). Such injunction may not be requested while an injunction issued under section 208 of the Labor-Management Relations Act, 1947 (29 U.S.C. 178), is in effect. If while an injunction issued under this Act is in effect, an injunction is issued under section 208, the counting of the one hundred sixty day period referred to in this section shall be suspended until the injunction under such section 208 is discharged pursuant to section 210 of such Act.

SEC. 4. (a) Any employee (the terms or conditions of whose position of employment are governed by the agreement entered into between the employer and the labor organization which resolves a strike or lockout described in section 3(a)) who performs work or services for his employer during the period of one hundred sixty days required by section 3(a) shall perform such work or services pursuant to wages, hours, and other terms and conditions of employment of the last agreement between such employer and labor organization prior to such strike or lockout.

(b) Each employee shall receive additional wages for performing work or services described in subsection (a) at a rate equal to the difference between the wage provided for that employee (or that employee's position) under the agreement which resolves the labor dispute and the wage such employee actually received for performing such work or services.

SEC. 5. The provisions of the Act entitled "An Act to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes", approved March 23, 1932 (29 U.S.C. 101–115), shall not apply to any injunction issued under section 3(b) of this Act.

SEC. 6. For the purposes of this Act—

(1) the term "interrupt normal shipping" means—

(A) a refusal to load cargo aboard a ship (or to permit the loading of cargo aboard a ship) at a port on the west coast if such cargo is destined for use in Hawaii or any United States Pacific island;

(B) a refusal to unload cargo from a ship (or to permit the unloading of cargo from a ship) at a port on the west coast if such cargo was shipped from Hawaii or any United States Pacific island; and

(C) a refusal to operate (or to permit the operation of) a ship from a port on the west coast with cargo destined for use in Hawaii or any United States Pacific island or a ship from Hawaii or any United States Pacific island with cargo destined for a port on the west coast;

if any such refusal was a cause of a ship leaving the dock facility in Hawaii or any United States Pacific island or at a port on the west coast more than forty-eight hours after its scheduled time of departure, or a cause of cargo from Hawaii or any United States Pacific island not being unloaded at any such dock facility at a port on the west coast for at least forty-eight hours after the ship carrying such cargo arrived at such facility;

(2) the term "strike" has the same meaning as it has in section 501(2) of the Labor Management Relations Act of 1947; and

(3) the terms "employer", "employee", and "labor organization" have the same meanings as such terms have in section 2(2), (3), and (5), respectively, of the National Labor Relations Act.

SEC. 7. The provisions of section 3 of this Act shall take effective on the date of enactment of this Act unless a strike or lockout in the longshore or maritime industry on the west coast is occurring on such date of enactment, in which case such provisions shall take effect on the fifth day after such date of enactment.

Mr. INOUYE. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. FONG. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House agrees to the amendments of the Senate to the bill (H.R. 9440) to provide for access to all duly licensed psychologists and optometrists without prior referral in the Federal employee health benefits program.

The message also announced that the House disagrees to the amendments of the Senate to the bill (H.R. 14920) to further the conduct of research, development, and demonstration in geothermal energy technologies, to establish a Geothermal Energy Coordination and Management Project, to amend the National Science Foundation Act of 1950 to provide for the funding of activities relating to geothermal energy, to amend the National Aeronautics and Space Act of 1958 to provide for the carrying out of research and development in geothermal energy technology, to carry out a program of demonstrations in technologies for the utilization of geothermal resources, and for other purposes; requests a conference with the Senate on the disagreeing votes of the two Houses thereon; and that Mr. TEAGUE, Mr. MCCORMACK, Mr. FUQUA, Mr. SYMINGTON, Mr. MOSHER, Mr. GOLDWATER, and Mr. WYDLER were appointed managers of the conference on the part of the House.

The message further announced that the House insists upon its amendment to 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, disagreed to by the Senate; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. DIGGS, Mr. FRASER, Mr. STUCKEY, Mr. ADAMS, Mr. REES, Mr. NELSEN, Mr. BROYHILL of Virginia, and Mr. GUDE were appointed managers of the conference on the part of the House.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 39) to amend the Federal Aviation Act of 1958 to provide a more effective program to prevent aircraft piracy, and for other purposes.

The message further announced that the House has passed the bill (S. 3679) to provide emergency financing for livestock producers, with amendments in which it requests the concurrence of the Senate.

CONSUMER PROTECTION AGENCY ACT

Mr. MANSFIELD. Mr. President, what is the pending business?

The PRESIDING OFFICER. Under the previous order, the Chair lays before the Senate S. 707, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 707) to establish a Council of Consumer Advisers in the Executive Office of the President, to establish an independent Consumer Protection Agency, and to authorize a program of grants, in order to protect and serve the interests of consumers, and for other purposes.

The PRESIDING OFFICER. The pending question is on the adoption of the first committee amendment on which there will be 1 hour of debate.

Who yields time?

Mr. MANSFIELD. Mr. President, I ask unanimous consent that under the time agreement the time start at 3:25.

The PRESIDING OFFICER. Is there objection?

Mr. GRIFFIN. Mr. President, there will then be an hour?

Mr. MANSFIELD. Yes.

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. GOLDWATER. Mr. President, would the Senator yield me 5 minutes?

Mr. MANSFIELD. Yes.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. GOLDWATER. Mr. President, I have been in the Senate for more years than I sometimes like to remember. During those years I have witnessed some good legislation and a lot of bad legislation. I have no hesitation in describing the consumer protection bill as the worst conceived bill in modern history. Certainly, it is the most abominable bill dreamed up while I have been in the Senate.

This super agency, to be ruled by some unknown man or woman, is to be isolated from any control by the Congress or the President.

If we create the CPA it will follow the path of other agencies—created with a modest budget and small staff—yet within a decade, under either a Republican or Democratic administration, it will grow into a huge Federal bureaucracy.

I do not question that many of the supporters of this legislation are dedicated Senators who have honest convictions that we need this new super agency.

They tell us that CPA will have no regulatory powers. As a practical matter this is a ridiculous statement.

Imagine, if you will, a situation in any regulatory agency, when the big chief of CPA sends in his minions to argue against the position of the regulatory agency. If CPA is unable to persuade the regulatory agency that its decision will hurt consumers, the Administrator will call a press conference, denounce the agency position and state that he will carry the matter to the Supreme Court. To carry the example further—Consumer Protection Agency or Product Safety Agency, after investigation, has found the new product safe and of no danger to public health. Then comes the condemnation in the press conference or a mere statement that CPA will take it to the courts. What is the public reaction? The retailer might as well take the product off the shelf, the automobile dealer can take a vacation. As for the manufacturer, he loses millions of dollars and there has been no real or final decision that his product is unsafe.

Mr. President, this is not a silly illustration. We have seen it happen in cases where the heads of bureaus have made public statements.

Proponents of CPA state that regulatory agencies have become the captive of the interests they were created to regulate. With the exception of NLRB, I dispute that statement. But if there is one speck of truth in it, whoever controls CPA, be it labor, business or citizen lobbies, will control all regulatory agencies.

Mr. President, the very name of the proposed agency is a fraud on the American consumer. No agency can speak for all consumers because consumer interests vary and are often violently contradictory.

Mr. President, the opening remarks and parliamentary movements when this bill was called up demonstrate what is at issue here. If organized labor is not covered by this bill, it will pass by a two-thirds majority. If organized labor is covered by the bill, Mr. Meany and the AFL–CIO will reverse their support to one of opposition. The bill will then be defeated by a two-thirds majority. At present, labor is not covered by either the House or Senate bill.

The Senator from Michigan, Senator GRIFFIN, stated on Tuesday that if labor is exempt from coverage it becomes a "special interest" bill rather than a consumer's bill. I cannot improve upon the Senator's description.

During this session of the Senate, the AFL–CIO has made at least six issues "must" issues. The results are almost identical. Twenty-eight to thirty Senators vote against Mr. Meany's orders. Mr. Meany does not need a veto proof Congress, he already has it. We have seen labor's membership grow from 5 million to 25 million. Today, labor is the greatest monopoly this country has ever known.

Mr. President, I hope and pray that I am wrong on the vote on this bill. But if it goes as I expect and labor is exempt, I believe that at some point in the debate, I should offer an amendment giving CPA the power to investigate itself—the power to regulate itself.

If CPA is to become an administrative dictatorship, we might as well make it absolute.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

EMERGENCY LIVESTOCK CREDIT ACT OF 1974

Mr. McGOVERN. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 3679.

The PRESIDING OFFICER (Mr. HELMS) laid before the Senate the amendments of the House of Representatives to the bill (S. 3679) to provide emergency financing for livestock producers, which were to strike out all after the enacting clause, and insert:

That this Act may be cited as the "Emergency Livestock Credit Act of 1974".

SEC. 2. (a) The Secretary of Agriculture is authorized and directed to provide financial assistance to bona fide farmers and ranchers who are primarily and directly engaged in agricultural production for the purpose of breeding, raising, fattening, or marketing livestock. In the case of corporations or partnerships, such financial assistance shall be extended only when a majority interest in such corporations or partnerships is held by stockholders or partners who themselves are primarily and directly engaged in such agricultural production. For purposes of this Act, the term "livestock" shall mean beef cattle, dairy cattle, swine, sheep, goats, chickens, and turkeys.

(b) The Secretary shall guarantee loans, including both principal and interest, made by any legally organized lending agency which otherwise meet the purposes and conditions of this Act. As used herein, a guaranteed loan is one which is made, held, and serviced by a legally organized lending agency and which is guaranteed by the Secretary hereunder: *Provided*, That the term "legally organized lending agency" shall not be deemed to include the Federal Financing Bank.

(c) No contract guaranteeing any such loan by a lender shall require the Secretary to participate in more than 80 per centum of any loss sustained thereon.

(d) No fees or charges shall be assessed by the Secretary for any guarantee provided by him under this Act.

(e) Loans guaranteed under this Act shall bear interest at a rate to be agreed upon by the lender and borrower.

(f) Loans guaranteed under this Act shall be payable in not more than three years, but may be renewed for not more than two additional years.

SEC. 3. As a condition of the Secretary's guaranteeing any loan under this Act—

(a) The lender shall certify that—

(1) the lender is unwilling to provide credit to the loan applicant in the absence of the guarantee authorized by this Act;

(2) the loan applicant is directly and in good faith engaged in agricultural production, and the financing to be furnished the loan applicant is to be used for purposes related to the breeding, raising, fattening, or marketing of livestock;

(3) the loan is for the purpose of maintaining the operations of the loan applicant, and the total loans made to the loan applicant do not exceed the amount necessary to permit the continuation of his livestock operations at a level equal to its highest level during the eighteen months immediately preceding the date of enactment of this Act: *Provided*, That the total loans guaranteed under this Act for any loan applicant shall not exceed $250,000;

(4) in the case of any loan to refinance the livestock operations of a loan applicant (i) the loan and refinancing are absolutely essential in order for the loan applicant to remain in business, (ii) the lending agency would not refinance such loan in the absence of a guarantee, and (iii) the lending agency is not currently refinancing similar loans to others without such guarantees.

(b) The loan applicant shall certify that he will be unable to obtain financing in the absence of the guarantee authorized by this Act.

(c) The Secretary finds there is reasonable probability of accomplishing the objectives of the Act and repayment of the loan.

SEC. 4. Loans guaranteed under this Act shall be secured by security adequate to protect the Government's interests, as determined by the Secretary.

SEC. 5. Loan guarantees outstanding under this Act shall not exceed $2,000,000,000 at any one time. Subject to the provisions of section 2(c) of this Act, the fund created in section 309 of the Consolidated Farm and Rural Development Act shall be used by the Secretary for the discharge of the obligations of the Secretary under contracts of guarantee made pursuant to this Act.

SEC. 6. Contracts of guarantee under this Act shall not be included in the totals of the budget of the United States Government and shall be exempt from any general limitation imposed by statue on expenditures and net lending (budget outlays) of the United States.

SEC. 7. Any contract of guarantee executed by the Secretary under this Act shall be an obligation supported by the full faith and credit of the United States and incontestable except for fraud or misrepresentation of which the holder had actual knowledge at the time it became a holder.

SEC. 8. The provisions of this Act shall become effective upon enactment, and the authority to make new guarantees under this Act shall terminate one year from the date of enactment of this Act, except that the Secretary of Agriculture may extend the guarantee authority provided in the Act for a period not to exceed six months if he (1) determines that such guarantees are necessary to the welfare of livestock producers and that adequate credit cannot be obtained without such guarantee by the Secretary, and (2) notifies the Committee on Agriculture and Forestry of the Senate and the Committee on Agriculture of the House of Representatives at least thirty days prior to the date on which he elects to extend the guarantee authority provided in the Act.

SEC. 9. (a) The provisions of section 310 B(d)(6) of the Consolidated Farm and Rural Development Act shall apply to loans guaranteed under this Act.

(b) Contracts of guarantee executed pursuant to the provisions of this Act shall be fully assignable.

SEC. 10. The Secretary is authorized to issue such regulations as he determines necessary to carry out this Act. The proposed regulations shall be issued as soon as possible, but in no event later than thirty days from the date of enactment of this Act.

And to amend the title so as to read: "An

Act to provide temporary emergency livestock financing through the establishment of a guaranteed loan program."

Mr. McGOVERN. Mr. President, by unanimous direction of the Committee on Agriculture and Forestry, I move that the Senate concur in the amendments of the House of Representatives.

Mr. GRIFFIN. Mr. President, I want to indicate that as one Senator who voted against the legislation when it was before the Senate, I realize the controversy involved in this legislation. However, the amendment which was added by the House of Representatives, as I understand it—and I will state for the RECORD that the action being taken has been cleared by the minority members of the Committee on Agriculture and Forestry—does improve the bill from the standpoint of those in opposition, so that it is less objectionable than the bill that earlier passed the Senate.

Since the Senate clearly registered its will in favor of the bill that earlier passed, there seems to me to be no point in having a further debate and further vote on it. For that reason, I have not registered an objection.

Mr. DOLE. Mr. President, the livestock industry in Kansas remains in critical condition. Time is of the essence. In my opinion, the decision made by the Senate Agriculture Committee this morning to accept the amendments proposed by the House of Representatives to the Emergency Livestock Credit Act, passed by the Senate earlier, was a wise one. As a member of the Senate Agriculture Committee, I supported this decision, and I urge every Senator to vote in favor of this bill.

Although some differences exist between the measure we are presently considering and the bill passed earlier by the Senate, the differences are sufficiently small that I believe this bill will be adequate. Rather than spend several days or weeks involved in a conference committee resolving the differences between the Senate and House versions, I would hope that we can pass this bill promptly and send it to the President for signature.

NO SUBSIDIES

It is gratifying to me that the bill we are considering today, even as amended by the House, includes several of the provisions of the Livestock Producer and Consumer Protection Act of 1974, which I introduced on June 11. The most important provision is that the loans guaranteed under this program will be at commercial market rates, as requested in most of the testimony in hearings on this issue before the Senate Agriculture Committee on June 17.

There is no subsidized interest rate. Cattlemen and other livestock producers do not want a handout from the Federal Government. They are not looking for subsidies and they do not need some grandiose, expensive Federal relief program.

Although some ambitious reporter looking for a sensational headline will undoubtedly call this a $2 billion program to bail out cattlemen, nothing could be further from the truth. Loans under this program will be made by commercial lending institutions and the Department of Agriculture will only provide guarantees. It is specifically stated in the bill, and several safeguards are provided, that adequate security will be provided on each loan to protect the Government's interests. In view of the normal reliability of livestock producers in repaying their loans, the cost to the Government should be negligible.

This bill is intended to protect livestock producers from economic disaster and to protect consumers from exorbitant meat prices in coming months and years due to a potential loss of our meat producing capacity. This bill is not intended to bail the livestock industry out of a loss situation at the expense of the Government. However, livestock producers do need protection from financial disaster. This bill would provide that protection.

At the same time, consumers do not want subsidized meat paid for with tax dollars. They do need protection from exorbitant meat prices and they need a steady and reliable supply of meat. This bill would help achieve those objectives.

DEPRESSION CONDITIONS

Mr. President, many livestock producers in Kansas—and this includes cattlemen, hog farmers, poultry men, dairy farmers, and all livestock producers—are on the verge of bankruptcy. The cattle industry alone in Kansas is a $2 billion industry, the largest moneymaking industry in the State. It has taken fantastic losses, estimated as high as $600 million. Cattlemen are still losing money. Some have already been forced out of business.

Although prices have recovered somewhat recently, the market remains inadequate to cover the expenses of cattlemen and other livestock producers. In short, many of them are still in dire financial conditions, and unless this measure is put into effect quickly, we could lose a substantial part of our livestock producing cattlemen.

OTHER BUSINESSES AFFECTED

Agriculture is a closely integrated industry today. If the livestock industry is permitted to go into a substantial recession, we can expect a similar situation to occur in the many industries directly related to agriculture. This particularly pertains to the meat processors and retailers who depend directly upon the livestock industry for their livelihood.

In addition, the grain producers could face an extreme profit squeeze. The collapse or recession of the livestock industry could result in a sharp drop in feed grain prices. Farmers who have paid increasingly higher prices for fertilizer, equipment and other essential materials would be faced with prices which could result in an economic loss. This development would, in all likelihood, necessitate Government purchases and storage of grain another obligation on the Federal budget.

OTHER ACTION NEEDED

Mr. President, this measure does not completely resolve the problems in the livestock industry. Yesterday we saw the extension of a complete ban on beef imports by the European Economic Community. This measure shows that the Europeans are not cooperating with the United States, contrary to the Department of Agriculture's expectations.

Obviously, the Europeans are looking after their own interests. As responsible leaders, I believe we should begin to do the same. This is why I introduced a bill 2 months ago to halt meat imports to this country and have urged the Department of Agriculture to institute import quotas.

Mr. President, the U.S. Congress and the administration need to take a more active role in assisting livestock producers. We can start by passing this Emergency Livestock Credit Act. It is necessary for many people in the livestock business. It will be beneficial in the long run to consumers.

Mr. President, I urge the passage of this bill.

Mr. McGOVERN. Mr. President, S. 3679 passed the Senate on June 24, 1974, by a vote of 82–9 in response to financial crises facing the livestock producers of the Nation. The act passed the House on July 16 in substantially the same form although several changes and amendments were incorporated.

The principal differences between S. 3679 as passed by the Senate and the House amendment are as follows:

First, the Senate bill requires that the Secretary of Agriculture provide financial assistance by guaranteeing loans made to bona fide farmers and ranchers, including operators of feedlots, who are primarily engaged in agricultural production for the purpose of breeding, raising, fattening, or marketing beef cattle, dairy cattle, swine, chickens, turkeys, or the products thereof.

The House amendment requires that the Secretary provide financial assistance by guaranteeing loans made to bona fide farmers and ranchers who are primarily and directly engaged in agricultural production for the purpose of breeding, raising, fattening, or marketing beef cattle, dairy cattle, swine, sheep, goats, chickens, and turkeys.

Under the House amendment, in the case of a corporation or partnership, such financial assistance shall be extended only when a majority interest in such corporation or partnership is held by stockholders or partners who are primarily and directly engaged in such agricultural production.

Second, the Senate bill provides that no loan guarantee shall require the Secretary to participate in more than 90 percent of any loss sustained thereon.

The House amendment lowers this limitation to 80 percent.

Third, the Senate bill provides that guaranteed loans shall be payable in not more than 7 years, but may be renewed for not more than 5 additional years.

The House amendment provides that the loans be payable in not more than 3 years and renewed for not more than 2 additional years.

Fourth, the Senate bill provides that the total loans guaranteed for any applicant could not exceed $350,000.

The House amendment lowers this limitation to $250,000.

Fifth, the House amendment adds a new provision providing that outstanding

loan guarantees shall not exceed $2 billion at any one time.

Sixth, the House amendment deletes the provision in the Senate bill placing limitations on the amount of guaranteed loans may by individual lenders.

In reviewing these changes it was the consensus of the Committee on Agriculture and Forestry that while the more stringent provisions of the House-passed version may cause a few problems for some producers, these would be isolated cases. I am personally distressed with the reduction of loan terms to 3 years with a possible extension of 2 years. This could cause severe problems for some producers, but under the pressure of time and because of the great need for this legislation I concur with the view of the committee that we accept this amendment.

The House amendment deletes any reference to the products of livestock. However, both the Senate bill and the House amendment define livestock as including dairy cattle and chickens. Therefore, producers of eggs and milk are eligible for assistance under the bill.

Under both the Senate bill and the House amendment, loan guarantees would be extended to bona fide farmers and ranchers. Although the House amendment deletes any reference to operators of feedlots, it is clear that certain custom feedlot operators are bona fide farmers and ranchers, and are, therefore, engaged in the raising, fattening, and marketing of livestock. Accordingly, such custom feedlot operators are eligible for assistance under the bill. The $250,000 individual loan limitation will, of course, exclude the large custom feedlot operators.

Numerous other small changes in wording or organization were made which have in some cases improved the focus of the act, but in no case do these changes seem to materially detract from the purpose and effect of the act.

In that this is emergency legislation and since we feel the House changes will not cause undue hardships or problems in implementation of the program, the Senate Committee on Agriculture and Forestry recommends concurrence in S. 3679 as amended by the House.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from South Dakota.

The motion was agreed to.

Mr. MANSFIELD. Mr. President, has the motion been agreed to?

The PRESIDING OFFICER. That is correct.

Mr. MANSFIELD. I move to reconsider the vote by which the motion was agreed to.

Mr. McGOVERN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

CONSUMER PROTECTION AGENCY ACT

The Senate resumed the consideration of the bill (S. 707) to establish a Council of Consumer Advisers in the Executive Office of the President, to establish an independent Consumer Protection Agency, and to authorize a program of grants, in order to protect and serve the interests of consumers, and for other purposes.

The PRESIDING OFFICER. The pending question is on agreeing to the first committee amendment. On this question, under the previous order, time for debate is limited to 1 hour. Who yields time?

Mr. RIBICOFF. Mr. President, I yield myself 5 minutes.

Both the Government Operations Committee and the Commerce Committee have approved a labor-management exemption. In choosing between them, I hope the Senate will retain the Commerce Committee wording.

This exemption in section 6(a)(11) is commonly described as an exemption for labor. It is no such thing. It is an exemption for both labor and management. It assures both labor and management that CPA will not interfere with their efforts to reach agreement on what are essentially private, contractual issues. It is not an exemption for labor when it acts outside the context of such negotiations.

I shall first discuss the reason why the form of the Government Operations wording is inadequate. I shall then discuss why both committees agreed that there should be a labor exemption.

The Commerce Committee wording clearly prohibits CPA from participating in Federal agency activities involving labor management disputes, as defined by the basic laws governing labor disputes.

The Government Operations Committee also exempts certain Federal agency activities involving labor. But it does not rely on well-established statutory definitions in doing so. Instead it exempts "labor disputes involving wages or working conditions affecting health or safety."

I emphasize that disputes concerning these matters are excluded not included, in CPA's jurisdiction under the Government Operations Committee amendment.

The Government Operations Committee wording raises more questions than it settles. The Government Operations Committee wording should be rejected, because it is too vague and ambiguous.

What labor disputes directly concern "wages" or "working conditions affecting health or safety?" Which do not? Is the worker's demand for a workweek of 4, 10-hour days instead of 5, 8-hour days a matter affecting wages or working conditions affecting health or safety?

It does not concern wages. It does not necessarily concern a working condition which affects health or safety. So, it would appear that this issue would not be excluded from CPA's jurisdiction by committee amendment No. 2. But it should be excluded, since such a matter does not substantially affect an interest of consumers.

Supporters of the Government Operations Committee wording say the amendment would permit CPA to intervene in proceedings involving a union's refusal to hang prefabricated doors. But a union will refuse to hang prefabricated doors precisely because it affects how much its members will earn. The reference to wages in the Government Operations Committee exemption could be interpreted as actually exempting this issue. This would be precisely the opposite of the result intended.

The only thing that is certain is that the Government Operations Committee wording could cause endless litigation.

Even if the Government Operations Committee amendment would permit the CPA to get involved when a union refuses to hang prefabricated doors, such involvement would not help the consumer.

A union might object to installing prefabricated doors and walk off the job. At that point a contractor or builder might file a complaint with the NLRB, alleging an illegal labor practice. In that case the contractor or builder may be counted on, out of sheer self-interest, to press vigorously his desire to use prefabricated doors. The presence of CPA is not necessary to protect consumer interests. As in the case of other NLRB cases, the issue will be decided on the basis of labor law, not on what would be best for consumers. The special knowledge the CPA might contribute, such as how the dispute affects the price of houses, would be irrelevant to the NLRB's decision on the matter.

The actions of both the Government Operations Committee and the Commerce Committee in approving a labor-management exemption show that such an exemption makes good sense.

The reasons are clear.

All CPA can do under this legislation is participate in Federal agency activities substantially affecting the interests of consumers. It has no authority to intervene in strictly private matters.

Because labor-management issues are largely private matters, Federal agencies only get involved in labor matters in ways that are remotely related to a marketplace transaction affecting consumers.

The final price that a consumer will pay in his local store might be higher or lower. Let us say we have an NLRB to determine whether a toothpaste company has to recognize a labor union. Such a decision is far removed from a decision of how much a consumer will pay for toothpaste at the local drugstore.

The final price to the consumer at his local store might be higher or lower, the quality better or worse, depending on a hundred other factors in addition to how the NLRB rules. More likely, an NLRB order requiring recognition of a union would have no substantial effect on the consumer at all in what the price of toothpaste will be.

In contrast, the NLRB cannot dictate how much management will pay labor. Yet, it is this type of determination which may substantially affect the interests of consumers in a direct way.

The role of the Federal Mediation and Conciliation Service is especially remote from any consumer interest. The Service acts in a confidential, behind-the-scenes role seeking to bring parties together. It cannot dictate substantive solutions to a dispute to either side. The Service has no power to impose or punish those who do not follow its suggestions.

The labor-management exemption recognizes that the link between Federal agency involvement in such disputes and

the consumer is just too insubstantial in most cases.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. RIBICOFF. I yield myself 2 more minutes.

Even if Federal agencies did get involved in labor-management matters in a way that substantially affects the consumer, there would still be good reason for an exemption.

Labor-management disputes are unlike almost all other issues in which the Federal agency gets involved. In labor-management disputes, there is an ongoing dispute between two evenly matched private parties—labor and management. Out of self-interest, one side or the other will take positions favorable to consumers. There is just no need for CPA involvement in labor matters, as there is in matters before such other agencies as the FTC, where only one side of the issue is represented by outside parties.

I urge the Senate to defeat the Government Operations Committee exemption.

Mr. CASE. Mr. President, the Senate today begins consideration of legislation to establish a Consumer Protection Agency.

This is not a new issue and, in fact, there are some of us here who have been voting on legislation—categorized as "consumer issues"—for nearly 20 years.

We have accomplished passage of "truth in lending," "truth in packaging and labeling"; we have dealt with the issues of unsafe products, of Federal standards for cars and tires, of the need for depositor insurance in credit unions and many, many more.

And we are back to consideration of the need for an agency that will be the consumer's advocate in the federal system.

If I had not been convinced, this past winter in which consumers coped with an energy crisis and inflation would have convinced me that the federal system is quite often not responsive to consumers.

Mail to my office reflects many consumer experiences resulting from failure of Government agencies to consider the true effect of action on consumers.

This is particularly true in the field of transportation where the "public convenience and necessity" so often gets short shrift. It reminds me of the days when I served on the Commerce Committee and my attempts to secure public hearings before rail service could be discontinued ran up against a stone wall.

It seems to me that one of our major problems today is the effect of industry action and Government response without consideration of all of the pieces of the picture. The consumer is usually the last to know what is happening, the least powerful to do something about reversing action, and yet he may be vitally affected.

This is where the Consumer Protection Agency comes in. Mrs. Virginia Knauer, special assistant to the President for Consumer Affairs, commented on this role of the Consumer Protection Agency in a release made public this weekend.

Because of Mrs. Knauer's experience in this area I would like to submit her remarks for the RECORD.

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

STATEMENT BY VIRGINIA H. KNAUER

(Virginia H. Knauer, Specir Assistant to the President for Consumer Affairs, today released the following statement on legislation to establish a Consumer Protection Agency:)

Soon the Senate begins its debate on legislation to establish a Consumer Protection Agency. It is the most important consumer matter to come before the Congress in the five years I have served as the President's Consumer Advisor. It is the first answer by Congress to years of criticism by Congress that government agencies too often do not adequately reflect consumer interests.

I believe that if the CPA becomes a reality, it will have a profound, positive effect for the public on government, consumer, and business institutions. It will be a problem-solving force for the consumer, undertaking programs and making recommendations to resolve or minimize some of the major problems facing the public, such as inflation. My reasons for these beliefs are as follows:

The CPA will be a tremendous aid to our regulatory agencies. The CPA will not be a regulator. It will not have any enforcement powers. It will not take away the decision-making powers of government regulatory agencies. It will help the agencies listen to consumers.

Our agencies too often have been under attack for lack of cohesive consumer contributions to their basic decision-making process. Critics have said that the legal machinery of consumer participation is much too complex to be used to advantage by the average consumer in a regulatory proceeding; that the individual, in contrast to business, is at a basic disadvantage in becoming aware of and gaining access to the kinds of public policy considerations, data, and information vital to his or her interest; and that, unlike the business community, the average individual, limited by lack of funds, time, and information, cannot without help overcome the cumbersome and burdensome steps needed to participate in a regulatory proceeding.

Our regulatory agencies today receive many letters from the public which are emotional and filled with rhetoric. The agencies understand this; they do not expect the average citizen to be an economist, an engineer, a lawyer, or whatever other specialist is needed to comment effectively on an issue. Further, emotional arguments are important in understanding the temper and the desires of the public; but they are not effective substitutes for the type of complex problem-solving recommendations the agencies need and will get through a CPA staffed with the specialists necessary for knowledgeable representation. CPA will be able to make those recommendations and thus help the regulatory agencies focus on the central issues of importance. Thus, the CPA will be a unifying and orderly force.

Any one given consumer issue may involve various consumer interests. However, a specific regulatory agency may be Congressionally directed to emphasize one of these interests. In important program areas such as energy, pollution, housing, food, or drugs, where more than one agency is working on different but related aspects of a single problem area, CPA would be a unique repository for a wide range of consumer views and concerns. It will thus be able to present a broad and balanced point of view and will provide an efficient, economical means of channeling various complex aspects of consumers' interests, where no such means currently exist.

CPA will be an aid to those institutions now working on behalf of the consumer.

Any effective organization has to set priorities and act on those priorities. CPA will be of incalculable value in stimulating the basic research and analysis needed to set priorities for the consumer movement as a whole. Some consumer groups today are highly sophisticated, others are inexperienced in the problem-solving process. CPA will act as an aid to these organizations, giving them a vehicle they do not have today.

CPA will do much to help business institutions.

Business representatives have made the point over and over again that they suffer from too much government regulation, from rule proceedings too narrowly based, and that in many cases competition can solve consumer problems more effectively than regulation. CPA should be able to ask hard questions and hopefully provide recommendations as to where regulation can be removed to benefit the consumer by allowing the free market to operate. It can act to strengthen business incentives to make maximum use of efficient cost-saving technologies and standards.

For those areas of the economy where some regulation must take the place of competition, CPA should contribute significantly to the types of analysis and data available to assist in difficult pricing and rate-making decisions made by the regulatory agencies. These pricing and rate-making decisions have a profound effect on business as well as consumer costs. A significant number of the price and output decisions in the economy are made through forces of regulation rather than competition. A strong consumer voice in seeing that the determinants for agency decisions are fair and equitable, cannot help but benefit the economy as a whole.

CPA will be a powerful force against major consumer problems such as inflation.

CPA will help agencies identify areas of the economy where lack of competition contributes to inflation; it will help facilitate public understanding of price-quality options in promoting competition; and it will assist agencies in developing proposals to attack inflation through increased competition.

CPA will help agencies identify outmoded rules that should be eliminated or modified to better combine consumer protection with increased economies, productivity, and efficiency.

CPA will work with the agencies to develop their anti-inflation programs. As an example, the Department of Housing and Urban Development has expressed concern about the lack of a requirement for advance disclosure of settlement and closing costs and about the prevalence of referral fees, kickbacks, rebates, and unearned fees that add to consumers' costs. An effective program to eliminate these abuses would be an inflation deterrent, and an aid to buyers and sellers of homes.

By being a powerful force against fraud and deception, the CPA could act against inflation by saving the consumer valuable dollars.

The CPA will help consumers fight inflation through sponsoring research that will aid in obtaining higher quality, more relevant information about the key characteristics of the products they purchase. CPA could sponsor studies of factors in product performance and durability which will help consumers make more sensible choices about key budget decisions.

The CPA could help to increase support for needed and effective programs and help the Administration, Congress, and the public identify programs that are not cost effective.

The CPA will be a leader in providing essential consumer education and information.

One major problem in today's complex marketplace relates to the lack of consumer education.

Helena Z. Lopata, Chairman of the Department of Sociology at Loyola University in Chicago, in her book, Occupation Housewife, published the results of a five-year study of women at all economic levels. One major finding was the sense of frustration women felt because they had not been taught how to cope with the modern marketplace. In short, we are taught how to earn money but not how to manage it.

CPA will be able to promote and provide educational and informational programs to help fill this void.

CPA is mandated to help resolve individual consumer complaints.

One of the most frustrating problems for the consumer is to have a legitimate complaint about a product or service and not be able to do anything about it. Regulatory agencies have been unjustly criticized for not resolving the individual's complaint, a role for which they were not designed. The CPA will be a powerful ally in this regard, taking steps to insure that the proper agency or the top management of a firm is aware of the consumer's problem. CPA will also work with business to establish voluntary complaint-handling systems. CPA's complaint-filing system will be able to provide an early-warning system on emerging problems so appropriate action can be immediately taken to correct the cause.

CPA will be able to provide a major assist to state and local government agencies.

By acting as a clearing house and liaison between the Federal, state, and local governments, the CPA will be available to help develop and implement programs designed to eliminate problems on the local level. Note, for example, the recent resolution passed by the National Association of Attorneys General urging the passage of the CPA.

CPA should give much credibility to our major institutions.

Today, tragically, there has been a great loss of faith in our institutions—most have come under criticism and attack. Some of this criticism is justified, some is not. CPA would, in effect, be a healing and unifying force.

Finally, and perhaps most important, the CPA could be a powerful antidote to the poison of alienation and helplessness affecting many of our citizens. Too many of our citizens believe that their pleas for help or understanding are unheeded; that only the big and powerful can count on effective and responsive representation; that only the big and powerful have access to decision makers.

The United States Senate has the opportunity to counteract this belief—it can give the American public a vivid demonstration that the individual in America is not the forgotten person—that he or she is represented and represented well . . . and that with the establishment of a CPA, the feelings of hopelessness and alienation no longer will have reason to exist.

The President, in his September, 1973 Message to Congress, called for the establishment of a Consumer Protection Agency. He promised to work with Congress to this end, which we have been doing. We hope this spirit of cooperation and compromise continues. The House has already passed a CPA bill.

Now I hope and pray that before the debate is over, the Senate will have the opportunity to vote on the merits of a Consumer Protection Agency.

Mr. BARTLETT. Mr. President, I am deeply concerned about implications and consequences of the entire Consumer Protection Agency concept.

It strikes me as establishing another layer of the government bureaucracy hired to oversee another layer of that same bureaucracy.

This bothers me philosophically, ostensibly all of us, as well as the executive branch, are sent here to represent all of the public, including the consumer and the producer, labor, and management by creation of this superagency, we are in effect abdicating our historical approach to government.

Also, and possibly even worse than this, in this year of a $500 billion debt I worry about another $50 million government agency. That could expand an enfinitum.

But assuming for the sake of argument that we're going to enact a Consumer Protection Act with the divine inspiration to tell government, business, the world, and even the consumer what is best for the consumer, why should labor be denied the value of this same inspiration.

Certainly decisions of labor will have a tremendous impact on the consumer, the laborer will play a significant role along with management in the product produced.

Frankly I do not blame labor for not wanting this bill—for the same reason I do not blame business and I do not blame other Federal agencies who question the omnipotence of this new government seer.

But if this agency is going to be created, it only makes good sense that if business and government are going to have the CPA look over their shoudler. Labor should be included.

A Consumer Protection Agency with authority over business and government, but not labor would be by its very authority rendered impotent in ostensibly representing the consumer.

The PRESIDING OFFICER. Who yields time?

Mr. BUCKLEY. Mr. President, on behalf of the Senator from Michigan (Mr. GRIFFIN) I yield myself 5 minutes.

The question before the Senate causes me a great deal of trouble, because I can fully appreciate the real reasons why labor organizations do not want to be subject to the jurisdiction of the Consumer Protection Agency. Their views are no different from those of any other reasonably sane organization or person that truly understands the implications of this legislation. I am not in favor of subjecting labor or any other firm or organization, for that matter, to dual prosecution at administrative proceedings which are mandated under this act. This is why I oppose the bill.

However, what possible and realistic rationale is there for exempting labor organizations from this otherwise all-encompassing bill? The Senate has been told that labor organizations should be exempted, because their impact on the interests of consumers is too remote.

Yet these same sponsors of S. 707, in turn, inform us that all business functions are per se imminently involved with the interests of consumers.

Mr. President, we would deliver a serious blow to this body's credibility if we were to reject the modest amendment from the Senate Committee on Government Operations to include certain activities of labor organizations within its scope.

I personally think that labor and business should be treated equally. Whatever distinctions there are between the two regarding their impact on consumers are best grounded in the imagination of those who would install labor organizations as the ultimate vested interest.

I am frankly puzzled that individuals otherwise in favor of ACA should wish to strike the first committee amendment. If the matters involved in labor negotiations do not in fact affect the consumer interests, then the Administrator will not attempt to intervene.

Or can it be the advocates of the Ribicoff motion to strike share my misgivings as to the infallibility of an all-powerful administrator who cannot be fired except for insufficient zeal?

The PRESIDING OFFICER. Who yields time?

Mr. ALLEN. On behalf of the distinguished minority leader I yield myself 5 minutes.

Mr. President, the Commerce Committee did exempt labor-management relations from the coverage by the bill. Then the bill went to the Government Operations Committee for a period of 45 days. They wrestled with this question of this exemption, along with other questions of the bill, and they came up with a slight change in the form of the first committee amendment, the effect of which is to say that the Administrator should not intervene or participate in any agency or judicial proceeding or activities directly concerning the labor dispute involving wages or working conditions affecting health or safety.

Well, that pretty well covers the whole range of problems. There are some few that would still be covered.

Mr. President, on yesterday the distinguished Senator from New York (Mr. JAVITS) later echoed by the distinguished Senator from Illinois (Mr. PERCY) and and the distinguished Senator from Connecticut (Mr. RIBICOFF), stated that big business and big labor did not need a Consumer Protection Agency to represent their interests. They were big enough and strong enough, secure enough so that they did not need a Consumer Protection Agency to protect their interests.

I called attention on the floor of the Senate that these advocates of the labor exemption were overlooking the real thrust of the bill. It is not to protect big labor or big business. It is to protect the consumer. It is said to be a consumer protection agency, so the consumer is the one who is involved and big labor and big business get together in a labor dispute, when they reach a settlement, who is going to pay the costs of that settlement other than the consumer? So certainly the consumer has a vital interest in labor-management relations.

Mr. President, as pointed out by the supporters of S. 707 there are so many labor-management relations that it would be impossible for CPA to intervene in all of these proceedings. Well, there is nothing that makes them do it. The Administrator has got a right to

decide what the consumer interest is, he has got a right under the bill to decide when, whether or if he shall act and in what area.

Mr. President, just barely putting a tiny bit of coverage of labor-management relations under the jurisdiction of the CPA does not mean the CPA would have to act and, Mr. President, in my judgment, he probably would not act in these cases.

But still representing the interests of the consumer there ought to be some coverage by the Consumer Protection Agency of labor-management relations. So it is only a small coverage that is involved because it exempts disputes involving wages or working conditions affecting the health or safety. Some small area would still remain.

Mr. President, reading from an editorial of July 9 in the Washington Star-News denouncing the consumer bureaucracy, as it is called, the editorial has this to say:

A good question is whether any single person should have the awesome power to speak for the consumer that's envisioned here.

And the Administrator would be clothed with unchallengeable right to decide what is for the best interests of the consumer as though the consumer were just one monolithic group of consumers having only one single interest, which is certainly far from the case.

Reading on from the editorial:

And not only business is troubled by this: though the AFL–CIO supports the measure generally, it wants all labor affairs exempted from scrutiny by the consumer czardom.

That is a nice word that the editorial writer uses, and that is just what would be created by this bill, a czardom.

It continues:

Unless this is done, unless labor-management relations are excluded, it may oppose the bill.

This language is used:

"We don't regard labor relations as having a consumer interest," a spokesman said. "We don't want another government agency intervening in labor-management relations sticking their noses in our affairs."

I ask unanimous consent that the editorial from which I have quoted be printed in the RECORD in its entirety.

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

A CONSUMER BUREAUCRACY?

Only the highest motivation propels all those people and groups now pleading—with good chance of success, we fear—for creation of a federal Consumer Protection Agency. They want to rid the marketplace of flim-flam and faulty products. They see vast benefits if the consumer becomes really entrenched in government with a watchdog agency of vast power. And, having scored a three-to-one victory for this proposition in the House, they now are knocking on the Senate's door.

The Senate should be very cautious, we think. Behind the idealistic gloss, there are many nettles in this plan. The House was stampeded into approval by election-year pressures, and the vote does not reflect the grave reservations which many members had about the proposal. But the Senate need be in no such hurry. It can take time to ponder the reforms passed in haste heretofore that have grown into monstrosities, costly beyond anyone's prior imagination.

This new agency would be stoutly independent, with incomparable authority to take action—legal and otherwise—over a sweeping spectrum of government, industry and business. Its administrator, needless to say, immediately would be one of the most powerful persons in the country—intervening in affairs of other government agencies, as well as the private sector. A good question is whether any single person should have the awesome power to speak for the consumer that's envisioned here. And not only business is troubled by this: Though the AFL–CIO supports the measures generally, it wants all labor affairs exempted from scrutiny by the consumer czardom. Unless this is done, it may oppose the bill. "We don't regard labor relations as having a consumer interest," a spokesman said. "We don't want another government agency intervening in labor-management relations, sticking their noses in our affairs."

Sounds a lot like business speaking, doesn't it? If labor affairs—which even get into the uses of certain prefabricated products—don't affect consumers, what does? No doubt other segments of society also will want to be exempted. The trouble is that about everything is consumer-related; the consumer agency operatives will have to cover an incredible field. They'll be authorized to do it, too, under this bill, often duplicating protective functions of other agencies, as in safety and public health, for examples.

And the immeasurable scope of this assignment makes one thing inevitable: a ballooning new bureaucracy. An agency that theoretically can be called upon to seek amends for every faulty toaster and premature tire blowout in the country will have thousands of people on the payroll before long, including an army of lawyers. Another good question is whether it will cost more than it saves the consumers.

Private consumer groups are doing remarkably well in striking terror into cheaters of the public, as are consumer agencies in some states. Neither are the existing federal regulatory agencies impotent. The Senate should, we think, turn this superagency idea aside. If that isn't possible, it must at the very least put some sensible limitations on the proposed agency, which cannot attempt to do everything for everybody without winding up in chaos.

The PRESIDING OFFICER (Mr. HELMS). The Senator's time has expired. Who yields time?

Mr. PERCY. Will the Senator yield to me an additional 5 minutes?

Mr. RIBICOFF. I yield 5 minutes to the distinguished Senator from Illinois.

Mr. PERCY. Mr. President, I have a high regard for my distinguished colleague from Alabama. We have worked together on many pieces of legislation. In this respect, however, we differ. I differ with my distinguished colleague after considerable thought and reflection on the actions of the Committee on Commerce and the Committee on Government Operations. Also, I have been influenced by an interpretation given by the Labor Department, which confirms that the exemption under the Government operations amendment is actually broader. I ask the distinguished Senator from Alabama to take into account that the Commerce Committee provision exempts labor disputes as such within the meaning of the Norris-LaGuardia Act, and labor-management contracts within the Labor-Management Relations Act.

I say that that is a narrow exemption. It is narrower than the Government operations exemption which provides that the CPA cannot act in any labor dispute affecting wages, working conditions, or affecting health or safety.

Let us take a specific case that the distinguished Senator is well aware of. Many Government investigations have uncovered filthy conditions in our meat plants and in food-processing plants. Some of these occurred in my own State of Illinois. We have been most vigorous in trying to clean up these conditions. Where there is a filth-laden plant—and we have evidence to indicate that these plants exist not only in Illinois but in other parts of the country—the condition is injurious to the health and safety not only of the consumer, but also of the workers involved in those plants.

Certainly we would not want the CPA ruled out of involvement in those particular cases.

But as I tried to point out yesterday on the floor of the Senate, the Consumer Protection Agency was not developed and designed to get into the area of labor contracts and management contracts. We simply felt that in contract negotiations, there are two adversaries. They advocate their own respective positions. Also, we have mediation services offered by the Federal Government. There seems to be no real reason to have the CPA involved. In fact, when you consider the tens of thousands of labor contracts that the CPA could be brought into, if the labor exemption does not stand, the budget provided for the first year of operation of $15 million would be woefully inadequate.

We never envisioned that. In all of the days of testimony before the Senate committees, the Committee on Commerce, the Committee on Government Operations, the Committee on Rules and Administration, and the comparable committees in the House—at no time in all of those days and weeks of hearings, and all throughout the period of time we have been dealing with this legislation, has one single witness, to the knowledge of the Senator from Illinois, ever indicated that there was a consumer interest involved in labor-management contracts as such.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. RIBICOFF. Mr. President, I yield 3 additional minutes to the Senator from Illinois.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. PERCY. Mr. President, the concept of this agency that has emerged from hearings and from other sessions of the Committee on Commerce and the Committee on Government Operations is more limited. I might add that important work has been done on the bill by the Committee on Rules and Administration under the very able subcommittee chairmanship of the Senator from West Virginia (Mr. ROBERT C. BYRD), that the Senator from Alabama participated in

those proceedings. Let me cite some examples of consumer abuse we envisioned a CPA to handle.

Ten pharmaceutical companies engaged in the sale of millions of dollars worth of ineffective flu vaccines in the late 1960's. Millions of dollars of Federal money was involved. The vaccine was not only ineffective but also dangerous to administer in some cases. That is the kind of case I am talking about. When that pattern developed across the country nothing was done about it by the Division of Biological Standards. It is in cases such as this that we hope quick detection by a CPA would be effective.

We have millions of our schoolchildren being bused to school. It is not reassuring that they are bused in a yellow tin can, which is better designed to survive competitive bidding than to prevent death and injury among our children. The very manufacturers themselves have said if there were standards they all had to adhere to schoolbuses would be far safer than they are today.

Why do we have to have schoolchildren killed and why do we have to have thousands of schoolchildren injured in these vehicles? We have legislated for safety belts on airlines and automobiles and yet these buses do not have seat belts for our children.

I can point to other hazardous aspects of schoolbus design. Unsafe protrusions stick out; the bus bodies are collapsible; the frames are not welded properly. It is not reassuring to have those buses transporting the future citizens of this country.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. PERCY. Mr. President, will the Senator yield to me for 2 additional minutes?

Mr. RIBICOFF. I yield 2 additional minutes to the Senator from Illinois.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. PERCY. Mr. President, I have been working on this problem and a dozen other problems that a CPA would be mandated to correct. I report that in this particular case the Department of Transportation is finally, after much prodding, looking into a matter that the bureaucracy has really been reluctant to get into.

I think the Senator from Alabama is familiar with the work that has been done by staff members of the Committee on Government Operations. I also wish to mention the hearing aid frauds that have victimized hearing-impaired citizens, around the country, particularly elderly persons. This matter is now under investigation by the FTC and the FDA. These are the kinds of problems I am talking about. I also refer to corruption in the sale of housing that is being investigated across the country. Tens of millions of dollars have been wasted. Conspiracy and fraud to take advantage of low-income people, homeowners for the first time, have been uncovered. Consumers have been victimized and exploited. There have been interstate land scandals. We are all familiar with these matters.

How about unsafe baby cribs? As lumber prices got higher, in order to hold a $19.95 selling price manufacturers simply increased the distance between the slats. Hundreds of children were strangled to death in these baby cribs. The leading manufacturer, when this was brought to his attention, simply said, "So what? We have a business to conduct and run."

Those are the kinds of things that a consumer protection agency is designed to correct.

EXAMPLES ABOUND

With safe cargo doors in the DC–10 aircraft, 346 lives could have been saved.

The PRESIDING OFFICER. The time of the gentleman has expired.

Mr. PERCY. Will the Senator yield 2 additional minutes?

Mr. RIBICOFF I yield 2 additional minutes.

Mr. PERCY. Concerning DC–10 cargo doors—instead of the regulatory agency sending out a directive saying those planes cannot fly unless the cargo doors are changed, a mere suggestion was issued after one terrible accident. Another accident occurred after the suggestion was not taken, 346 more lives were lost.

The CPA would have the responsibility to look into diseased blood used in transfusions—to find out why we cannot have a system in this country, so that blood is readily available, not just coming from the highest bidder or a wino on the street. CPA could help find some way to get clean, fresh blood available for transfusions.

The list of consumer abuses seems endless. Toxic-lead paint in federally financed housing; high-risk intrauterine contraceptive devices; defective assembly lines producing dangerous automobiles. These are the reasons CPA must be expeditiously enacted.

As the Senator from Illinois has said, he has spent most of his life in industry. Ninety-eight percent of business is reasonable, honest, and consumer-oriented. It is that very small handful of businesses so profit motivated, so anxious to make a quick buck, that has abused consumers.

Mr. President, I think the subject of this legislation is a legitimate function of Government. It is proper for a company to have a vice president in charge of consumer affairs, as many of our outstanding companies do now. Many of our States have provided consumer protection for their citizens. The Federal Government must also act. Thirty-one Governors have wired the Senate expressing avid support for this bill. They have said in effect "We hope this bill will pass. We need this kind of vigilance and this kind of advocacy for the consumer."

Mr. President, I certainly hope we will vote "nay" on the pending amendment, and vote "aye" in favor of S. 707.

The PRESIDING OFFICER. The Senator's time has expired.

Who yields time?

Mr. ALLEN. I yield 10 minutes to the distinguished Senator from North Carolina.

Mr. ERVIN. Mr. President, during about 2½ or 3 years of my service in the Senate, I served on what was known as the Select Committee To Investigate Improper Activities in the Labor and Management Field. That select committee was popularly know as the "McClellan Rackets Committee."

Time after time it was revealed in our investigation that labor unions and business or commercial entities got together in negotiations and out of these negotiations emerged what are known as sweetheart contracts, which fleeced the consumer.

If all this bill is after is what the distinguished Senator from Illinois just stated, we do not need the bill, because we have the Consumer Product Agency now functioning which takes care of all of these defects in these matters. We have fraud laws now in existence that take care of the rest.

My good friend, the Senator from New York, put his finger squarely on the proposition that is involved here. He said business does not need protection, big business. Big labor does not need protection. The only person who needs protection is the consumer.

If the consumer needs protection, he needs it against business; he needs protection against the most powerful organization in this Nation, which is labor.

This bill, with labor not covered by it, is as ridiculous as the playbill that a theater exhibited asking people to come to the play of Hamlet with the character of the Prince of Denmark left out.

Why do they want labor taken out? Because they know labor will not take the type of medicine that they want the Consumer Protection Agency to dispense to business.

This is a hoax.

One of the great interests of a consumer is in getting products and services at the cheapest possible price. The economists I have read say that, both now and historically, approximately 75 percent of the cost of every product and every service placed on the market is the cost of the labor. And yet they say they are interested in consumers.

They are like the man that the Scriptures warn about, when his children asked him for bread he proposed to give them a stone.

Mr. President, this is an absurdity, to try to turn the most powerful office ever created in this Republic, an administrator who can ride herd on every producer in this country, big or small, and exempt from it those who are responsible—just as much as responsible as business or producers—for the goods which are produced and the services which are offered to the consumers.

To have a consumer bill with the unions exempt from it, and labor exempt from it, is a hoax on the consumer.

The reason, as I stated in the beginning, that the proponents of this bill want to exempt labor is because they know that labor is not willing to take the medicine which they propose the Administrator is going to dish out to other people.

I would say if the proponents of this bill expect to do anything for the consumer, they would put under this bill every agency, every business, every producer, and every union which participate

in the production of goods and services for the consumer.

It is a ludicrous proposition to act the play of Hamlet with the character of the Prince of Denmark left out. That is exactly what this bill proposes.

The bill will be nothing in the world but creating another bureau to ride herd on every agency of Government, every producer of this country, except those who assist in production through labor.

Mr. President, I sincerely hope that the Senate will have both the intelligence and the courage not to strike from this bill the committee amendment which recognizes that you cannot do anything for the consumer unless you bring in business and commercial enterprise and the labor which aids them in furnishing goods and services to the American people.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. RIBICOFF. I yield to the distinguished Senator from New York. How much time would the Senator like?

Mr. JAVITS. Five minutes.

Mr. RIBICOFF. I yield 5 minutes to the Senator from New York.

Mr. JAVITS. Mr. President, I have heard with great interest from my very distinguished colleague and friend the Senator from North Carolina (Mr. ERVIN), that I have put my finger on the nubbin of the matter, which is, as he said, quoting me, that big business and big labor do not need the intercession of the Consumer Protection Agency; the consumer does.

I repeat that, and I believe that a "no" vote on this matter, as Senator RIBICOFF has requested, is exactly the way to carry out that principle.

I say that for this reason: Where big business and big labor face each other in terms of the relations between them, there the CPA does not belong, and they face each other in their bargaining and other controversies before the National Labor Relations Board. Where big business and big labor face the public—to wit, in the Federal Trade Commission, in the Aeronautical Commission, in the Interstate Commerce Commission, in the Department of Justice, in many other regulatory and price-determining agencies—they are facing the consumer, who badly needs, as has been eloquently explained, the protection of the Consumer Protection Agency.

One might ask, "If that is true, why are the opponents of this measure so ardently pushing for this particular committee amendment?" After all, one of their big complaints against the Consumer Protection Agency is that it is going to be very officious; it is going to roam all over the lot; it is going to get into everybody's hair. Whose hair is more sensitive than the proceedings before the National Labor Relations Board?

It is very simple, because it seems to me that the strategy has already been shown clearly. The strategy was shown when we were urged by the opponents of the measure to approve this particular proposition. They know very well, just as we do, that if you keep labor stirred up and the Consumer Protection Agency is going to be in a big contest with it, it will kill this bill. There is a way to kill bills by loading too much on their backs, and the opponents of this bill know it as well as we do. We could not break the back of a bill sooner than by loading the whole controversy and the whole struggle, which is often a jungle struggle between management and labor, onto the back of this bill.

My guess is that the Consumer Protection Agency could not do it. They would need an army of operatives, and so forth, matching at least that of the NLRB, to do the job; and no such structure is contemplated.

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

Mr. JAVITS. I yield.

Mr. RIBICOFF. Along that point, Virginia Knauer, the President's consumer representative, has come out enthusiastically in favor of the bill. She points out that with a $50 million authorization in the budget, there would be some 250 employees. We can see 250 employees becoming involved all over the Nation, in every labor dispute, having time to take care of any other economic health or safety measure involving the consumer in the marketplace. The whole thing would fall apart.

I have not found any manufacturer or employer who wants this.

Mr. JAVITS. Of course not.

Mr. RIBICOFF. This particular measure would not exempt labor. It would exempt labor and management alike. It would be an exclusion of both. So it would not be a labor exclusion; it would exclude management.

My guess is that if one were to talk to the president of any major manufacturing company or industry in this country, he would say, "For heaven's sake, I do not want it any more than labor wants it."

Mr. JAVITS. Exactly.

If we look at this strategy, it is double barreled and very clever. On the one hand, it can bring labor opposition against the entire bill, so the back of the bill will be broken. On the other hand, even if the bill should be passed, failure for the Consumer Protection Agency is guaranteed, because its back will be broken by a responsibility which it cannot possibly carry out.

Mr. RIBICOFF. I think that what is not clear—and I should like the Senator to address himself to this—is that, somehow, the Committee on Government Operations has exempted labor-management relations and the Committee on Commerce has not.

If I understand the problem we face, at least under the Commerce Committee ruling, we have a body of law, we have a body of precedent, we know what we are talking about, and we have many years of terminology.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. RIBICOFF. I yield 3 additional minutes to the Senator from New York.

But in the wording that was adopted, it was so vague and so uncertain that no one knows what is being talked about.

As a matter of fact, it seems to me that the Government Operations Committee exemption exempts labor to even a greater extent than the Commerce Committee, because they say that labor disputes involving wages or working conditions affecting health or safety are exempted, which seems that almost everything is exempted, as I read it.

I think that one of the problems we face—the distinguished Senator from New York and I—is that at least if we are going to have an exemption, we should have one that is based on precedent, instead of having one that is based on uncertainty.

Mr. JAVITS. There is no question about the fact that the language is most inartistic and makes it absolutely a riddle.

We have been addressing ourselves in this debate to whether the Consumer Protection Agency belongs at all in the proceedings before the NLRB and labor-management relations. That is exactly what I addressed myself to in terms of breaking the back of this bill.

So, Mr. President, there is no use in addressing oneself to opponents. They are dreaming up anything that will kill it. We have to address ourselves to the friends of the bill, and for the friends of the bill, this is deadly. Let us make that crystal clear and unmistakable. If one is a friend of this bill and does not want to kill it, he should stay with us on this particular proposition. Otherwise, he is hitting it a mortal blow.

The PRESIDING OFFICER. Who yields time?

Mr. GRIFFIN. Mr. President, who has control of the time?

The PRESIDING OFFICER. The Senator from Alabama and the Senator from Connecticut.

Mr. ALLEN. Does the Senator desire time?

Mr. GRIFFIN. Mr. President, will the Senator yield me a minute and then yield some time to the Senator from Connecticut (Mr. WEICKER)?

Mr. ALLEN. Yes.

Mr. GRIFFIN. Mr. President, I am glad that it has finally surfaced in this debate that the choice between these two exemptions for labor unions really is not very great. The real argument, of course, is whether labor unions should be exempt at all.

Senators should realize that regardless of the outcome of the vote we are about to take, unions will still will be exempt from this legislation.

We are only choosing in the upcoming vote between different versions of exemption language, with the possibility that the union exemption under the Government Operations Committee amendment would be a bit narrower.

However, the basic question in dispute will not be resolved by the vote about to be taken. That should be understood. Regardless of how the vote comes out, labor unions will still will be exempt from coverage.

I hope the Senator will yield to the Senator from Connecticut.

Mr. ALLEN. Mr. President, how much time does the Senator desire?

Mr. WEICKER. Two minutes.

Mr. ALLEN. I yield 3 minutes to the Senator.

Mr. WEICKER. I thank the distinguished Senator.

Mr. President, I direct my comments to the distinguished Senator from New York, at least to that portion of his remarks recently concluded, wherein he indicated that those who oppose this amendment actually are opponents of the bill.

I want to speak forcefully to that point. I am definitely for the proposed legislation, and I intend to vote for it. I am not trying to submarine it by any sort of parliamentary maneuver.

It is very clear to me that if we are going to have this type of legislation, it should apply to everybody. Perhaps there are others who are opposed to the amendment and are going to vote against the bill. I expect to vote for the bill. However, I went into this matter under the assumption that this law was going to apply to everybody.

I am also glad that the distinguished Senator from Michigan raised the point about the Commerce Committee language and the Government Operations Committee language. I do not think there should be any exemptions, period.

It seems strange that we are talking about consumer legislation directed at prohibiting activities which, difficult to ascertain or observe, might be directed against the interests of the consumer. Yet, I do not think this leigslation would pass the scrutiny of the very agency it creates, Consumer Protection Agency, for the reason that by legislating exception it is not what it purports to be.

These remarks are made by one who wants this type of legislation, who believes that the consumer should be protected, who in nowise is trying to lessen the chance of passage.

I think we look a little ridiculous if we stand before the American people on a high plateau of consumerism while in reality reacting to the wishes of special interest groups.

Mr. JAVITS. Mr. President, will the Senator yield me a few minutes?

Mr. RIBICOFF. I am pleased to yield.

Mr. JAVITS. Mr. President, I have the greatest respect for what Senator Weicker said. It is entirely valid in response to me that he should make these remarks, and also that I should answer them.

My point is that there are other relationships which are excluded in this bill because they are considered to be peripheral to the consumer-supplier relationship which the bill is intended to deal with.

Let me refer the Senator to page 86 of the bill where this act is not applicable to the Central Intelligence Agency, FBI, National Security Agency, intelligence functions of the Department of Defense, and to any agency action with the FCC with respect to the renewal of any radio or television broadcasting license.

The reason for that exclusion of those various relationships is that they are considered to be peripheral to the fundamental relationship between the consumer and the supplier and this is a brandnew agency without a great deal of anything to back it up. It has got to prove itself and it has an enormous universe within which it has to prove itself without loading—and I am about to come to the explanation on labor—the labor thing on its back. That is my argument.

My argument is not a nondiscriminatory argument, but that it is burdening it too much with something that is not in the same rank with the other things which will be more pressing, more immediate consumer frauds, et cetera.

Then I want to add this point in order to complete that thought, we are not exempting labor unions. We are not exempting labor unions and we are not exempting labor.

I would like to have the Senator look at page 48 of the report and the paragraph that Senator RIBICOFF and I had written, how we are only exempting the relationships between employer and employee insofar as they become the subject of quasi-judicial action before the NLRB and we point out that if a union steps out of its role as a collective bargaining agent and is violating the antitrust law, for example, and many unions have been held guilty of that by restricting, let us say, the way in which buildings can be constructed, et cetera, that the CPA would, and we express it should, remain in the proceedings.

We point out that if the union operates its business, for example the UMW, United Mine Workers, in the operation of that business it is subject, as anybody else, to the CPA.

So that we again point out the exception excludes only a particular area to set the legal relations between the union and employees and so far as they relate to proceedings before the NLRB.

There, I repeat, we feel you would simply break the back of the agency if we try to throw it whole-hog at the very initiation.

Mr. ALLEN. Mr. President, I yield 1 minute to the Senator from Connecticut.

Mr. WEICKER. I am glad the Senator pointed out exceptions on page 86, because it will be my intention to go ahead and try to eliminate them.

My friends in the business community are rather unhappy that I support this legislation, and now since I am opposing the distinguished senior Senators from New York and Connecticut, I know that labor will be unhappy. I have a feeling that if labor is unhappy and business is unhappy, the consumer is being well served.

I yield back to the Senator from Alabama.

Mr. ALLEN. Mr President, I yield myself 4 minutes.

Mr. President, the distinguished Senator from New York (Mr. JAVITS) stated that is was the strategy of the opponents of this bill to get this amendment adopted to cover, to an extent, labor-management relations.

I do not know if that is the strategy of the opposition to the bill or not. The distinguished Senator from New York says it is.

Well, the theory or the strategy of the proponents of the bill then must be the reverse of that, that they must get labor, big labor, labor-management relations, exempted from the bill or the bill will die.

They make the statement, "Well, the Government Operations Committee amendment is broader. It gives a broader exemption than does the Commerce Committee substitute."

Well, I do not want to question the sincerity of the distinguished Senators, but that will not "wash." If there were a broader exemption they would jump at it at once and say, "Let us go ahead with the voting." So certainly that is not correct.

I have never seen the distinguished Senator from New York with such a paucity of arguments. He addresses himself to the proponents of the bill and says, "Supporters of the bill, we must kill this amendment or the bill is sunk."

That is a mighty poor argument not to let an amendment stand on its own two feet, and to take the position that if you put business and labor and their relationships with the consumer under just a little bit of coverage of the bill that the whole bill is sunk.

If this bill is just as strong and no stronger than this one issue, it is not much of a bill. I will submit to the Senate, it is not worthy of our support.

Now, the distinguished Senator from New York says, "I wonder why the opposition to the bill is so concerned with the amendment?"

Well, he knows the answer to that. If this bill had been allowed to be discussed on yesterday instead of a tabling motion coming in before the bill was discussed at all, this amendment would have been disposed of early in the day yesterday.

Mr. President, this amendment of the Government Operations Committee should be adopted and, as the distinguished Senator from Connecticut (Mr. WEICKER) pointed out, other exemptions are elsewhere in the bill, and this exemption is just stuck off here in a place by itself where it might possibly not have been seen.

Mr. ERVIN. Will the Senator yield for a question?

Mr. ALLEN. Yes, I yield.

Mr. ERVIN. The Senator from New York pointed out the FBI, CIA and the intelligence authorities, the Department of Defense, has the Senator from Alabama ever heard of the FBI, the CIA, or the intelligence gathering facilities of the Department of Defense holding themselves out to furnish any services to the consumers?

Mr. ALLEN. No, I certainly have not.

Another exemption is the FCC. There is just a little background to that.

Of course, Mr. President, that has to do with the renewals of the licenses of the various media stations, radio and TV, and obviously the proponents of this measure did not want to incur the ire or the animosity or the opposition of the media.

So anybody with great influence that is going to give any strong objection to this bill they will exempt from the bill.

Mr. PERCY. Will the Senator yield?

Can the Senator ever point to more powerful interests that have opposed a piece of legislation than this piece of legislation, National Association of Man-

ufacturers, U.S. chambers of commerce, the grocery manufacturers?

Mr. ALLEN. No, I do not point them out for a——

Mr. PERCY. The statement of the Senator from Alabama is absolutely incorrect.

Mr. ALLEN. I do not regard those organizations the Senator mentioned, in the class with the opposition of big labor and the media.

I reserve the balance of my time.

The PRESIDING OFFICER. Who yields time?

Mr. ALLEN. Mr. President, how much time remains to the Senator from Alabama?

The PRESIDING OFFICER. The Senator from Alabama has 5 minutes and the Senator from Connecticut has 2.

Who yields time?

Mr. RIBICOFF. Mr. President, I yield back the balance of my time.

Mr. ERVIN. Mr. President, I just want to say that I agree with the Senator from Alabama that the most powerful organization in the United States is big labor. And they are exempt from a bill in which they ought to be included, because labor helps business to produce the products and the services which business offers to the consumer. To have a consumer bill without the inclusion of labor in it is absolutely absurd, because it is giving them a stone when the proponents of the bill say they are asking for bread.

Mr. ALLEN. Mr. President, I might point out also that the distinguished Senator from Connecticut was speaking of White House support of this bill through Mrs. Knauer of the Consumer Affairs department. So it would seem that the proponents are reaching out for such support as they can get, and at the same time exempting from the bill other areas that might have some influence against the bill.

Mr. RIBICOFF. I yield myself 2 minutes.

Mr. President, I am delighted to have the support of Mrs. Knauer. To my knowledge, neither the President nor the Office of Management and Budget have supported her. I wish they did.

I think, in conclusion, it should be pointed out that whether you adopt the Government Operations language or the Commerce Committee's language, labor is in practically the same position. It does not exempt labor; it exempts both labor and management in labor-management relationships.

What bothers the distinguished Senator from New York and myself is that the Commerce Committee language, at least, is based on a body of precendents under which we know what we are talking about. The language adopted by the Committee on Government Operations is so fuzzy and so imprecise that it would require a complete new cycle of judicial decisions to try to understand what they are talking about.

Consequently, we believe that the Commerce Committee language is more meaningful, and I would hope that those who support the Commerce Committee position, the position of the Senator from New York, the Senator from Illinois, and myself, will vote "no."

Mr. PERCY. Mr. President, will the Senator yield whatever time he has remaining?

Mr. RIBICOFF. I yield to the Senator from Illinois.

Mr. PERCY. Government Operations excludes those areas of labor-management relations involving the health and safety of the workers. Those are the very areas that should be the concern of the CPA, and the CPA should be involved.

In all candor, I voted for the Government Operations amendment at the time. I did so without thinking the matter through carefully. I want to state right here and now that I made a mistake at that time. I want to correct that mistake by voting "no" on the pending amendment.

I think the Commerce Committee reported out, in this particular area, a better bill. It is much more precise, and it exempts disputes and contracts, which certainly were never envisioned as a part of the responsibility of the CPA.

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

The PRESIDING OFFICER. The Senator has 3 minutes.

Mr. ALLEN. Mr. President, I think it might be well for the distinguished Senator from Connecticut (Mr. RIBICOFF) and the distinguished Senator from New York (Mr. JAVITS) to get their arguments in line. The Senator from Connecticut has just said that either way this vote goes, the position of labor, as he called it, would be virtually the same, whereas the distinguished Senator from New York says:

> Do not vote for this amendment unless you want to kill the bill, because if you vote for the amendment, it will endanger or perhaps kill the bill.

So I think, perhaps, it might be well for them to get their stories straightened out and in line.

I do not believe it will kill the bill, because it still affords a large exemption for labor-management relations, and I do not feel that the bill will be endangered.

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

Mr. ALLEN. I am glad to yield to the Senator from Florida.

Mr. CHILES. Without getting into an argument about whether we are going to kill the bill or not, it seems to me that if we are talking about a consumer protection agency, we are talking about something that intrinsically has to be fair. It has to, on balance, protect the rights of people—consumers, if you want to call them that, but basically the rights of people. It seems to me if we are going to have that kind of bill, we should not exclude some segment, whether they be broadcasters, whether they be unions, or whether they be some other group, because it may kill the bill or because they represent a segment of power that might kill the bill.

If that is true—and I am for the bill—then I think that we need an advocate for the people, to speak for the people where they get into disputes between big businesses seeking power increases, rate increases, trucking increases, or other things, and I think that is also needed where we get into a situation in which we have two big unions in a jurisdictional dispute that will hurt people. It seems to me that if we are talking about a consumer protection agency, it ought to be fair. It ought to be fair for everybody, and it ought to represent what we say it is going to represent.

It ought to represent the people, and it should not represent them for protection against just one segment that might be injurious to their health and well-being; it ought to protect them against the whole scope.

The reason I voted for that amendment when it came up in committee was that I had a hard time saying:

> I am going to be for a bill that is supposed to be protecting the people, but I am not in favor of protecting them from this one group.

Mr. ALLEN. I thank the Senator. I agree with him.

Mr. MAGNUSON. Mr. President, let us face it, this Government Operations Committee amendment, because of its vagueness, has turned into somewhat of a red herring. I have no doubt the amendment was offered in good faith. Nevertheless, it is clear to me that the long-time opponents of this legislation have seized upon this amendment in an effort to frighten labor into withdrawing its support for the legislation.

We all know that it was neither the intention of the original authors of this bill nor consistent with the purposes of the establishment of a consumer advocate to intervene in the collective bargaining process. The Commerce Committee language which was never challenged in the Commerce Committee simply clarifies this intention. The proposed amendment will do nothing more than create mischief.

In the Senate Committee on Commerce, we decided to exempt from the scope of the Consumer Protection Agency's authority intervention by the Agency in certain specific instances; namely, labor disputes as defined in section 13 of the Norris La Guardia Act and labor management contracts as explained in section 301 of the Labor Management Relations Act of 147.

Let us look more closely at the objective of the Consumer Protection Agency is to be an advocacy agency representing the consumer before Government agencies in Government decisionmaking. What regulatory decisions are made in the handling of a labor dispute or a labor management contract under either of the two statutes cited in the Commerce Committee version? Absolutely no Government decisionmaking is involved. Rather it is a mediation role where the Government tries to assist two private parties, labor and management in solving their problems.

I cannot find a comparable role of Government in acting as a mediator between two private parties. But if the veil of Government mediation is pierced by intrusion of the Consumer Protection Agency into these activities, that it will not be long before someone suggests that the Consumer Protection Agency pierced the veil of other private activities such as corporate decisionmaking seeking access

to trade data, competitive information, and questions of supply.

Clearly, it is not the intention of the supporters of the Government Operations Committee's amendment to involve the Consumer Protection Agency in private matters between two parties in which the Government serves as a mediator. Since we agree on theory, let us choose the narrow and specific language of the Commerce Committee's version which will leave no question as to where the CPA can involve itself and where it cannot.

Mr. President, I urge defeat of the Government Operations Committee amendment to section 6(A)(11).

Mr. THURMOND. Mr. President, the purpose of my remarks is to direct attention to the impact of this bill on organized labor. At the present time, we are debating the merits of two approaches to this problem. One approach would totally exempt organized labor from the scrutiny by the proposed Consumer Protection Agency, and the other would partially exempt organized labor. Mr. President, I will support a partial exemption as the lesser of two evils. However, I see no real justification for exempting the activities of organized labor at all.

If the purpose of the bill, as its proponents claim, is to protect consumer interests from so-called misled interests in the form of business enterprises, why should the largest and best organized interest group in the country—organized labor—be excluded? What is it about the consumer interest that causes it to be insulated from the impact of special labor interests? Obviously nothing. Any effort to exclude labor from the scrutiny of the CPA is purely and simply an exercise of the kind of self-interest which this legislation is supposedly designed to guard the consumer against. If any possible justification for such an exemption, other than Mr. Meaney's consternation exists, it is yet to be expounded in this Chamber or elsewhere. I would welcome an explanation by any advocate of the labor position in support of such a blatantly narrow posture.

Mr. President, industrywide bargaining is a good example of how labor management relations directly affect the consumer. In any industry characterized by uniform bargaining, the consumer finally picks up the tab for excessive wage and benefit settlements. If all of the manufacturers for example, are subject to the same wage rates, a major competitive factor is removed and the consumer has no choice. Why should the CPA not be able to look into industrywide bargaining situations and, for example, fully explore the antitrust implications as well as more direct consumer involvement. I have introduced legislation designed to bring labor unions within the coverage of our antitrust statutes. Perhaps the CPA is a better way to do it.

What about exorbitant construction costs today. How much of these costs are directly attributable to inflationary wage negotiations? Can it be said that such costs are not of vital concern to consumers; or are the proponents of this bill only interested in costs not attributable to the special interests which they represent?

During the past decade we have witnessed numerous instances in which major strikes have occurred over the issue of "featherbedding." Featherbedding is where an employer is forced to pay for work which is not performed or which is unnecessary. The railroads are a good example. No one really disputes the fact that in most cases it is absolutely unnecessary to have a fireman in the cab. Consumers are the ones who have paid for the fireman's unnecessary role which was perpetuated only by union pressure. The newspaper industry is another example. Why have newspaper unions resisted the automation of newspaper printing? Such unions clearly have no concern for those employees who would be employed in the manufacturing of new automated printing equipment. They are concerned only about stopping progress to serve their immediate, narrow interests. After all, an elected union official may not get reelected if some of his local members are training for other jobs. Who pays for this type of unionism? Consumers do. The list is endless. Recently the building trades unions in the St. Louis area succumbed to competitive pressures from nonunion contractors and their employees and agreed not to charge double time for most overtime work. I believe in market pressures, but if the CPA is able to get after everyone else in the name of the consumer, why not the unions? Savings to construction consumers in the St. Louis area will be great. If the CPA could accomplish the same thing in other areas of the country by publicizing union abuses, or by pressuring the FTC and the NLRB to expand their respective approaches to unions and anticompetitive practices, what more effective way can there be to serve the consumer.

What about food stamps for strikers? Allowing strikers to receive food stamps is pure and simple Federal subsidization of the union side of a labor dispute. Prolonging strikes and encouraging larger wage settlements and, therefore, higher prices, directly impacts the consumer. Why should the CPA not have the authority to further the consumer interest in the case of food stamps for strikers? Accordingly to some proponents of this bill, the only reason for wanting to exclude this area from the purview of the agency is because it would jeopardize the power of unions. Thus, the consumer interest is to be served in all cases except those in which the consumer interest conflicts with union interests. In all such cases, the narrow union interest would prevail.

Clearly, no Member of this body who objectively appraises this bill can support a total exclusion of labor union activities.

Mr. WILLIAMS. Mr. President, I wish to express my support for the Commerce Committee version of the labor-management exemption in place of the general wording approved by the Government Operations Committee.

For more than 50 years, Congress has attempted to regulate labor relations in an evenhanded manner. It has legislated a series of laws to shift the balance of economic power between labor and management as the times required. These laws, and the regulations under them, have placed Government in an essentially neutral role between management and labor.

From my own experience as chairman of the Labor and Public Welfare Committee and as chairman of the Subcommittee on Labor, I feel it would be harmful to everyone concerned if an additional factor were added to the now delicately balanced labor relations mechanism which has been in place and successfully operating, for many years. The balance should not be jeopardized by such an amendment as proposed by the Government Operations Committee.

The PRESIDING OFFICER (Mr. HELMS). All time has expired. The question is on agreeing to the first committee amendment. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Colorado (Mr. HASKELL), the Senator from Hawaii (Mr. INOUYE), and the Senator from Louisiana (Mr. LONG) are necessarily absent.

Th result was announced—yeas 40, nays 57, as follows:

[No. 313 Leg.]

YEAS—40

Allen	Domenici	McClellan
Baker	Dominick	McClure
Bartlett	Eastland	Nunn
Beall	Ervin	Roth
Bellmon	Fannin	Scott, William L.
Bennett	Fong	Sparkman
Brock	Goldwater	Stennis
Buckley	Griffin	Taft
Byrd, Harry F., Jr.	Gurney	Talmadge
Chiles	Hansen	Thurmond
Cook	Hatfield	Tower
Cotton	Helms	Weicker
Curtis	Hollings	Young
	Hruska	

NAYS—57

Abourezk	Hartke	Moss
Aiken	Hathaway	Muskie
Bayh	Huddleston	Nelson
Bentsen	Hughes	Packwood
Bible	Humphrey	Pastore
Biden	Jackson	Pearson
Brooke	Javits	Pell
Burdick	Johnston	Percy
Byrd, Robert C.	Kennedy	Proxmire
Cannon	Magnuson	Randolph
Case	Mansfield	Ribicoff
Church	Mathias	Schweiker
Clark	McGee	Scott, Hugh
Cranston	McGovern	Stafford
Dole	McIntyre	Stevens
Eagleton	Metcalf	Stevenson
Fulbright	Metzenbaum	Symington
Gravel	Mondale	Tunney
Hart	Montoya	Williams

NOT VOTING—3

Haskell	Inouye	Long

So the committee amendment was rejected.

Mr. RIBICOFF. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. JACKSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MESSAGE FROM THE PRESIDENT

A message from the President of the United States was communicated to the

Senate by Mr. Marks, one of his secretaries.

UPGRADING THE TRAINING AND EDUCATION OF GOVERNMENT EXECUTIVES—MESSAGE FROM THE PRESIDENT

The PRESIDING OFFICER (Mr. HELMS) laid before the Senate the following message from the President of the United States, which was referred to the Committee on Post Office and Civil Service:

To the Congress of the United States:

Over the past four decades, as the Federal Government has grown larger and more powerful, the people it serves have expressed widespread dissatisfaction that the Government has also grown increasingly unresponsive to their needs.

One of the foremost objectives of this Administration has been to reverse that trend, restoring the original vitality of the federal system and returning the traditional power of the people over their governing bodies.

At the centerpiece of our efforts has been the concept of New Federalism and the many programs such as General Revenue Sharing which help to carry out its principles.

Through revenue sharing programs, we are seeking to channel funds, authority and responsibility to those governments that are not able and willing to serve the needs of the people. General Revenue Sharing is already providing States and localities with a predictable amount of Federal funds with a minimum number of restrictions and controls. In a similar vein, State influence has been increased through our grant program for law enforcement assistance, and we have sought to replace a score of categorical grants for manpower programs with a block grant approach. The next steps along this road should be the establishment of block grants for community development, enactment of the Unified Transportation Act, and enactment of the Responsive Governments Act.

Supporting these New Federalism initiatives has been a concurrent effort to rationalize and streamline the organization of Government departments and agencies. We have created an independent United States Postal Service, and we have established the Environmental Protection Agency, the Special Action Office for Drug Abuse Prevention, the National Oceanic and Atmospheric Administration, the Federal Energy Administration as well as other new organizations. I have also proposed to the Congress and continue to support a fundamental realignment of the executive departments.

In addition, we have established regional boundaries and Federal regional councils to harmonize activities of the principal agencies disbursing grants-in-aid, and we have greatly improved Federal consultation with State and locally elected officials on the administration of federally assisted programs.

IMPROVING THE MANAGEMENT OF GOVERNMENT

Yet we recognize that even as we work to change basic relationships among Federal, State and local governments through our New Federalism efforts, it is also vitally important to insure that the people who manage the institutions of government become as efficient and responsive to human needs as possible.

To improve general management of the Federal Government, I launched an intensive effort last year to establish clear objectives for Federal agencies and departments and to measure our progress toward meeting those objectives—not by producing a thinly veiled display of activity or by rearranging work processes but by producing specific program results. Each major department and agency has been working with me in developing objectives to be achieved throughout the year, and they are measuring specific results by specific deadlines. These commitments are continually reviewed and help to guide day-to-day operations until the objectives are met.

Today I call upon the Congress to join me in carrying forward our program of managerial reform by enacting and otherwise supporting a comprehensive series of changes to improve the quality of management at all levels of government.

Specifically, I ask the support of the Congress for my proposals to begin a large-scale effort aimed at upgrading the training and education of government executives and to institute reforms in the personnel system by which Federal executive manpower is managed. These two initiatives should contribute substantially to the achievement of fundamental, long-term improvements in the capacity of governments to manage their programs more effectively.

EDUCATING CAREER EXECUTIVES

I propose that we give first attention to improving the means by which our current managers and executives learn the art of public management. Such learning comes from both work experiences and formal education and training. Because of the lack of appropriate emphasis, many of our career managers and executives have not had the benefit of recent education or training in modern methods of management. American business and industry have proved that education and training in management improves the capacity of people to lead more effectively. The level of investments in this type of training made by progressive private employers greatly exceeds public sector investments for the same purpose. It is time that government caught up.

Therefore, I am taking three related actions:

First, I am instructing the Civil Service Commission to establish a Program Management Fellowship with selected colleges and universities for postgraduate educational programs for Federal executives. I shall recommend to the Congress an appropriation of $10 million for the first 250 Federal participants in this program. This sum will pay for both tuition and salaries of those in the program. In this program our best career employees will increase their managerial perspective and expertise and will learn more effective ways of administering significant governmental activities such as delivery of health care, transportation, and community development.

Special program emphasis of this kind, when coupled with curriculum offerings in up-to-date management, will equip our public executives to meet the demands of highly complex programs so that they will deliver what they promise to the American people. To support the planning, installation, and continuing conduct of these special educational programs and to ensure that the best candidates are selected on a competitive basis, I propose that they be centrally financed and administered by the Civil Service Commission.

Second, I propose to increase the management capability of State and local program managers through additional postgraduate education. Under the authority of the Intergovernmental Personnel Act, State and local government personnel will have the opportunity to collaborate with their Federal colleagues in the Program Management Fellowship if they so choose. Having key leaders from Federal, State, and local governments learn together about management as it applies to their program responsibilities should improve the program delivery capability at all levels of government. To support this new program to increase the level of short-term management training available to State and local managers and to continue to improve personnel management will require amending the Interngovernmental Personnel Act (IPA) and a doubling of the current $15 million appropriation request for the IPA Program. With these funds it will be possible to educate, through long-term programs alone, approximately 250 State and local managers a year while paying a portion of their salaries. I hope this approach will encourage State and local governments to increase their own development and training of executives.

My third proposal is to accelerate the management development of career Federal executives through short-term training courses. I am asking the Civil Service Commission to move promptly to acquire a permanent facility for the Federal Executive Institute on the professional and graduate grounds of the University of Virginia. The Federal Executive Institute has already demonstrated its value. Now it is time to enlarge its capability. The Institute would be enlarged and have its functions expanded to handle the knowledge and skill needs of our future executives. The Federal Government looks forward to cooperating with the State of Virginia in this effort.

IMPROVING CAREER EXECUTIVE PERSONNEL SYSTEMS

Executive performance in the Federal Government is currently hampered by a cumbersome, fragmented personnel system, by weak selection procedures, and by the absence of financial incentives for career employees. To rectify these conditions, I am taking four actions.

Federal executives are employed under a number of appointing authorities which make the effective management

and utilization of this valuable resource very difficult. There can be no comprehensive, periodic review of each agency's total need for positions by either the Civil Service Commission or the Congress. Further, the manner in which a majority of these people are classified and paid is unreasonably inflexible and provides limited opportunity to recognize differences in individual performance and ability.

The Congress has given preliminary consideration and provided advice on the first proposal the Administration made to reform the executive manpower management system. I soon will be sending to the Congress new legislation which incorporates earlier Congressional views. The new Executive Personnel System I propose will:

1. Provide flexibility to assign senior career executives where they are most needed;

2. Compensate on the basis of individual capability within broad salary bands;

3. Remove the current, inflexible quotas and other statutory allocations applicable on the number in the highest three grades, but maintain a responsible oversight on the total number;

4. Recognize the distinction between the executives with career commitments and those temporarily working for the Government; and,

5. Improve the overall management of our total executive resources by providing for a comprehensive annual analysis and review by the Congress and the executive branch.

Enactment of this legislation would provide the means to build and maintain an effective and responsive Federal executive work force. I urge early and favorable consideration by the Congress.

Second, I strongly urge prompt congressional action on the recommendation for pay increases for Federal executives that I submitted on May 7, 1974. The failure of the Congress to approve higher salaries for the executive, legislative, and judicial branches has created a severe problem within the Government that needs to be remedied quickly. Some 10,000 executives are now paid the same salary. This pay compression denies fair increases in compensation and the incentive to seek greater responsibility. For many of the top staff within the Government, it has become financially more rewarding to retire than to remain in the Federal service. Failure to relieve this situation may well lead to a serious decline in the quality of our management capability.

Third, to insure that those individuals entering our executive ranks in the future are managerially fit, I have asked the Civil Service Commission to improve the criteria by which individuals are judged for those positions. There must be assurance that these individuals have been adequately prepared to handle their new responsibilities. While technical competence will remain a factor in filling executive positions with leadership responsibilities, demonstrated managerial capability will be more heavily weighed in the future.

Finally, I am calling for and supporting new and original efforts to reward outstanding performance among our executives. We do not offer our executives strong personal incentives to be aggressive and achieve results. Often our most deserving and promising civil servants leave the Government in search of employers who are better able to recognize and reward their ability. We cannot afford to lose such people.

Therefore, I am directing that the Incentive Awards Program be more widely utilized to recognize outstanding managerial performance. There will be experimentation with group awards that executives can selectively use to reward subordinate managers who are especially effective. But awards or outstanding individual executive performance will also continue. We must overcome traditional reluctance to use these legislative authorities to reward executive excellence.

BUILDING FOR THE FUTURE

Both the Congress and the President must act responsibly to create an executive work force at the national level that is second to none. There is no more demanding nor vital career than executive management in the Federal service. We should act now in order to achieve the long term reforms that build and maintain an executive corps capable of dealing with the policy and management complexities of the future.

The new initiatives I am taking and the legislation I am proposing are designed to build upon the efforts made by this Administration over the past five years to reform the management of government programs. Within the past year, significant progress has been made to make the investments necessary to develop our finest career managers and executives. We must not imperil the future by failing in our duty to prepare career executives to carry out their responsibilities with skill and wisdom.

What I am proposing is an essential part of my efforts to enable governments, at all levels, to deliver what they promise. Not everyone can manage the public's business. The measures I am today proposing will develop those who can.

RICHARD NIXON.

THE WHITE HOUSE, *July 17, 1974.*

CONSUMER PROTECTION AGENCY ACT

The Senate continued with the consideration of the bill (S. 707) to establish a Council of Consumer Advisers in the Executive Office of the President, to establish an independent Consumer Protection Agency, and to authorize a program of grants, in order to protect and serve the interests of consumers, and for other purposes.

Mr. RIBICOFF. Mr. President, what is the pending business?

The PRESIDING OFFICER. The clerk will state the next committee amendment.

The legislative clerk read as follows:

On page 62, line 22, after the word "delay.", insert "such submission need not be simultaneous with that of any other person.";

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

Mr. RIBICOFF. Mr. President, I yield to the Senator from Montana without losing my right to the floor.

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. METCALF. Mr. President, I ask unanimous consent that two members of the subcommittee staff, Victor Reinemer and Winslow E. Turner may have the privilege of the floor during debate on this matter.

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

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

Mr. RIBICOFF. Mr. President, I yield to the Senator from Minnesota without losing my right to the floor.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that my aide, Robert Kerr, be permitted to have the privilege of the floor during this debate.

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

Mr. RIBICOFF. Mr. President, this amendment makes explicit that in formal proceedings the CPA——

The PRESIDING OFFICER. The Senator will suspend. The Senator is entitled to be heard. The Senate is not in order.

The Senator may proceed.

Mr. RIBICOFF. Mr. President, this amendment makes explicit that in formal proceedings the CPA has no right to be present when an agency meets with other interested parties.

CPA may submit its views in written or oral form on such issues as whether FDA should act immediately to take a drug off the market. But it does not have the right under the amendment to sit in on a meeting FDA holds with the drug company. To function effectively an agency needs to be able to hold informal discussions with other interested persons. This amendment will assure the agency's ability to do so.

Mr. President, the amendment has received wide support of the committee. It confirms what we believe to be the case and this amendment deserves to be supported.

Mr. DOMENICI. Mr. President, I have an amendment to the committee amendment, which I submit on behalf of Senators EASTLAND, BAKER, JOHNSTON, CHILES, BROCK, DOMINICK, FANNIN, ROTH, MONTOYA, NUNN, MCINTYRE, PERCY, MATHIAS, AIKEN, GOLDWATER, BAYH, and myself. I send the amendment to the desk, and I ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. DOMENICI. 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, ordered to be printed in the RECORD, is as follows:

On page 62, line 23, insert the following: after the word "person." Insert the following: The Administrator shall not have the power to require the production or disclosure of any data or other information under Sec-

tion 11(b) of this Act from any person, as defined by the succeeding sentence of this subsection. For the purpose of the exemption referred to in the preceding sentence, "person" shall be defined as any person which (A) together with its affiliates does not have assets exceeding $7,500,000, does not have net worth in excess of $2,500,000, and does not have an average net income, after Federal income taxes, for the preceding two years in excess of $250,000 (average net income to be computed without benefit of any carry-over loss), and (b) has had over the preceding two years an average number of full-time employees not in excess of 25. Nothing in this paragraph shall be construed to prohibit the Administrator from requesting the voluntary production of any such data or information. The Administrator shall, not later than eighteen months after the date on which this Act becomes effective, submit to Congress a detailed report with respect to the operation of this limitation on the purposes of this Act for such action as the Congress may deem appropriate.

The PRESIDING OFFICER. The Senate will be in order.

The Senator may proceed.

Mr. DOMENICI. Mr. President, I believe I can explain this amendment very briefly. The amendment goes to just one part of the power of the CPA, that portion of the bill that has to do with the authority in the Administrator to solicit by written interrogatory from those that are covered by this bill responses in a mandatory manner.

This amendment would merely exempt the small businesses in this country from that mandatory provision of the law and only as to interrogatories. All it does is to say that as to the small businessman, as defined in this amendment, the Administrator shall not have the authority to solicit information by way of written interrogatories.

Mr. President, my reason for that is that everything I can read about the bill, in considering its small amount of funding and its 3-year duration, I see no justification to place another burden on the small businessman to submit written interrogatories, with all the other things that they are burdened with.

On the other hand I find nothing indicating that this power is needed for the CPA to accomplish its purposes; but in the event there are those who think they would have this power to get information by written interrogatories from the small businessman as defined in this amendment, we have provided in this amendment that the CPA shall, in its third report—they report every 6 months—shall submit to the President and Congress their views and all the information they can gather as to whether or not this exemption has in any way infringed upon their broad activities under this act.

Obviously, after 18 months if they find this exemption is an impediment upon their ability to carry forward their purposes under the bill they would so state to Congress in the third written report submitted under this bill.

You ask how we have defined the small businessman. Of course, there are various ways. We have chosen the present operating definition that the Small Business Administration uses and then we have added one more additional requirement. That is that they have no more than 25 employees.

So, in a nutshell, all this would do would be to say that the small businessmen, as I have defined them, would not be subject to the mandatory written interrogatory provision of the bill. They acknowledge that they may give this information voluntarily.

It is our information that with the small businessman, and that which he has to do with in the arena protected here, much of that information can be obtained from the large businessman, who is the supplier.

Mr. President, we have in no way touched the power of the CPA with reference to the host agencies and all the other aspects of the bill. It is just one very simple exemption, recognizing that the small businessman of America has many problems today, and that we ought not put on him this additional burden.

Incidentally, the burden could be a very onerous one, because their only way to object to the interrogatory is to go to court and seek the quashing of the interrogatory by court law.

So we are not talking about a minimal problem that they will be confronted with but, indeed, in the early stages of this bill, it could be a very difficult kind of problem added upon their shoulders.

Some of them have expressed it this way: "We are not big enough to have our own legal counsel. We would prefer to cooperate on a voluntary level and see if we are needed. If we are not needed to get the facts for the Consumer Protection Agency, we would prefer not to be subject to the mandatory interrogatory and have to go through the burdensome process of analyzing it, seeking counsel as to rights and, indeed, perhaps going to court to set some kind of precedent as this agency grows."

Mr. President, it seems to me that with the added requirement that the CPA will report its findings on this particular aspect of the bill and the exemption within 18 months, it will give the Congress ample time to decide in a very easy manner, 2 years hence, that they want to withdraw this exemption and let the CPA have mandatory interrogatory power over the small businessmen.

I want those who are concerned as to its threat to understand that it is only that section concerning CPA's acquiring information in the marketplace by written interrogatory which is affected by this amendment. That is the only aspect.

Mr. President, it would exempt small businessmen, as I have defined them, from that one particular aspect of fact-finding, at least as to its mandatoriness, emphasizing that perhaps they can do it voluntarily or get the information that they need elsewhere.

Mr. RIBICOFF. Mr. President, I want to commend the Senator from New Mexico for drawing up this amendment. I have discussed it with Senator PERCY. We will be pleased to accept it.

This amendment would exempt small businesses from the provisions of the act which authorize CPA to obtain reports and answers to questions from businesses.

The CPA will not have the resources, or the time, or the inclination to investigate every practice of every small business in the country. By necessity—and by the provisions of section 11(b)—CPA will have to concentrate on a few problems in a few nationwide businesses having a wide effect on consumers throughout the country. In any event, should CPA need to get information about small businesses, it is likely that CPA can get it from other Federal agencies under section 11(c), or from publicly available information.

Small businesses should not be subjected to endless requests for information from Government agencies. They have enough governmental paperwork to cope with as is. The amendment of the Senator from New Mexico will assure that this will not happen.

This is a very constructive amendment which should further help to refine and perfect the bill's provisions. It is not the intent of the sponsors of this bill to create a "superagency." This amendment by the Senator from New Mexico (Mr. DOMENICI) should help make this absolutely clear. I strongly support it.

Mr. DOMENICI. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Colorado (Mr. HASKELL), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. LONG), the Senator from Washington (Mr. MAGNUSON), and the Senator from Georgia (Mr. TALMADGE) are necessarily absent.

I further announce that, if present and voting, the Senator from Washington (Mr. MAGNUSON) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Kentucky (Mr. COOK) is necessarily absent.

The result was announced—yeas 91, nays 2, as follows:

[No. 314 Leg.]

YEAS—91

Abourezk	Eastland	Mondale
Aiken	Ervin	Montoya
Allen	Fannin	Moss
Baker	Fong	Muskie
Bartlett	Goldwater	Nelson
Bayh	Gravel	Nunn
Beall	Griffin	Packwood
Bellmon	Gurney	Pastore
Bennett	Hansen	Pearson
Bentsen	Hart	Pell
Bible	Hartke	Percy
Biden	Hatfield	Proxmire
Brock	Hathaway	Randolph
Brooke	Helms	Ribicoff
Buckley	Hollings	Roth
Burdick	Hruska	Schweiker
Byrd, Harry F., Jr.	Huddleston	Scott, Hugh
Byrd, Robert C.	Hughes	Scott, William L.
Cannon	Humphrey	Sparkman
Case	Jackson	Stafford
Chiles	Javits	Stennis
Church	Johnston	Stevens
Clark	Kennedy	Stevenson
Cotton	Mansfield	Symington
Cranston	Mathias	Taft
Curtis	McClellan	Thurmond
Dole	McGee	Tower
Domenici	McGovern	Tunney
Dominick	McIntyre	Williams
Eagleton	Metcalf	Young
	Metzenbaum	

NAYS—2

McClure	Weicker

NOT VOTING—7

Cook	Inouye	Magnuson
Fulbright	Long	Talmadge
Haskell		

So Mr. DOMENICI's amendment to the committee amendment was agreed to.

The PRESIDING OFFICER (Mr. ABOUREZK). The question now occurs on the committee amendment, as amended.

The committee amendment, as amended, was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the committee amendment, as amended, was agreed to.

Mr. RIBICOFF. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The clerk will report the next committee amendment.

The legislative clerk read as follows:

On page 67, after line 19, strike out:

(1) the complainant's identity is protected when he has requested confidentiality;

Mr. RIBICOFF. Mr. President, I would request, after discussing with the leadership and Senator ALLEN, that the explanation of this amendment be deferred until tomorrow and that after the explanation of the amendment I ask unanimous consent that Senator SCOTT of Virginia be recognized.

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

Mr. RIBICOFF. 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.

The PRESIDING OFFICER. The Senator from West Virginia.

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

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

Mr. MOSS. Mr. President, yesterday we began debate on the Consumer Protection Agency proposal.

On previous occasions, the legislation has passed the Senate on the one hand, and been stymied by the obstructionist tactics of opponents in the other body.

The Consumer Protection Agency bill creates an independent Consumer Protection Agency to represent and advocate the interest of consumers before other Federal agencies and courts. One of the most significant reasons for the failure of Federal programs to provide full protection to consumers has been the absence of qualified and vigorous representation of the consumer interest before the agencies which conduct and plan programs affecting consumers. The Consumer Protection Agency is designed to guarantee the fundamental principles that all affected parties shall have a representative in the decisionmaking process. Among other features, the CPA would also receive and transmit complaints from consumers, and develop and disseminate information concerning the interests of consumers.

Every day, Federal regulatory agencies make decisions which profoundly affect the health, safety, and pocketbooks of each of us. These agencies decide which drugs can be sold, which toys are to be banned, which trade practices are legal, what rates to charge for long-distance telephone calls, and which routes airlines may fly. Virtually all these decisions, and many more, are made without effective representation of the consumer's point of view. Routinely, the only viewpoint that is adequately represented in the decisionmaking process is that of the business interests who are being regulated. There is absolutely nothing wrong with the advocacy on their part; however, the record needs to be balanced.

Just look at the long litany of regulatory agency inactivity or adverse activity. Perhaps these decisions were proper under law. In few cases, however, did the consumer have an opportunity to state his point of view in the decisionmaking process.

I know quite well, because of my sponsorship of the Child Protection and Toy Safety Act, that the Food and Drug Administration did virtually nothing to implement this legislation for 3 years after its enactment. Finally, after being sued, the FDA did ban several dangerous toys a few days before Christmas 1971. Unfortunately, this was too late to keep them out of the hands of thousands of children.

In December 1970, the Congress passed and the President immediately signed into law the Poison Prevention Packaging Act, emergency legislation necessary to cope with increasing toll of deaths from accidental ingestion of poison by young children. Yet, 5 months later, the Department of Health, Education, and Welfare had failed even to appoint the critical Technical Advisory Committee which was to make the decisions on products for which safety packaging would be required. No one was there to speak for the consumer to prod the Agency into action.

A Consumer Protection Agency armed with substantial independence would redress the balance and make the decisionmaking process in regulatory agencies truly adversarial. The CPA would have the staffing, financing, and time to participate fully in proceedings affecting consumers. It would have the knowledge that these proceedings were taking place, whether formal or informal. It would have the right to information relating to proceedings. It would have the right to conduct its own investigations on issues of substantial importance to consumers. It would also have the right to petition regulatory agencies to take corrective action. While others will speak of the powers of the CPA in greater detail, and I will too at the appropriate time, I would like to go over to some extent the long list of those who have endorsed the Consumer Protection Agency.

First, there are the private interests which have endorsed this legislation, Companies such as Marcor, Zenith, Motorola, and Hechinger's have spoken in favor of the CPA. Then, we have the resolution of the National Association of Attorneys General, which, on June 25, 1974, at its 68th annual meeting, passed a resolution endorsing the pending bill. Mr. President, I ask unanimous consent that the resolution from the National Association of Attorneys General be printed in the RECORD at this point.

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

RESOLUTION CONCERNING PRIMARY CONSUMER ENFORCEMENT RESPONSIBILITY

Whereas, the Attorneys General of the individual states of the United States of America are in the forefront in the vital area of consumer law enforcement; and

Whereas, the experience and the cooperative efforts of the National Association of Attorneys General in state-to-state, state-to-federal, and state-to-local communications have resulted in authoritative support for upgrading our legislative, investigative and enforcement procedures; and

Whereas, any diminution of the enforcement authority of state Attorneys General can only result in fragmentation and dilution of efforts to protect the consumer; and

Therefore, the National Association of Attorneys General meeting at Coeur d'Alene, Idaho, on this 26th day of June, 1974, resolves that while the Attorneys General of the States do welcome the cooperation and need the support of all consumer advocate agencies—city, county, regional, and federal, the Association reemphasizes its long standing commitment to the principle that consumer law will be served best if primary enforcement responsibility remains entrusted with the Attorney General for the States.

RESOLUTION CONCERNING FEDERAL CONSUMER ADVOCACY

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 urge the United States Congress to pass legislation which establishes an independent and effective Federal Consumer Proection 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 our consumer protection laws on a state and local level.

Mr. MOSS. Mr. President, we have also received the endorsement of the Consumer Federation of America, which represents 182 organizations throughout the United States, whose total membership numbers over 30 million. The CFA is the principal consumer advocacy group in the private sector. But, with a budget of less than $100,000 a year, it is made into mincemeat by other interest groups with greater funding. Mr. President, I ask unanimous consent that the letter of endorsement from the Consumer Federation of America and

the membership list of the organization be printed in the RECORD at this point.

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

CONSUMER FEDERATION OF AMERICA,
Washington, D.C., May 21, 1974.

Hon. FRANK E. MOSS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MOSS: S. 707, a bill to establish an independent Consumer Protection Agency has been reported favorably by the Committee on Commerce and the Committee on Government Operations and is scheduled to come to the floor of the Senate within the next month.

Consumer Federation of America, which represents 182 organizations throughout the United States and whose total membership numbers over 30 million, strongly endorses S. 707 and urges you to vote for passage of this important legislation.

Each day Federal agencies and commissions make decisions that affect the health, safety and economic well-being of American consumers with the benefit of little or no consumer representation. Enclosed is a fact sheet sampling the types of decisions made without consumer representation, and listing various safeguards for business in the legislation. In each of these decisions industry interests were represented. The proceedings were technical in nature. To be adequately represented the consumer needed data, expert advice and legal counsel. Consumer organizations attempt to fill this need but lack the resources to do so adequately. For the last five years CFA has attempted to speak for consumers in briefs filed before commission and agency proceedings. We are an organization with a budget of less than $100,000 a year seeking to present the consumer viewpoint on a variety of issues. In contrast, the American Petroleum Institute—just one of many organizations representing a single industry—has a budget of $17,500,000 per year. It is clear that the petroleum industry has sufficient resources to protect its interests before government agencies. Why should the consumer be dependent on private groups for any representation at all?

The need for a Consumer Protection Agency is widely acknowledged today. The issue is whether the agency will be strong and independent enough to be effective or whether it will be a name and staff, without adequate power to perform the necessary functions.

At its annual meeting in January CFA unanimously adopted a resolution calling upon Congress to enact Consumer Protection Agency legislation that will include the following guarantees of independence and authority:

Full powers of discovery, subpoena, and intervention in formal and informal proceedings;

Full access to judicial review and maximum independence from the Executive Branch;

Power to dispense grants to public and private non-profit state and local consumer organizations, and

Power to intervene in state and local issues on request by appropriate state and local officials.

S. 707 includes the first two of these provisions. Regrettably, the last two were stricken during committee consideration. Consumer Federation of America supports the restitution of both the grants program and the power to intervene upon request by a state or local official in state and local issues.

Support for a strong agency is growing. The Commerce and Government Operations Committees reported S. 707 with only 4 dissenting votes. A companion bill, H.R. 13163, passed the House of Representatives April 4, 1974, by an overwhelming vote. Mrs. Virginia Knauer, Consumer Adviser to the President, endorsed the House action on that bill. Further endorsements of the legislation have come not just from consumers but from *Business Week* magazine, newspapers and such businesses as Motorola, Marcor (parent company of Montgomery Ward), and Zenith.

Opposition to strong CPA legislation has been well organized and well funded. The opposition arguments, however, are superficial and self-serving. Knowing their case is weak, opponents are seeking to prevent a Senate vote on CPA by urging a filibuster. Recent opinion polls reveal that public confidence in government is at a record low 21 percent. The American consumer will not be fooled by another filibuster.

We believe the time has come for the Senate to vote on this issue. We urge you to join us in support of S. 707.

Sincerely,

CAROL TUCKER FOREMAN,
Executive Director.

MEMBERSHIP—CONSUMER FEDERATION OF AMERICA

ALABAMA

Alabama Rural Electric Association, Montgomery.

ARKANSAS

Arkansas Consumer Research, Little Rock.

ARIZONA

Arizona Consumers Council, Tucson.

CALIFORNIA

California Credit Union League, Pamona.
California Labor Federation, San Francisco.
Consumer Federation of California, Modesto.
Consumer Federation of California, Los Angeles & Orange County Chapter, Los Angeles.
Consumers Cooperative of Berkeley, Richmond.
Los Angeles County Federation of Labor, Los Angeles.
Plumas-Sierra Rural Electric Cooperative, Portola.
San Francisco Consumer Action, San Francisco.

COLORADO

Colorado Labor Council, Denver.
Colorado Rural Electric Association, Denver.
Colorado Ute Electric Association, Montrose.
Midwest Electric Consumers Association, Denver.
Missouri Basin Systems Group, Denver.
Mountain View Electric Association, Limon.
Tri-State G & T Association, Denver.

CONNECTICUT

Connecticut Consumer Association, Hartford.
Connecticut State Labor Council, Hamden.

DELAWARE

Delaware State UAW–CAP Council, Newark.

GEORGIA

Coweta-Fayette Electric Membership Cooperative, Newman.
Jackson Electric Membership Cooperative, Jefferson.
Walton Electric Membership Cooperative, Monroe.

IDAHO

Idaho Consumer Affairs, Boise.

ILLINOIS

Adams Electrical Cooperative, Camp Point.
American Federation of Teachers Local 189, Park Forest.
Association of Illinois Electric Cooperatives, Springfield.
Consumer Federation of Illinois, Chicago.
Illinois Electric Cooperative, Champaign.
Illinois Municipal Utilities Association, Springfield.
Illinois Valley Electric Cooperative, Princeton.
Monroe County Electric Cooperative, Waterloo.
National Consumers Union, Evanston.

INDIANA

Consumers Association of Indiana, Greenwood.
Indiana Statewide Rural Electric Cooperative, Indianapolis.
Southeastern Indiana Rural Electric Membership Association, Osgood.
Tipmont Rural Electric Membership Cooperative, Linden.

IOWA

Adams County Cooperative Electric Co., Corning.
Ida County Rural Electric Cooperative, Ida Grove.
Iowa Association of Electric Cooperatives, Des Moines.
Iowa Consumers League, Des Moines.

KANSAS

Kansas Consumer United Program, Wichita.
Kansas Home Economics Association, Manhattan.

KENTUCKY

Consumers Association of Kentucky, Lexington.
Kentucky Rural Electric Cooperative Corp., Louisville.

LOUISIANA

Association of Louisiana Electric Cooperatives, Baton Rouge.
Bossier REMC, Bossier City.
Louisiana AFL–CIO, Baton Rouge.
Louisiana Consumers League, Baton Rouge.

MARYLAND

Greenbelt Consumer Services, Silver Spring.
Maryland Citizens Consumer Council, Bethesda.
Maryland Consumers Association, Silver Spring.
Maryland & D.C. AFL–CIO, Baltimore.
Maryland UAW–CAP Council, Baltimore.

MASSACHUSETTS

Association of Massachusetts Consumers, Chestnut Hill.
Northeast Public Power Association, Concord.

MICHIGAN

Consumer Alliance of Michigan, Detroit.
Consumer Research Advisory Council, Detroit.
Michigan Credit Union League, Detroit.
Michigan UAW CAP Council, Detroit.
North American Student Cooperative Association, Ann Arbor.

MINNESOTA

Minnesota Association of Cooperatives, St. Paul.
Minnesota Consumers League, St. Paul.
Mutual Service Insurance Cos., St. Paul.

MISSISSIPPI

Mississippi AFL–CIO, Jackson.

MISSOURI

Grundy Electric Cooperative, Trenton.
Missouri Association of Consumers, Columbia.
Missiouri Credit Union League, St. Louis.
Missouri Electric Cooperatives, Jefferson City.
Missouri State Labor Council, Jefferson City.
Nodaway-Worth Electric Cooperative, Maryville.
Northeast Missouri Electric Power Cooperative, Palmyra.
Platte Clay Electric Cooperative, Platte City.
St. Louis Consumer Federation, St. Louis.

MONTANA

Montana Consumer Affairs Council, Helena.
Montana State AFL–CIO, Helena.

NEBRASKA

Consumer Association of Nebraska, Lincoln.

NEVADA

Consumers League of Nevada, Las Vegas.

NEW JERSEY

Consumers League of New Jersey, Montclair.
New Jersey Credit Union League, Hightstown.

NEW MEXICO

Albuquerque Consumer Federation, Sandia.

NEW YORK

Consumer Council of Genessee Valley, Rochester.
Consumer Farmer Milk Cooperative, New York City.
New York Consumer Assembly, New York City.

NORTH CAROLINA

Blue Ridge EMC, Lenoir.
Carteret-Craven EMC, Morehead City.
Four County EMC, Burgaw.
North Carolina Consumers Council, Raleigh.
North Carolina EMC, Raleigh.
North Carolina State AFL–CIO, Raleigh.

NORTH DAKOTA

Baker Electric Cooperative, Cando.
Basin Electric Power Cooperative, Bismarck.
Burke Divide Electric Cooperative, Columbus.
Central Power Electric Cooperative, Minot.
KEM Electric Cooperative, Linton.
North Dakota AFL–CIO, Bismarck.
North Dakota Association of Rural Electric Cooperatives, Mandan.
Slope Electric Cooperative, New England.
Tri-County Electric Cooperative, Carrington.
Verendrye Electric Cooperative, Velva.

OHIO

Consumer Protection Association, Cleveland.
Ohio Consumers Association, Columbus.

OKLAHOMA

East Central Oklahoma Electric Cooperative, Okmulgee.
Rural Electric Cooperative, Landsay.

OREGON

Oregon Consumer League, Portland.

PENNSYLVANIA

Adams Electric Cooperative, Gettysburg.
Allegheny Electric, Cooperative, Harrisburg.
Alliance for Consumer Protection, Pittsburgh.
Bucks County Consumer Organization, Newtown.
Central Electric Cooperative, Parker.
Claverack Electric Cooperative, Towanda.
Lehigh Valley Committee Against Health Fraud, Allentown.
Northwestern RECA, Cambridge Springs.
Pennsylvania League for Consumer Protection, Harrisburg.
Pennsylvania REA, Harrisburg.
Philadelphia Area Consumer Organization, Philadelphia.

SOUTH DAKOTA

Bon Homme-Yankton Electric Association, Tabor.
East River Electric Power Cooperative, Madison.
Grand Electric Cooperative, Bison.
Sioux Valley Empire Electric Association, Colman.
South Dakota Consumers League, Brookings.
South Dakota REA, Pierre.

TENNESSEE

Meriwether Lewis Electric Cooperative, Centerville.
Tennessee Electric Cooperative Association, Nashville.
Tennessee Valley Public Power Association, Chattanooga.

TEXAS

Brazos Electric Power Cooperative, Waco.
San Bernard Electric Cooperative, Bellville.
South Plains Electric Cooperative, Lubbock.
Texas AFL–CIO, Austin.
Texas Consumer Association, Austin.
Texas Electric Cooperatives, Austin.

VIRGINIA

Virginia Citizens Consumer Council, Springfield.

WASHINGTON

Northwest Public Power Association, Vancouver.
Washington Committee on Consumer Interests, Seattle.
Washington Public Utility Districts Association, Seattle.
Washington Rural Electric Association, Spokane.
Washington State Labor Council, Seattle.

WISCONSIN

Barron Electric Cooperative, Barron.
Clark Electric Cooperative, Greenwood.
Dairyland Power Cooperative, La Crosse.
Wisconsin Consumers League, Greendale.
Wisconsin Credit Union League, Milwaukee.
Wisconsin Electric Cooperative, Madison.

WYOMING

Wyoming Consumer United Program, Casper.

NATIONAL ORGANIZATIONS

Amalgamated Clothing Workers of America, NYC.
Amalgamated Meat Cutters & Butcher Workmen, Chicago, Ill.
American Association of Retired Persons, Washington, D.C.
American Council on Consumer Interests, Columbia, Mo.
American Federation of State, County & Municipal Employees, Washington, D.C.
American Federation of Teachers, Washington, D.C.
American Public Gas Association, Washington, D.C.
American Public Power Association, Washington, D.C.
B'nai B'rith Women, Washington, D.C.
Communications Workers of America, Washington, D.C.
Consumer Education & Protective Association, Philadelphia, Pa.
Consumers Union, Mt. Vernon, N.Y.
Continental Association of Funeral & Memorial Societies, Chicago, Ill.
Cooperative League of USA, Washington, D.C.
Credit Union National Association, Madison, Wisc.
Group Health Association of America, Washington, D.C.
Industrial Union Department AFL–CIO, Washington, D.C.
International Assoc. of Machinists & Aerospace Workers, Washington, D.C.
International Ladies Garment Workers Union, NYC.
National Association of Negro Business & Professional Women's Clubs, Pittsburgh, Pa.
National Board of YWCA, NYC.
National Consumers League, Washington, D.C.
National Council of Jewish Women, NYC.
National Council of Senior Citizens, Washington, D.C.
National Education Association, Washington, D.C.
National Farmers Union, Washington, D.C.
National Retired Teachers Association, Washington, D.C.
National Rural Electric Cooperative Association, Washington, D.C.
National Student Consumer Protection Council, Villanova, Pa.
National Telephone Cooperative Association, Washington, D.C.
Nationwide Insurance, Columbus, Ohio.
Oil, Chemical & Atomic Workers, Denver, Colo.
Retail Clerks International Association, Washington, D.C.
Service Employees International Union, Washington, D.C.
Transport Workers Union, NYC.
United Auto Workers, Detroit, Mich.
United Steelworkers of America, Pittsburgh.
Upholsters International Union, Philadelphia, Pa.

Mr. MOSS. Mr. President, at the June 24, 1974, meeting of the board of directors of the National Rural Electric Cooperative Association, a resolution was adopted reaffirming NRECA's support for the Consumer Protection Agency legislation. I ask unanimous consent that the endorsement from the National Rural Electric Cooperative Association be printed in the RECORD at this point.

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

NATIONAL RURAL ELECTRIC COOPERATIVE ASSOCIATION,
Washington, D.C., July 10, 1974.

Hon. FRANK E. MOSS,
U.S. Senate, Washington, D.C.

DEAR SENATOR MOSS: At the 1974 summer meeting of the Board of Directors of the National Rural Electric Cooperative Association held June 24–28 in Washington, D.C., the Board unanimously adopted a resolution reaffirming NRECA's longstanding support for enactment of legislation to establish a strong and meaningful Consumer Protection Agency, and directing that its support for the CPA bill be communicated to the Members of the Senate.

The NRECA Board is composed of 45 Directors elected by the rural electric systems in their respective states. Roughly half of the members of our Board are Managers and half are elected Directors of rural electric systems, which provides a good cross-section of both the management and the rural consumer-member viewpoint on the Board. A list of the NRECA Directors and the States they represent is enclosed for your information.

In 1970 and every year thereafter, the NRECA membership has adopted a resolution of strong support for the Consumer Protection Agency legislation. As this proposal will shortly be considered by you and your colleagues in the Senate, the NRECA Board wishes to reaffirm the support of its membership and, on behalf of its 24 million rural consumer-members, to respectfully request your assistance in securing enactment of the CPA bill before the close of the 93rd Congress.

Thank you for your consideration of our views.

Sincerely yours,

CHARLES E. WYCKOFF,
President.

NRECA BOARD OF DIRECTORS—1974

1. Roscoe A. Young, NRECA Director from Alabama.
2. Jess Nicholas, NRECA Director from Alaska.
3. R. G. Buckelew, NRECA Director from Arizona.
4. John Doyel, NRECA Director from Arkansas.
5. Donald Hicks, NRECA Director from California.

6. Wendell Garwood, NRECA Director from Colorado.
7. Henry Johnson, Jr., NRECA Director from Delaware.
8. Angus S. Hastings, NRECA Director from Florida.
9. Walter Harrison, NRECA Director from Georgia.
10. Carl Wommack, NRECA Director from Idaho.
11. Raymond W. Rusteberg, NRECA Director from Illinois.
12. M. John Stierwalt, NRECA Director from Indiana.
13. Daryl Scott, NRECA Director from Iowa.
14. Gene Porter, NRECA Director from Kansas.
15. Louis B. Strong, NRECA Director from Kentucky.
16. D. L. Knight, NRECA Director from Louisiana.
17. Robert V. Clark, NRECA Director from Maine.
18. David L. Bruning, NRECA Director from Maryland.
19. William Parsons, NRECA Director from Michigan.
20. Jacob Nordberg, NRECA Director from Minnesota.
21. Emmett Murray, NRECA Director from Mississippi.
22. Charles Holcomb, NRECA Director from Missouri.
23. Fay Crusch, NRECA Director from Montana.
24. Paul Ogier, NRECA Secretary-Treasurer and Director from Nebraska.
25. Orville Spear, NRECA Director from Nevada.
26. H. I. Brink, NRECA Director from New Jersey.
27. Donald M. Heathington, NRECA Director from New Mexico.
28. John Eckert, NRECA Director from New York.
29. Noel Lee, NRECA Director from North Carolina.
30. Loren Richards, NRECA Director from North Dakota.
31. Charles E. Wyckoff, NRECA President and Director from Ohio.
32. Don Dage, NRECA Director from Oklahoma.
33. Jack Dean, NRECA Director from Oregon.
34. Douglas Smith, NRECA Director from Pennsylvania.
35. W. H. Norris, NRECA Director from South Carolina.
36. Albert C. Hauffe, NRECA Director from South Dakota.
37. John Dolinger, NRECA Vice President and Director from Tennessee.
38. W. G. Newton, NRECA Director from Texas.
39. Wayne Gonder, NRECA Director from Utah.
40. Sailey Ennis, NRECA Director from Vermont.
41. Guy C. Lewis, Jr., NRECA Director from Virginia.
42. Ernest Mikkelsen, NRECA Director from the State of Washington.
43. Ray Williams, NRECA Director from West Virginia.
44. William Kelm, NRECA Director from Wisconsin.
45. Harold Cash, NRECA Director from Wyoming.

Mr. MOSS. Mr. President, additionally, we have received notification of a coalition of consumer groups, community organizations, and others who support S. 707. The list runs from the American Association of University Women through the National Consumers Congress to the Consumer League of Nevada. Mr. President, I ask unanimous consent that this list of supporters of S. 707 be printed in the RECORD at this point.

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

LIST OF SUPPORTERS

Our coalition, consisting of various consumer groups, labor unions, community organizations, and others, believes that consumers need a strong CPA. We urge you to support S. 707 and to oppose all efforts to weaken this crucial bill.

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 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).
Julian Butler, Attorney-at-Law (Huntsville).
William Dawson, Jr., Attorney-at-Law (Birmingham).
Morris Dees, Civil Rights Attorney (Montgomery).
Thomas Dial, Pres. of Student Government, Univ. of Ala. (Huntsville).
Ben Hogan, Esq. (Birmingham).
Jane Katz, former Legislative Chairman, League of Women Voters (Montgomery).
James Smith, Law Student (Tuscaloosa).
Young Democrats Univ. of Ala. (Tuscaloosa).

Arizona

Arizona Consumer Council.

Arkansas

Earl Anthes, Community Development Consultant (West Memphis).
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 Co-op of Palo Alto.
Consumers United of Palo Alto.
Gil Graham, Esq., Lawyers Committee for Urban Affairs (San Francisco).
San Francisco Consumer Action.

Colorado

Colorado League for Consumer Protection.

Connecticut

Connecticut Citizen Action Group.
Connecticut Consumer Association, Inc.

Florida

American Consumers Association, Inc.
Concerned Consumers of Dade County.
Consumer Information Center of Central Florida, Inc.
Florida Consumers' Federation.
Florida Public Interest Research Group.
Melinda Croft, Consumer Advocate.
Mrs. Stanley Goldberg, Commissioner of Metropolitan Dade County.

Georgia

Agnes Braganza.
Citizens Consumer Council of Georgia.
Georgia Consumer Services Program (Ga. Dept of Human Resources).

Iowa

Iowa Consumers' League.

Kansas

Richard L. D. Morse, Professor and Head of Dept. of Family Economics, Kansas State University.
Mr. Lance W. Burr, Asst. Atty General and Chief, Consumer Protection Division.
Kansas City Consumers Association.

Kentucky

Consumers Association of Kentucky, Inc.

Louisiana

Louisiana Consumers' League.
Consumer Protection Center (Baton Rouge).
Capitol Area Consumers League (New Orleans).
Mr. Charles W. Tapp, Director of Louisiana Governor's Office of Consumer Protection.
Mayor's Office of Consumer Affairs (New Orleans).

Maryland

Maryland Citizens Consumer Council.
Office of Consumer Affairs of Montgomery County.

Massachusetts

Father McEwen, Pres., Assoc. of Mass. Consumers (Boston).
David Rice, Prof. of Law, Boston Univ. School of Law Fight Food Prices (Boston).

Michigan

Michigan Credit Union League.
Consumer Alliance of Michigan.

Missouri

Mid-America Coalition for Energy Alternatives (Clinton).
Housewives Elect Lower Prices.
Missouri Association of Consumers.
St. Louis Consumer Federation.

Nevada

Consumer League of Nevada.

New Hampshire

Henry M. Smith, City Councilman (Dover).

New Mexico

Albuquerque Consumer Federation.

New York

Action for a Better Community (Rochester).
Ci-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 (Rochester).
Metro-Act of Rochester.
National Organization of Women, Genessee Valley Chapter (Rochester).
New York Consumers Assembly.
Program Funding (Rochester).
Rochester Urban League.
Carl Shoolman, Esq. (Rochester).

North Carolina

North Carolina Consumers Council.
North Carolina Public Interest Research 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).

Pennsylvania

Herbert S. Denenberg, Commissioner of Insurance, Commonwealth of Pa.

Tennessee

Linda Hart, R.N., P.N.A., White Oak Clinic (Duff).
Philip Karant, Newspaper Columnist (Carryville).
Neil McBride, Attorney-at-Law (Jacksboro).
John Williams, Esq. Attorney-at-Law (Lafollette).
Tennessee Consumer Alliance (Nashville).

Texas

Ted Siff, Director Legal Research Project (Austin).
Texas Consumer Association.

Vermont

Vermont Public Interest Research Group.

Virginia

Virginia Consumers Citizens Council.

Mr. MOSS. Mr. President, then, too, we have the support of the U.S. Conference of Mayors, as expressed by John J. Gunther, executive director of the U.S. Conference of Mayors. Mr. President, I ask unanimous consent that the endorsement of the U.S. Conference of Mayors be printed in the RECORD at this point:

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

WASHINGTON, D.C., *June 19, 1974.*

Hon. ABRAHAM RIBICOFF,
U.S. Senate, Old Senate Office Building, Washington, D.C.:

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 decision 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.

Mr. MOSS. Next, Mr. President, we have the resolution of 31 State Governors endorsing this legislation. These Governors range from Democrats to Republicans, from conservatives to liberals. I ask unanimous consent that the list of Governors endorsing S. 707 be printed in the RECORD at this point.

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

LIST OF GOVERNORS

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, Governor 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 Dakota, Governor John M. Haydon, American Samoa, Governor Melvin H. Evans, Virgin Islands, Governor Bruce King, New Mexico, Governor Cecil D. Andrus, Idaho, Governor Richard F. Kneip, South Dakota, Governor Wendell R. Anderson, Minnesota, Governor Kenneth M. Curtis, Maine, Governor Francis W. Sargent. Massachusetts.

Mr. MOSS. Mr. President, the National Council of Senior Citizens, Inc., has endorsed this legislation, and I ask unanimous consent that their letter of endorsement be printed in the RECORD.

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

NATIONAL COUNCIL OF SENIOR CITIZENS, INC.,
Washington, D.C., June 5, 1974.

Hon. WARREN G. MAGNUSON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MAGNUSON: On behalf of the millions of older Americans represented by the National Council of Senior Citizens, I respectfully urge you to actively support two bills pending before the Senate—S. 707, the Consumer Protection Act, and H.R. 7824, the conference report on the Legal Services Corporation Act.

The Consumer Protection Agency would be an advocate of the interests of consumers before Federal regulatory agencies. The CPA itself, would not have any regulatory powers nor extraordinary administrative powers.

The passage of S. 707 is especially important to older Americans who are often the targets of deceptive consumer practices.

Although the Legal Services conference proposal is weaker than that passed by the Senate earlier this year, we find it is an acceptable compromise.

This proposal would make possible the American principles of equal opportunity for a legal redress of grievances and equal protection under the law for millions of people with low incomes and often limited education.

Now is the time to act. Americans, old and young, have been frustrated by the long fight for the protections provided by these bills. Older Americans will be watching your efforts on their behalf.

Sincerely,

WILLIAM R. HUTTON,
Executive Director.

Mr. MOSS. Last, Mr. President, Mrs. Virginia Knauer, the President's outstanding consumer spokesperson, held a conference for State, county, and city consumer officials in June. At that time, a resolution was unanimously passed by the conference endorsing this bill. I ask unanimous consent that the letter from the Coordinator of the National Association of Consumer Protection Administrators, the resolution, and the list of participants be printed in the RECORD at this point.

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

COUNTY OF LAKE,
Painesville, Ohio, July 8, 1974.

Hon. FRANK E. MOSS,
Senate Office Building,
Washington, D.C.

DEAR SENATOR MOSS: As the newly elected coordinator of the National Association of Consumer Protection Administrators and Chairman of its Committee on Implementation, it is my hope that by now you have received the resolution passed at our recent National Conference for State, County, and City Consumer officials. As you know, our conference represented the breadth of this great country and the listing of names supporting the resolution we hope you find helpful on behalf of the Senate Bill 707, to establish a Consumer Protection Agency.

In my role locally and in behalf of our national organization, I know passage of S. 707 is vital to the better life for the consumer. A nonregulatory consumer advocate is long overdue at the federal level. We not only wish to add our endorsement for passage of the bill, but I'm willing to appear as an organizational representative.

Yours for Consumerism,

JAMES D. GORDON,
Coordinator, National Association of Consumer Protection Administrators.

FIRST NATIONAL CONFERENCE FOR STATE AND LOCAL GOVERNMENT CONSUMER OFFICE ADMINISTRATORS

Resolution unanimously supporting an effective Consumer Protection Agency

Resolved, That the first National Conference for State and Local Government Consumer Office Administrators unanimously endorses an effective Consumer Protection Agency and that a list of administrators present be sent to the Hon. Frank E. Moss, United States Senate, for inclusion in the Congressional Record and to each member of the United States Senate and House.

Passed unanimously on June 20, 1974 in conference at Washington, D.C.

NATIONAL CONFERENCE FOR STATE, COUNTY, AND CITY CONSUMER OFFICE ADMINISTRATORS

CONFERENCE PARTICIPANTS LISTED BY STATE

Alabama

Mrs. Annie Laurie Gunter, Consumer Protection Officer, 138 Adams Avenue, Montgomery, Ala.

Mrs. Genaé Jones, Confidential Assistant, 138 Adams Avenue, Montgomery, Ala.

Alaska

Stanley Howitt, Chief, Consumer Protection Section, Office of the Attorney General, 360 K Street, Anchorage, Alaska.

Samuel D. Miller, Special Assistant, Attorney General's Office, 360 K Street, Anchorage, Alaska.

Terry O'Connell, Assistant Attorney General, Pouch K, State Capitol, Juneau, Alaska.

Arizona

Robert C. Brauchli, Director, Consumer Protection Division, Pima County Attorney's Office, 199 North Stone Avenue, Suite 208, Lawyers Title Bldg., Tucson, Ariz.

William P. Dixon, Chief Counsel and Director, Consumer Protection & Antitrust Division, 159 State Capitol Bldg., Phoenix, Ariz.

Howard Fell, Pima County Attorney's Office, 199 North Stone Avenue, Suite 208, Lawyers Title Bldg., Tucson, Ariz.

Richard E. Wolfe, Chief Investigator, Attorney General's Office, 159 State Capitol Bldg., Phoenix, Ariz.

California

Patricia Gayman, Director, Department of Consumer Affairs, 1020 N Street, Room 516, Sacramento, Calif.

Fern Jellison, General Manager, Social Service Department, Room 1501, Los Angeles City Hall, Los Angeles, Calif.

James P. Keating, Chief, Division of Consumer Services, Department of Consumer Affairs, 1020 N Street, Sacramento, Calif.

Charlotte Pownell, Director of Consumer Affairs, City of Long Beach, 222 Pacific Avenue, Long Beach, Calif.

M. S. Shimanoff, Director, Orange County Office of Consumer Affairs, 511 N. Sycamore, Santa Ana, Calif.

Rodney Stine, Consumer Affairs Coordinator, County of Stanislaus, P.O. Box 3404, Modesto, Calif.

Robert C. Alexander, California State, Auto Repair Department, Sacramento, Calif.

Willis Edwards, Commissioner of Consumer Affairs, City Hall, Los Angeles, Calif.

Irene Malbin, Consumer Affairs Office, Food and Drug Administration, 50 Fulton Street, San Francisco, Calif.

Colorado

Bernard R. Baker, Chief, Deputy District Attorney, Consumer Division, 303 S. Cascade, Suite B, Colorado Springs, Colo.

Mrs. Shirley Duane, Extension Agent, CSU Extension Service, Courthouse, 10th and Main, Pueblo, Colo.

Kay Killin, Administrative Assistant to Regional Director, DHEW, Federal Bldg., Room 11037, 1961 Stout Street, Denver, Colo.

Libby McGrath, Consumer Affairs Specialist, District Attorney's Consumer Affairs Unit, 320 W. 10th, Pueblo, Colo.

Felicia Muftic, Director, Metropolitan District Attorney's Consumer Office, 655 S. Broadway, Denver, Colo.

Connecticut

Barbara Dunn, Commissioner of Consumer Protection, State Office Bldg., Hartford, Conn.

Judith Lahey, Legislative Research Specialist, State Capitol, Hartford, Conn.

Roderick MacKenzie, Jr., Legislative Legal Advisor, State Capitol, Hartford, Conn.

Stanley H. Page, State Senator, Murray Lane, Guilford, Conn.

Mrs. Stanley H. Page, Research Aide, Murray Lane, Guilford, Conn.

Robert Sills, Counsel to Commissioner, Hartford, Conn.

Rep. Rosairo Vella, Chairman, Committee on Consumer Protection of the Eastern Regional Conference, State Capitol, Hartford, Conn.

Rep. Robert J. Vicino, Assistant Minority Leader, 36 High Street, Bristol, Conn.

Marilyn Douglas, Acting Deputy Director, Office of Consumer Affairs, Food and Drug Administration, Hartford, Conn.

Delaware

Frances M. West, Director, 201 W. 14th Street, Wilmington, Del.

District of Columbia

Mrs. Theresa Clark, Deputy Director, Office of Consumer Affairs, D.C. Government, 1407 L St., NW., Washington, D.C.

Mrs. Meredith Fernstrom, Education Specialist, 1407 L St., NW., Washington, D.C.

William B. Robertson, Director, Office of Consumer Affairs, 1407 L St., NW., Washington, D.C.

Catherine S. Shelton, D.C. Office of Consumer Affairs, 1407 L. St., NW., Washington, D.C.

James D. Steele, D.C. Office of Consumer Affairs, 1407 L St., NW., Washington, D.C.

Florida

Marilyn N. Beuttenmuller, Office of Consumer Affairs, Palm Beach County, 301 N. Olive Avenue, West Palm Beach, Fla.

Robert J. Bishop, Director, Division of Consumer Services, 106 West Pensacola Street, Tallahassee, Fla.

David Bludworth, State Attorney, State Attorney's Office, Box 2601, West Palm Beach, Fla.

Jack B. Cresse, Information Director, Office of Comptroller, Cartlon, Room 111, Tallahassee, Fla.

Helena Grotegut, Florida Senate Committee on Consumer Affairs, Tallahassee, Fla.

Peter S. Herrick, Consumer Affairs Committee, Federal Executive Board, 51 Southwest First Avenue, Miami, Fla.

W. G. McCue, Jr., Assistant Director, Division of Insurance Consumer Services, Larson Building, Room 824, State Insurance Department, Tallahassee, Fla.

William E. McMahon, III, Assistant Director, Division of Consumer Services, The Capitol, Tallahassee, Fla.

Robert L. Sellars, Assistant State Attorney, County Courthouse, Room 430, West Palm Beach, Fla.

Alice C. Skaggs, Director, Office of Consumer Affairs, 301 North Olive Avenue, West Palm Beach, Fla.

Richard W. Lindgren, Director, Consumer Affairs, 315 Haven Street, Clearwater, Fla.

W. J. Phelan, III, Administrative Assistant, Office of the Governor, The Capitol, Tallahassee, Fla.

Ms. Chris Fletcher, Administrative Assistant, The Capitol, Tallahassee, Fla.

Georgia

Glenda W. Bowne, Research Associate, Georgia Consumer Services, 618 Ponce de Leon, Atlanta, Ga.

Richard Harris, Director of Training, Georgia Consumer Services, 618 Ponce de Leon, Atlanta, Ga.

Otis B. Head, Director, Field Unit, GSC, 618 Ponce de Leon, Atlanta, Ga.

Mrs. Jacquelyn Lassiter, Georgia Consumer Services, 618 Ponce de Leon, Atlanta, Ga.

Jack E. Johnson, Investigator, 160 Pryor Street, SW, Fulton County Criminal Court, Atlanta, Ga.

Robert Longenecker, 120 Marietta Street, Atlanta, Ga.

Muriel Mitchell Smith, Consumer Affairs Office, City of Atlanta, 121 Memorial Drive, SW, Atlanta, Ga.

Robert Wright, Member, Consumer Advisory Council, Office of Consumer Affairs, 804 4th Avenue, Columbus, Ga.

James Bond, City Council Member, 361 Westview Drive, SW, Atlanta, Ga.

James Trotter, Council Staff, 361 Westview Drive, SW, Atlanta, Ga.

L. Martin Hodgkins, Jr., Southern Representative, The Council of State Governments, 3384 Peachtree Road, Room 610, Atlanta, Ga.

Hawaii

Ronald Y. Amemiya, Director, State Office of Consumer Protection, P.O. Box 3767, Honolulu, Hawaii 96811.

Illinois

Leona R. Black, Fraud and Consumer Complaint Administrator, State Attorney's Office, Cook County, Civic Center Room 303, Chicago, Ill.

Virginia Calton, Chairman, MACAP, 20 North Wacker Drive, Chicago, Illinois.

Ronald S. Samuels, Chief, Cook County State's Attorney, Consumer Fraud Division, Suite 303, Civic Center, Chicago, Illinois 60602.

George M. Schafer, Assistant Attorney General, Chief, Consumer Protection Division, 500 South Second Street, Springfield, Illinois 62706.

Celia Maloney, Governor's Consumer Advocate, 160 N. La Salle Street, Chicago, Illinois 60601.

Joel Platt, Counsel, Governor's Consumer Advocate Office, 160 N. La Salle Street, Chicago, Illinois 60601.

Indiana

Roland Mather, Assistant Attorney General, Director Consumer Protection Division, 215 State House, Indianapolis, Indiana 46204.

Barbara Maves, Chairman, Consumer Committee, Governor's Office, 2100 Twickingham Drive, Muncie, Indiana.

Ms. Annette D. Long, Community Services Program, Manager, Model Cities Agency, 1200 Broadway, Gary, Indiana 46404.

Brian Nelson, Director, Gary Office of Consumer Affairs, 1100 Massachusetts, Gary, Indiana 46402.

Joseph V. Riley, Supervisor, Division of Consumer Credit, 1124 State Office Building, Indianapolis, Indiana 46204.

Kansas

Jack N. Williams, Assistant District Attorney, Director, Consumer Protection Division, Sedgwick County Courthouse, Wichita, Kansas 67203.

Thomas D. Haney, Assistant District Attorney, Kansas 3rd Judicial District, Shawnee County Courthouse, 200 E. 7th, Topeka, Kansas 66603.

Margaret W. Jordan, District Attorney, P.O. Box 728, Olathe, Kansas 66061.

Douglas S. Wright, Assistant City Attorney, Chief, Consumer Protection Division, Municipal Building, 215 E. 7th, Topeka, Kansas 6603.

Bodinsom, Para Legal Assistant, Consumer Protection Division Johnson County, DA's Office, Box 728, Olathe, Kansas 66061.

Louisiana

Ernest E. Barrow II, Director, Consumer Protection and Commercial Fraud Department, District Attorney's Office, Jefferson Parish, Gretna Courthouse Annex, Gretna, Louisiana 70053.

Ms. Peggy White, Investigator, 1779 Government Street, Baton Rouge, Louisiana 70802.

Thomas M. McNamara, Assistant Chief of Complaints Section, 2291 Ferndale Avenue, Baton Rouge, Louisiana 70808.

Rev. John L. Russell, Administrative Assistant, P.O. Box 123, Monroe, Louisiana 71201.

Sharon Jusion, Investigator, Consumer Protection Center, 1779 Government Street, Baton Rouge, Louisiana 70802.

Victor Rensberry, Consumer Protection Officer, U.S. Army, Ft. Polk, Louisiana.

Maryland

Milton B. Allen, State's Attorney, 204 Court House, Baltimore, Maryland 21202.

Jon C. Burrell, Senior Staff Associate, Maryland Municipal League, 76 Maryland Avenue, Annapolis, Maryland 21401.

Polly Craighill, Executive Director, Prince George's County Consumer Protection Commission, Prince George's County, Maryland.

Judith Doctor, Special Assistant to the Director, Montgomery County, Maryland Office of Consumer Affairs, 24 Maryland Avenue, Rockville, Maryland 20850.

Gerald Glass, Director, Major Frauds, Baltimore City, 204 Court House, Baltimore, Maryland 21202.

Jane K. Howard, Community Affairs Assistant, 14605 Main Street, Upper Marlboro, Maryland 20870.

James Jones, Investigator, Montgomery County Office of Consumer Affairs, 24 S. Perry Street, Rockville, Maryland 20850.

Frank Jose, Montgomery County, Maryland.

Bill Lovell, Investigator—Montgomery County Office of Consumer Affairs, 24 Maryland Avenue, Rockville, Maryland 20850.

Nellie Miller, Investigator, Montgomery County Office of Consumer Affairs, 24 Maryland Avenue, Rockville, Maryland 20850.

Stephen J. Orens, Assistant County Attorney, Montgomery County, County Office Building, Rockville, Maryland 20850.

George B. Rose, Investigator, Montgomery County Consumer Affairs, 24 Maryland Avenue, Rockville, Maryland.

Charles C. Rothrock, Investigator, State's Attorney, 204 Courthouse, Baltimore, Maryland 21202.

Jack Shapiro, Assistant Attorney General of Maryland, 12th Floor, One South Calvert, Baltimore, Maryland 21202.

Margaret Jean Speicher, Consumer Protection Commissioner, Prince Georges County Maryland, 12209 Shadetree Lane, Laurel, Maryland 20811.

Jon C. Burrell, Sr. Staff Associate, Maryland Municipal League, 76 Maryland Avenue, Annapolis, Maryland 21401.

Dennis Clower, Montgomery County Office of Consumer Affairs, 24 Maryland Avenue, Rockville, Maryland 20850.

Thomas O. Martin, State's Attorney's Office, 316 Equitable Building, Baltimore, Maryland 21202.

Vince Guida, Montgomery County Office of Consumer Affairs, 24 Maryland Avenue, Rockville, Maryland 20850.

Barbara Gregg, Executive Director, Montgomery County Office of Consumer Affairs, 24 Maryland Avenue, Rockville, Maryland 20850.

John N. Ruth, Assistant Attorney General and Chief, Consumer Protection Division, One South Calvert Street, Baltimore, Maryland 21202.

Collen Bell, Administrator, Office of Consumer Affairs, Arundel Center, Room 403, Calvert at Northwest Street, Annapolis, Maryland 21404.

Massachusetts

John W. Delaney, Assistant Secretary of Consumer Affairs, Office of Consumer Affairs, 100 Cambridge Street, Room 905, Boston, Massachusetts 02202.

Paul Gitlin, Executive Secretary, Massachusetts Consumers' Group, Boston, Massachusetts.

Herbert N. Goodwin, Chief, Consumer Protection Division, Department of the Attorney General, State House, Boston, Massachusetts.

Eileen Mahar, Chairman, Consumer Advisory Commission, City Hall, Room 16, Northampton, Massachusetts 01060.

Michigan

Marilyn Mitchell, President, CRAC, 3127 Canfield, Detroit, Michigan.

Sally Winston, Consumer Specialist, Genessee County Prosecutor's Office, Court House, Flint, Michigan 48502.

Stanley J. Sitkowski, Investigator-Consumer Protection Division, Bay County Prosecutor's Office, Bay City, Michigan 48706.

Trudie Redding, Consumer Protection Investigator, Prosecutor's Office, 100 Courthouse, Flint, Michigan 48502.

Diane Place, Consumer Affairs Federal Executive Board, Federal Building, Detroit, Michigan 48226.

John Knapp, Director, Ann Arbor Consumer Action Center, County Building, Ann Arbor, Michigan.

Lenore Ferber, Attorney-Investigator, Prosecuting Attorney, Genessee County, 100 Court House, Flint, Michigan.

Ursula E. Gordon, Mayor's Committee for Human Resources Development, 903 West Grand Boulevard, Detroit, Michigan 48208.

Doris C. DeDecken, Associate Director, 903 West Grand Boulevard, Detroit, Michigan 48208.

Minnesota

Ruth Calhoun, Consumer Product Safety Commission, Federal Building, Fort Snelling, Room 650, Twin Cities, Minnesota 55111.

Edward J. Grabowski, Supervisor, Consumer Affairs Division, City of Minneapolis, City Hall, Room 105, Minneapolis, Minnesota 55415.

Mississippi

Marshall G. Bennett, Assistant Attorney General, Chief, Consumer Protection Division, State of Mississippi, P.O. Box 220, Jackson, Mississippi 39205.

J. H. Dickson, Assistant to the Mayor, City Hall, P.O. Box 17, Jackson, Mississippi 39205.

Phillip Hardwick, Investigator, Attorney General's Office, Box 220, Jackson, Mississippi 39205.

Archie D. Stuart, Resource Person, Executive Director, ASC of Mississippi, P.O. Box 4692, Jackson, Mississippi 39216.

Attorney General A. F. Summer, P.O. Box 220, Jackson, Mississippi.

Missouri

Louis D. Steele, Special Assistant for Consumer Affairs, P.O. Box 1157, Jefferson City, Missouri.

Elmo Turner, Area Director, U.S. Dept. of HUD, Room 312, 210 N. 12th Street, St. Louis, Missouri 63101.

Montana

Dick M. Disney, Administrator, Consumer Affairs Division, State of Montana, 805 N. Main, Helena, Mont. 59601.

Nevada

Pat Chladeh, Field Representative, Nevada Department of Commerce, Consumer Affairs Director, 111 Las Vegas Boulevard S., Suite 219, Las Vegas, Nev. 89108.

Rex W. Lundberg, Commissioner, Nevada State Consumer Affairs Division, 111 Las Vegas Boulevard, South, Suite 219, Las Vegas, Nevada 89104.

Ray Trease, Field Representative, NYE Building, Carson City, Nevada.

Charles E. Thompson, Assistant District Attorney, Las Vegas, Nevada.

Roy A. Woofter, District Attorney, 200 E. Carson, Las Vegas, Nevada 89101.

Charles E. Thompson, Assistant District Attorney, Las Vegas, Nevada.

New Hampshire

Richard V. Wiebusch, Chief, Consumer Protection Division, New Hampshire Attorney General's Office, State House Annex, Concord, New Hampshire 03301.

Honorable Warren B. Rudman, Attorney General, Concord, New Hampshire.

Senator Robert F. Bossie, New Hampshire Senate, 814 Elm Street, Manchester, New Hampshire.

New Jersey

Carol Bair, Atlantic City, New Jersey.

Ruth Ballou, Coordinator, New Jersey Division of Consumer Affairs, 1100 Raymond Boulevard, Newark, New Jersey.

Mrs. Marilyn Barnes, Extension Home Economist, R.D. #1, Box 13 Newton, New Jersey 07860.

Barbar Berman, Director, Office of Consumer Affairs, Camden County, #1 Broadway, Camden, New Jersey 08103.

Ann Boggs, Manalapan Township, Englishtown P.O., Englishtown, New Jersey.

Deborah O. Brown, Consumer Information Coordinator, Consumer Affairs Project, 24 Commerce Street, Newark, New Jersey 07102.

Lellean E. Bryant, Administrator, Rent Control and Coordinator, Consumer Protection, Room 403, City Hall, Atlantic City, New Jersey 08401.

Gladys B. Can, Administrative Assistant, City of Newark Consumer Affairs Project, Newark, New Jersey.

Barbara Cannon, 47 Lakendge Drive, Consumer Assistance Officer, Madison Township Matawan, New Jersey 07747.

John M. Chohamin, Superintendent, Department of Weights & Measures of Middlesex County, 103 Bayard Street, New Brunswick, New Jersey.

Larry Cimmino, Assistant Superintendent, Department of Weights & Measures, 103 Bayard Street, New Brunswick, New Jersey.

Lillian Colella, CALA Assistant, Office of Consumer Affairs, Municipal Complex, Willingsboro, New Jersey 08046.

Ruth E. Dangren, CALA Officer, Consumer Affairs, 26 North Midland Avenue, Kearny, New Jersey 07032.

Jean Farrar, Chairwoman for the Mayor's Advisory Committee, State Office, Box 1964, Fort Lee, New Jersey 07024.

Lorraine Gerson, Deputy Attorney General, Division of Consumer Affairs, 1100 Raymond Boulevard, Newark, New Jersey.

Elaine Goldin, Consumer Affairs Director, Administration Building, Somerville, New Jersey 08876.

Hazel S. Gluck, Director, Ocean County Department of Consumer Affairs, County Courthouse, Toms River, New Jersey 08753.

Patricia Ivanko, CALA Office, 300 Parsippany Road, 26–W, Parsippany, New Jersey 07054.

Marta Knowlton, Consumer Affairs Officer Food and Drug Administration, Newark, New Jersey 07102.

Lenore Ledman, Executive Assistant, Federal Executive Board, Gateway One, Raymond Plaza, Newark, New Jersey 07102.

Vivian McCoy, Assistant Investigative Superintendent, Consumer Affairs, 24 Commerce Street, Newark, New Jersey.

James E. McGivney, Director, Burlington County Consumer Affairs Office, 54 Grant Street, Mt. Holly, New Jersey 08060.

Brian Nelson, Director, Consumer Affairs Project, 24 Commerce Street, Newark, New Jersey.

Rena Plaxe, Consumer Affairs Officer, 300 Parsippany Road, Parsippany, New Jersey 07054.

Martha F. Radder, CALA Officer, Freehold Tuys Municipal Building, R.D. No. 3, Box 492, Freehold, New Jersey 07728.

Lynn Theard, CALA Officer, City of Englewood, Box 228, Englewood, New Jersey.

Daniel J. Sheer, Director, Bergen County Consumer Affairs, Office of Consumer Affairs Bergen County, 355 Main Street, Hackensack, New Jersey 07601.

Samuel Smith, Special Investigator, Division of Consumer Affairs, 1100 Raymond Boulevard, Newark, New Jersey.

Marie D. Snowden, City of Atlantic City City Hall, Room 403, Atlantic City, New Jersey 08401.

Herbert Sundin, Deputy Director, Consumer Affairs, 54 Grant Street, Mount Holly, New Jersey 08060.

Carol M. Trapp, Inspector-In-Charge of Consumer Education, 103 Bayard Street, New Brunswick, New Jersey 08901.

Ricky Trappe (Mrs.) CALA Officer, Consumer Affairs, Municipal Building-Valley Road, Wayne, New Jersey 07470.

Doris K. Waltz, Consumer Protection Investigator, Consumer Affairs Department, Burlington County, 54 Grant Street, Mt. Holly, New Jersey 08060.

Mariangela Santos, Perth Amboy Consumer Educator, 178 Barracks Street, Perth Amboy, New Jersey 08861.

Robert Weiss, Manalapan Township, Box 15, Tennent, New Jersey 07763.

Anne White, CALA Officer, 156 Randolph Road, Freehold, New Jersey.

Mrs. Eunice Reed, Consumer Protection Board, Manalapan Township, Box 15, Tennent, New Jersey 07763.

Mrs. Sandy White, Consumer Protection Board, Manalapan Township, Box 15, Tennent, New Jersey 07763.

Herbert Sundin, Deputy Director, 54 Grant St., Mt. Holly, New Jersey 08060.

John J. Fay, Jr., State Senator, 115 Amherst Avenue, Colonia, New Jersey 07067.

Harvey Jamison, Legislative Aide, 115 Amherst Avenue, Colonia, New Jersey 07067.

Nate Hutchins, Director, Consumer Affairs, 133 New Brunswick Avenue, Perth Amboy, New Jersey.

Mrs. Elaine Schuman, Director, Mercer County Division of Consumer Affairs, 640 S. Broad Street, Trenton, New Jersey 08607.

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Mrs. Ruth Epstein, CALA Volunteer, 24 Whitman St., West Orange, New Jersey 07052.

Dennis Cherot, Director, 24 Commerce St., 11th Floor, Newark, New Jersey 07102.

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New Mexico

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Carl Hawkins, Special Investigator, P.O. Box 875, Carlsbad, New Mexico 88220.

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Charmaine Crown, Director, Consumer Protection Division, Office of the Attorney General, Supreme Court Building, Santa Fe, New Mexico 87501.

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New York

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Ms. Bonnie Carle, Consumer Protection Service, 11 Groton Avenue, Cortland, New York 13045.

Dick Christian, NEWSpower Editor, Buffalo Evening News, Buffalo, New York.

Jane R. Devine, Vice Chairman, Huntington Consumer Protection Board, 227 Main Street/Taron Hall, Huntington, New York 11743.

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Mr. G. D. Monola, Director, Department of Community Improvement, City Hall Bldg., Room 804, Norfolk, Va. 23501.

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Carol Sarraga, Prince William County Consumer Protection Committee, Manassas Courthouse, Manassas, Va.

Mary Ann Shurtz, Office of Consumer Affairs, Falls Church, Va.

Virgin Islands

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Wisconsin

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Claire L. Jackson, Administrator, Trade Division, Wisconsin Department of Agriculture, 801 W. Badger Road, Madison, Wis. 53713.

Camille Haney, Consumer Affairs Coordinator, Office of Consumer Protection, Department of Justice, 114 East, State Capitol, Madison, Wis. 53702.

Pamela Loertscher, Complaint Processing Coordinator, Attorney General's Office, Office of Consumer Protection, 123 West Washington, Madison, Wis. 53702.

Wyoming

Ben S. Murphy, Insurance Commissioner, 500 Randall Avenue, Cheyenne, Wyo. 82002.

Mr. MOSS. Mr. President, I have briefly today brought to light some of the supporters of S. 707, the Consumer Protection Agency bill. At subsequent times during this debate, I intend to share with you the support of others.

RESUMPTION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate now resume transaction of routine morning business with remarks limited therein to 5 minutes each.

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

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.

ASSISTANCE AND SERVICES FOR PRESIDENT AND VICE PRESIDENT—UNANIMOUS CONSENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as Calendar Order No. 958, S. 3647—a bill to clarify existing authority for employment of White House Office and Executive Residence personnel, and for other purposes—is called up and made the pending business before the Senate, there be a time limit thereon, of 1 hour to be divided between Senator McGEE and Senator FONG; that there be a time limitation on an amendment by Mr. PROXMIRE of 1 hour, to be equally divided and controlled in accordance with the usual form; that there be a time limitation on any other amendment of 30 minutes, on any debatable motion or appeal, 20 minutes, and that the agreement be in the usual form.

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

ESTABLISHMENT OF A LEGAL SERVICES CORPORATION — UNANIMOUS-CONSENT REQUEST

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that with reference to the bill, H.R. 7824, the legal services bill, there be a limitation of 2 hours on a motion by Mr. HELMS; that there be a limitation of 20 minutes on any debatable motion or appeal; that there be a limitation of 1 hour on the bill; that the agreement be in the usual form; that immediately upon the conclusion of the remarks by the majority and minority leaders under the standing order for tomorrow, the Senate proceed to the consideration of the House message, and that a vote occur on the Helms motion at 2 p.m. tomorrow, and that upon the disposition of that motion the vote occur on the House amendment.

The PRESIDING OFFICER. Is there objection?

Mr. JAVITS. Reserving the right to object, Mr. President, I have been made acquainted with the general outlines of what is proposed, and with the permission of the deputy majority leader who is always so extremely prepared that I apologize for inserting the details, but this really did get to be quite a unique situation, I would simply like to repeat the following:

What is pending is a motion made by Senator CRANSTON in the name of Senator NELSON, who is the chairman of the Subcommittee on Poverty to concur in the House amendment. That would mean that if that motion were passed by the Senate, the bill would go immediately to the White House.

So if the Senator will allow me, I would like to ask, as a parliamentary inquiry, whether that is correct?

The PRESIDING OFFICER. That is correct.

Mr. JAVITS. Also, another parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JAVITS. That an amendment to the House amendment, which is an amendment in the first degree, is in order?

The PRESIDING OFFICER. That is correct.

Mr. JAVITS. And that when that amendment is either accepted or rejected, conceivably another amendment would be in order?

The PRESIDING OFFICER. That is correct, in the absence of an agreement to the contrary.

Mr. JAVITS. Exactly.

Now, I turn to the Senator from West Virginia again strictly to get the situation clearly before us and in no way to prejudice anyone.

As I understand it now, under the unanimous consent, if we all agree to it, that one amendment which will be considered tomorrow will be an amendment by Senator HELMS, that amendment because the agreement is in the usual form would have to be germane to the motion which is pending, to wit, to the House amendment as it has come over here, and I would greatly appreciate it if at the appropriate point in our colloquy Senator HELMS would be kind enough to tell us what he has in mind by way of amendment.

The PRESIDING OFFICER. Yes.

Mr. JAVITS. That amendment would then be disposed of, let us say, by a vote at a given hour, whatever hour we agree to here.

I understood, and this is my last point, that we would also agree to a vote on the motion, perhaps as amended, perhaps as unamended, but we would agree to a vote on the motion following the disposition of Senator HELMS' proposition.

I did not hear the deputy majority leader make that request.

Mr. ROBERT C. BYRD. The Senator is correct, and I add that to my request.

The PRESIDING OFFICER. Does the Senator mean without any other intervening amendments?

Mr. ROBERT C. BYRD. That would be the case if this request is agreed to as propounded.

The PRESIDING OFFICER. Is there objection?

Mr. JAVITS. Mr. President, may we hear, before we dispose of the matter—I was about to yield to Senator TAFT, who has been so very instrumental in this whole matter—if the Senator from North Carolina (Mr. HELMS) would not mind, and would not in any way challenge it—because we would all be parties to what we are doing and could freely vote on cloture—could we ask him what is the essence of his amendment?

Mr. HELMS. Mr. President, reserving the right to object, I want it clearly understood that I shall not be precluded from dividing my amendment if I so elect on tomorrow. It is in three parts, and while I do not anticipate that I shall do so, I want to protect my right to do so in the event I should wish to do so tomorrow.

The PRESIDING OFFICER. Is that made a part of the unanimous consent request?

Mr. ROBERT C. BYRD. I certainly have no objection. I did not know what the Senator's amendment contained, but if it is divisible, I think he ought to have that right, or any other Senator ought to have the right to ask for a division of it.

Mr. HELMS. I will say to the distinguished Senator from New York that I will furnish him a copy of the amendment as soon as its final draft is perfected. In essence, information has come to us which is very satisfactory as to the possibility of a veto on this matter. There have been so many conflicting rumors that I do not know how much validity to assign to the report that, if true, is satisfactory to me.

But the contention has been made many times during the debate that the backup centers have been eliminated; the news media have made clear that this is so, and my amendment, in the main, will make it absolutely crystal clear that the backup centers are eliminated, and one or two other protections which I think would be in order. As I say, I shall be delighted to send tonight to the distinguished Senator from New York a copy of the amendment.

Mr. JAVITS. Mr. President, with all respect, if the distinguished Senator will yield, I think we ought to know what is in the amendment. The fact that the Senator might say there are a couple of other things which are germane is fine, but if we are going to arrive at a unanimous-consent agreement, I think we ought to know what is involved in it.

Mr. HELMS. The Senator is privileged to object to the unanimous-consent request.

Mr. JAVITS. I understand; but such agreements are made all the time by Senators who are alert. Senator ALLEN does it, and I do.

Mr. HELMS. I have said I will send the Senator a copy of the amendment as soon as it is prepared.

Mr. TAFT. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. HELMS. Very well. Mr. President, let the RECORD show that it is not the Senator from North Carolina who is delaying final action on this measure.

Mr. JAVITS. Mr. President, if the Senator will yield, I am sorry that matters have worked out this way. There is no desire to challenge anyone. It is extremely important, however, if the Chair will recognize me to make this statement——

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. JAVITS. Mr. President, if we had cloture on this matter, every Member would have an hour. That is 100 hours. That is not much of a time limitation on amendments, because then, if we really ran into something that Senators felt was a very serious matter, we could debate it.

Bearing in mind, Mr. President, that we have tried to work something out which has to hang together—that is our problem—it seems to me we really ought to, in all fairness, if we are not going to go the cloture route, have a time agreement, and know what is in the amendment.

No one is asking the Senator from North Carolina for the text, but we operate around here on the basis of a relationship with each other of bona fides. We should know, it seems to me, its substance, and that is all we ask.

When the Senator said he was going to move to be absolutely sure that there were no grants or contracts for backup centers, I understand that. But then he added that there were one or two other things that would be germane. We would like to know, in the same sort of general language, what the one or two other things are, so that we may know whether 2 hours would be adequate time to debate those particular issues.

I might say, too, that no one that I know of on our side of this issue has ever said there would not be work done in-house in the research field. What we have said is that the funding of backup centers supported by grants and contracts is effectively precluded by the House language and, indeed, it is. And that is what is before us now.

Having explained that, I do not know whether it will change anyone's mind, Senator TAFT's or Senator HELMS', but I really think this difference is unnecessary if we could just get the general sense of what Senator HELMS will present.

I agree, if it is desirable, as the Senator from West Virginia says, that he is entitled to three votes if he wants them. Just so we have a general idea of what it is.

Mr. HELMS. Mr. President, I am delighted to hear my good friend from New York talk about advising among ourselves about our activities, because it would certainly have been appreciated by me earlier in the ball game if I had been made aware of what the committee was doing.

As I have said many times on this floor, this bill was reported out without any hearings, not 1 minute of hearings. It was marked up in executive session. A bill that the distinguished Senator from Tennessee (Mr. BROCK) and I introduced on this same subject was totally ignored. We would have been delighted to have had some advice in advance on that.

If the distinguished assistant majority leader would like to have a quorum call, we will discuss it, but at the moment I feel inclined to stick by what I have said earlier.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

CONCLUSION OF MORNING BUSINESS

Mr. HELMS. Mr. President, what is the pending business?

The PRESIDING OFFICER. The Senate is in a period for the transaction of routine morning business with statements limited to 5 minutes.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that morning business be closed.

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

ESTABLISHMENT OF A LEGAL SERVICES CORPORATION

The Senate continued with the consideration of the motion that the Senate concur in the House amendment to the Senate amendment to the bill (H.R. 7824) to establish a Legal Services Corporation, and for other purposes.

Mr. ROBERT C. BYRD. Mr. President, now I ask unanimous consent that the Senator from North Carolina (Mr. HELMS) may be permitted to send his proposed amendments to the desk, and that there be a limitation of 15 minutes for discussion of the unanimous-consent agreement with respect to H.R. 7824.

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

Does the distinguished majority whip wish the message from the House of Representatives to be laid before the Senate?

Mr. ROBERT C. BYRD. Not necessarily. My unanimous consent request would allow us to have a discussion.

The PRESIDING OFFICER. Very well.

Mr. HELMS. Mr. President, I ask unanimous consent to have printed in the RECORD a letter addressed to Senators by me with reference to H.R. 7824.

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

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

DEAR COLLEAGUE: It has been asserted many times in the past few days in both Houses of Congress that the President is prepared to sign the Legal Services Corporation Bill (H.R. 7824) if the so-called "back-up centers" are removed. Indeed, White House Deputy Press Secretary Gerald Warren acknowledged Tuesday that the chances of the bill being signed would be "enhanced" if the back-up centers were removed.

But the action of the House and Senate on Tuesday failed to remove the back-up centers. Instead, it authorizes direct funding of back-up center activities within the Corporation, rather than through grants or contracts with outside agencies. This is virtually no change, since, as many advocates of the proposed Corporation have pointed out in both Houses, the back-up centers will continue, no doubt with many of the same personnel, in the same regional areas where they now exist. The back-up center activity includes amicus briefs, co-counsel work with allied organizations, legal research for private advocacy groups, drafting model legislation, acting as "house counsel" for advocacy groups, lobbying upon request, conducting national issue strategy conferences, and so forth. Over one-third of the House voted against this motion Tuesday.

Furthermore, many of these activities can be assigned to so-called "public interest law firms," so long as such recipients spend less than 50 percent of their time litigating issues in the broad interests of a majority of the public. There is no restriction whatsoever on funding special interest law firms which, to quote a prohibition dropped by the conferees, litigate "in the collective interests of the poor."

When the Senate takes up the motion to concur with the House action authorizing direct funding of back-up center activities, we will move to concur, with an amendment. This amendment will strike the language authorizing direct funding of back-up center activities, and authorizing funding of certain public interest law firms. If this amendment passes, it will be a signal to the White House that the back-up centers have indeed been removed. If the amendment fails or is tabled, it will signal that the back-up centers have not been removed. We urge you to join with us in supporting this amendment.

Sincerely,

JESSE HELMS.

AMENDMENT NO. 1575

Mr. HELMS. Mr. President, I send to the desk an amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 5, line 22 of the House amendment, or at the appropriate place, strike all through line 27.

On page 9, line 38, or at the appropriate place, strike the words "50 percent or more of its", substituting therefor the word "any"; strike the semicolon at the end of line 40, or at the appropriate place, and substitute therefor the words "or in the collective interests of the poor, or both;".

Mr. HELMS. Mr. President, in connection with the unanimous-consent request I would like to be assured that this amendment will not be disqualified on a technicality because of our not being in the position of supplying the actual printed form and page numbers, which may be at variance with what we have to work with.

I think all Senators understand the sense of the amendment. If I may have that assurance, whatever assurance the assistant majority leader and the Senator from New York may agree to is fine.

Mr. JAVITS. Mr. President, we understand the request. It is entirely agreeable to me, and I hope the Senator from Ohio (Mr. TAFT) concurs in the unanimous-consent request as laid before the Senate by the deputy majority leader.

The PRESIDING OFFICER. Does the Senator from West Virginia renew his unanimous-consent request?

Mr. ROBERT C. BYRD. Yes, Mr. President, I wish to restate it.

The PRESIDING OFFICER. The Senator may restate the unanimous-consent request.

Mr. ROBERT C. BYRD. I do so so that our minds may be clear.

Mr. President, I ask unanimous consent that at the conclusion of routine morning business tomorrow the Chair lay before the Senate the message from the House of Representatives on H.R. 7824; that there be a time limitation of 1 hour on the motion to concur in the House amendment to the Senate amendment to H.R. 7824; that that time be equally divided between the majority and the minority leaders or their designees; that time in a motion by Mr. HELMS to concur in the House amendment with Senate amendments be limited to 2 hours, to be divided between Mr. HELMS and Mr. JAVITS; and that there be a limitation on any debatable motion or appeal of 20 minutes; that the agreement be in the usual form; and that a vote occur on the motion by Mr. HELMS beginning at 2 o'clock tomorrow, with a vote on final disposition of the House amendment, as amended, if amended, to occur immediately upon the disposition of the Helms amendments.

Mr. JAVITS. That is fine, Mr. President. There is just one point. I think he put

the term "in the usual form" at the wrong place, but that can be corrected.

Second, I would like the time on our side in the hands of our subcommittee chairman.

The PRESIDING OFFICER. Is there objection to the request?

Mr. TAFT. Mr. President, reserving the right to object, this is really in the nature of a parliamentary inquiry rather than an objection.

The PRESIDING OFFICER. The Senator will state the inquiry.

Mr. TAFT. After the completion of the time under the proposed agreement on the Helms amendment, would a motion to table be in order, to table the Helms amendment?

The PRESIDING OFFICER. Because of the wording of the unanimous-consent request, it would be preferable, according to the Parliamentarian, to state in the request that there not be allowed a motion to table or there be allowed a motion to table, as the Senator desires.

Mr. TAFT. I would make such a request, that that be included.

The PRESIDING OFFICER. What would that request be?

Mr. TAFT. That the unanimous-consent request include making in order a motion to table the Helms amendment at the conclusion of the time on the Helms amendment.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. ROBERT C. BYRD. Mr. President, I renew my request with the following modification: One, that it be understood that no tabling motion would be in order with respect to either the motion to be offered by Mr. HELMS or the motion to concur in the House amendment, as amended, if amended.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request as modified?

Mr. ROBERT C. BYRD. With this further modification: That the motion by Mr. HELMS to concur in the House amendment with Senate amendments not be divisible.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. ROBERT C. BYRD. And, Mr. President, with this final modification: That the time on the Helms motion be limited to 90 minutes rather than 2 hours, and that the time on the motion to concur in the House amendment to the Senate amendment to H.R. 7824 be limited to 30 minutes, rather than 1 hour.

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

Mr. HELMS. Does the distinguished gentleman wish to state a time of voting no later than, instead of a specific hour, in case we do not use the time?

Mr. ROBERT C. BYRD. Very well, the vote on the Helms motion to occur at no later than 2 p.m.

Mr. President, I further modify the request accordingly.

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

Mr. HELMS. Mr. President, I wish to thank my distinguished friends from New York, Ohio, and West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I thank all Senators. They are all my friends.

ORDER FOR ADJOURNMENT

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business on tomorrow, it stand in adjournment until the hour of 10 a.m., on Friday.

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

ORDER FOR CONSIDERATION ON FRIDAY OF H.R. 15472, APPROPRIATIONS FOR AGRICULTURE-ENVIRONMENTAL AND CONSUMER PROTECTION PROGRAMS AND FOR UNFINISHED BUSINESS TO BE TEMPORARILY LAID ASIDE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Friday, following the conclusion of routine morning business, if the Senate has not, on tomorrow, completed action on the Agricultural Appropriation bill, H.R. 15472, which it is hoped will be done, the Senate then resume consideration of H.R. 15472, the Agriculture Appropriations bill, and that the unfinished business remain in a temporarily-laid-aside status until the close of business on Friday.

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

ORDER FOR CONSIDERATION ON FRIDAY OF S. 3647, ASSISTANCE AND SERVICES FOR PRESIDENT AND VICE PRESIDENT, AND S. 3164, REAL ESTATE SETTLEMENT PROCEDURES ACT OF 1974

Mr. ROBERT C. BYRD. Mr. President, in the event the Senate completes action on the agriculture appropriations bill tomorrow, I ask unanimous consent that, on Friday, at the conclusion of routine morning business, the Senate proceed to the consideration of Calendar No. 958, S. 3647, assistance and services for President and Vice President; that upon the disposition of that bill, the Senate resume consideration of Calendar No. 838, S. 3164, the real estate settlement services bill, and that the unfinished business be laid aside temporarily and remain in a temporarily laid aside status until the close of business on Friday.

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

QUORUM CALL

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

The PRESIDING OFFICER. The clerk will call the roll.

The 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.

VITIATION OF REQUIREMENT FOR DEBATE AND VOTE ON CLOTURE MOTION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the requirement for debate and vote on the motion to invoke cloture on the motion to concur in the House amendment to the Senate amendment to H.R. 7824 be vitiated.

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

ORDER FOR THE UNFINISHED BUSINESS TO BE LAID ASIDE TEMPORARILY TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the unfinished business be laid aside temporarily tomorrow and that it remain in a temporarily laid aside status until the disposition of the agriculture appropriations bill, or until the close of business, whichever is the earlier.

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

ORDER FOR RECOGNITION OF SENATOR TALMADGE TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized on tomorrow under the standing order, Mr. TALMADGE be recognized for not to exceed 10 minutes.

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

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, under the order entered with respect to H.R. 7824, is the Senate to proceed tomorrow with debate on the motion immediately after the two leaders or their designees have been recognized?

The PRESIDING OFFICER. The agreement, as ordered by the Chair, was that upon the close of morning business, the Senate would proceed to the motion to which the Senator is referring.

Mr. ROBERT C. BYRD. I thank the Chair.

Mr. President, I ask unanimous consent that after Mr. TALMADGE has concluded his remarks under the order previously entered for tomorrow, there be a period for the transaction of routine morning business of not to exceed 10 minutes, with statements therein limited to 2 minutes each.

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

MOTION TO INVOKE CLOTURE VACATED

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the motion to invoke cloture be vacated.

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

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will meet tomorrow at 11 a.m.

After the two leaders or their designees have been recognized under the standing order, Mr. TALMADGE will be recognized for not to exceed 10 minutes, after which there will be a period for the transaction of routine morning business, of not to exceed 10 minutes, with statements therein limited to 2 minutes each.

At the conclusion of routine morning business, the Senate will proceed under controlled time to consider the motion to concur in the House amendment to the Senate amendment to H.R. 7824, with a vote—presumably a rollcall vote—to occur at no later than 2 p.m. on the motion to be offered by Mr. HELMS to amend the House amendment to the Senate amendment to H.R. 7824, with a number of amendments which will be voted upon as a unit.

Immediately following that vote, a vote will occur—presumably, it, too, will be a rollcall vote—on the House amendment as amended, if amended.

Upon the conclusion of that vote, the Senate will proceed to the consideration of the agricultural appropriation bill, and I so ask unanimous consent.

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

Mr. ROBERT C. BYRD. There is no time limitation on that bill. Presumably, amendments will be offered thereto, and rollcall votes could occur thereon.

So it seems that there will be a number of rollcall votes on tomorrow.

Mr. President, I thank all Senators, especially the distinguished assistant Republican leader, for their cooperation in arriving at the agreement which has been stated in connection with H.R. 7824.

ADJOURNMENT TO 11 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if the distinguished assistant Republican leader and no other Senators have anything they wish to bring to the attention of the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 11 o'clock tomorrow morning.

The motion was agreed to; and at 6:05 p.m., the Senate adjourned until tomorrow, Thursday, July 18, at 11 a.m.

EXTENSIONS OF REMARKS

LIBERTY AND UNION NOW AND FOREVER, ONE AND INSEPARABLE

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1974

Mr. BOB WILSON. Mr. Speaker, last month James Madison Senior High School in my district of San Diego received a 1974 Freedoms Foundations Award. Upon accepting this award for the school one of its outstanding teachers, Oscar Baer, delivered the following address. During this month when all of us have rekindled our patriotic spirit during the Fourth of July celebration, I know that Mr. Baer's comments will be of particular interest to our colleagues. I place his address in the RECORD at this point:

LIBERTY AND UNION NOW AND FOREVER, ONE AND INSEPARABLE

It took a man like Daniel Webster to remind Robert Hayne, the senator from South Carolina and champion of states rights, that liberty and Union have a spiritual dimension transcendent of any and all constitutional issues bent upon destroying the Union.

Webster's famous reply to Hayne in a debate before both houses of Congress and a packed gallery, a historic debate that lasted eight days, January 19–27, 1830, dealt with a critical decision that had to be made.

Daniel Webster took his case directly to the Higher Law which left no other choice: (Joshua 14–15), (Luke 16:13) Liberty and Union, Now and Forever, One and Inseparable, "Choose you this day whom you will serve."

The Declaration of Independence was Daniel Webster's inspiration to remind Robert Hayne and all mankind that the unity of liberty and the unity of Statehood are inviolable, one and inseparable, indivisible.

"We Mutually Pledge" . . . And for the support of this Declaration, with a firm reliance on the protection of Divine Providence, we mutually pledge to each other our lives, our fortunes and our sacred honor.

"We Mutually Pledge" . . . In 1776, that unity was an assembly of 56 representatives from 13 colonies along the Atlantic coast, all whose signatures are forever engraved on the Declaration of Independence.

"We Mutually Pledge" . . . In 1830, the question of unity involved 12 slave states and 12 free states and whether they could remain half slave and half free. Today, the wonder of wonders, this nation, a union of 50 states, approaches an unbroken Bicentennial with awesome appreciation for all this nation, under God has accomplished and recorded in a relatively short span of years; particularly now that we stand at the threshold of far greater wonders due this beautiful land.

We can be reminded in 1974 that Liberty and Union Now and Forever, One and Inseparable applies to the true spirit of this age.

"We Mutually Pledge" . . . And as we approach our 200th milestone the philosophies, ideologies, principles and spiritual insights are dynamically evident in every one of those years. The faith of our forefathers in the American Way of Life is one with our faith as we pledge allegiance in positive terms. That handful of homeless Pilgrims embarking on the Mayflower seeking freedom to worship God in their own way—Think of it—in their own way. Did they not build awareness of Divine Guidance among them that to worship God in their own way meant making a portion of the world a better place to live? Was this not the American Dream? Were they not building greater than they thought? Shouldn't we then believe in greater expectations? Without faltering, without losing heart, without fear and with no qualms as to the outcome?

Oh, thus be it ever when free men shall stand . . . And stand they did through trials and vicissitudes through Independence and war's desolation that freedom might be proclaimed throughout the land, preserved, protected for all generations. This consciousness knows illimitable dimensions individually and nationally when we undertake our commitments for public interests totally compatible with the common good. God has favored our undertakings in the betterment of all mankind and for all time. This consciousness is the very root of all government when based upon the consent of the governed.

We stand as a nation upon these promises: through all our trials and ordeals, through all the detractions and travails, liberty and union one and inseparable now and forever shall prevail.

WILLIAM J. USERY: OUR NATION'S TOP NEGOTIATOR

HON. JAMES A. BURKE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1974

Mr. BURKE of Massachusetts. Mr. Speaker, the people of my congressional district, and indeed people all across the Nation, owe a great debt of gratitude to Mr. William J. Usery, Jr.

In his capacity as both Director of the Federal Mediation and Conciliation Service, and as the President's Special Adviser for Labor Relations, Bill Usery has tirelessly devoted his full energies toward keeping America strong. He has resolved labor-management disputes in such vital areas as the railroads, airlines, Postal Service, independent truckers, et cetera—disputes which could have crippled the Nation had it not been for the indefatigable efforts of Bill Usery. At a time when our Nation's economic outlook is in doubt, Mr. Usery has improved conditions for the worker and preserved the worker's job, while keeping industry running and production up. He has performed monumental feats, against great odds, and at great personal sacrifice, at a time when America most needed his services to remain a strong and independent economic power.

While most public attention has been focused on the negotiations performed by Henry Kissinger on the international front, even more significant negotiations were being performed by Bill Usery on the domestic front. It would, in fact, be inadequate to describe Mr. Usery as the Henry Kissinger of Labor negotiations since the strength which Dr. Kissinger wields in international forums is based upon the domestic strength of the United States, and upon the strength of the U.S. economy. Mr. Usery, with his determined efforts, his unswerving sense of fairness, and his unprecedented skill as a negotiator, has not only maintained, but has en-