Kaplan-Weil argument is that the dynamics have worsened since 1970 and should be faced up to now.

What's to be done? The first thing is that the public has to be told, by the politicians, that it is not possible to maintain the current rate schedule and benefit level. One or both have to be adjusted. It is of vital importance that the public be told in that most of the work force is now counting on the purchasing power the current benefit levels yield for their retirement years.

Congress may cringe at the idea of trimming these benefit levels, but sharp tax boosts won't be popular either. Liberals will want to dip into the general fund to keep the system going a little longer, but within two or three years this method will be cleaning out the Treasury. All other "worthwhile" government programs will have to be chopped out to sustain Social Security. That, too, appears to be politically impossible. Indeed, there are no politically appealing ways to straighten out this mess. But the longer the nation waits to do it, the more it will hurt.

DR. KISSINGER, THE NEW MRS. VANDERBILT

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 17, 1974

Mr. GAYDOS. Mr. Speaker, there is not a person in this country to my knowledge who does not have the highest respect for Italy and the keenest sympathy for that nation in its present economic difficulties.

This is because Italy not only is a good friend and ally but also is the native land of the parents and grandparents of many of our finest citizens.

Having said this, I want to protest the false assurances given Italy by Secretary of State Henry Kissinger during his recent visit to Rome. He told the Italian leaders that we Americans stand ready to help Italy out of its inflation troubles.

The Associated Press, in a dispatch from Rome, quoted Dr. Kissinger as having said to President Giovanni Leone:

We are following Italian events with sympathy and affection. You can count on the fact that in whatever moment Italy should find itself in difficulty, we will do everything possible to assure its stability and progress.

The first thing possible, the AP continued, would be a substantial U.S. loan. There have been persistent reports, the news agency explained, that Italy is seeking this and that it was the principal item on the agenda of Dr. Kissinger's talks in Rome.

Where, I might ask, would Dr. Kissinger get the money? Certainly, a loan big enough to bail out a country the size of Italy from an inflation situation running at the rate of 20 percent a year would be in the several billions. Have we Americans the resources to come up with it?

Dr. Kissinger surely is aware that our inflation rate has been in the double figures and that governmental borrowing now at high rates of interest is one major cause of our own dilemma. In order to help out Italy, it would be necessary for our government to borrow more, thus shooting up the interest rate here still further and sending our own inflation percentaage to a level at least close, if not equally, to that of Italy.

It is easy, of course, for a U.S. diplomat to speak overseas in bountiful terms. It assures a good reception, and, indeed, enables press conference claims of great success. But the fact that our diplomats have been doing this for the last quarter century, and then following through with gifts and loans of the money of our people, is the greatest reason why this country is in an economic bind today. Our Government has overextended itself.

Furthermore, it is unfair, in my opinion, for an inflation-threatened, debt-ridden nation such as ours to be holding out false hopes of aid to others. Efforts now are being made to hold down the new Federal budget to around the $300 billion mark—a level of spending that still would result in a deficit of $6 billion or more. There is also talk in administration circles of the need of higher taxes. Prices continue to climb throughout the economy. We are in no shape, therefore, to help anyone and, in fact, we could stand some sizable help ourselves.

Dr. Kissinger has been getting around in recent months, dropping promises here and raising hopes there, and the end result could be widespread disappointment among our supposed friends when it is found we cannot deliver. This is not right in my estimation and neither is it good either for our position in the world today or in the future.

The Secretary of State reminds me of a Mrs. Frederick Vanderbilt of a bygone era going among her needy Hyde Park neighbors and handing out gifts and promising help in their problems. Mrs. Vanderbilt was the "Lady Bountiful" of New York's Dutchess County while Dr. Kissinger has made the world his operating area. However, the difference is that Mrs. Vanderbilt actually had the money and Dr. Kissinger does not.

SENATE—*Thursday, July 18, 1974*

The Senate met at 11 a.m. and was called to order by the President pro tempore (Mr. EASTLAND).

PRAYER

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

Our Father God, Lord of history and of every day, in this hallowed moment when we shut the door upon the outer world with its tumult and shouting may we know ourselves for what we are—sinful, needy, wistful human beings claiming Thy redemption and renewal. And in this quiet mood may we also know Thee as Thou art—the transcendent, sovereign God of love and grace who rules all men and nations, ever ready to help those who call upon Thee in spirit and in truth. With Thy benediction upon us may we face the toil of this day with clear thinking, honest dealing, and the holy vision of a better world where all men are ruled with justice and truth.

In these fateful days when our frail hands and feeble judgments have a part in the shaping of the world that is to be, give us the wisdom to discern Thy will and the courage to do it. When the day is done measure our lives by the life of Thy Son who went about doing good and in whose name we pray. Amen.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Wednesday, July 17, 1974, be dispensed with.

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

EXECUTIVE SESSION

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

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

The PRESIDENT pro tempore. The nominations on the executive calendar will be stated.

NATIONAL RAILROAD PASSENGER CORPORATION

The second assistant legislative clerk read the nomination of Roger Lewis, of the District of Columbia, to be a member of the Board of Directors of the National Railroad Passenger Corporation.

Mr. WEICKER. Mr. President, I have recently removed my "hold" on the nomination of Mr. Roger Lewis to the Board of Directors of Amtrak.

I have been long concerned with the Federal Government's commitment to the national intercity rail passenger system. I have been particularly disturbed by the apparent lack of determination on the part of top management of Amtrak to provide vigorous leadership and to act forcefully to promote the progress of Amtrak.

On the basis of several meetings and certain correspondence with Mr. Lewis in recent weeks, I am now satisfied that Mr. Lewis has understood the message, that Amtrak must fight hard to strengthen the Federal commitment to rail passenger service, and particularly the concept and system of Amtrak. At this point, I can only hope that Mr. Lewis' professed determination to fully develop the Amtrak system will result in a vastly improved nationwide rail passenger system for the American public.

Mr. President, I ask unanimous consent that a letter from Mr. Roger Lewis to me, dated July 11, on the subject of the future of Amtrak, be printed at this point in the RECORD.

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

JULY 11, 1974.

DEAR LOWELL: Due in large part to the foresight of many members of Congress, Amtrak came into being in 1971 and set about the task of rebuilding the sorrowfully wasted transportation asset that rail passenger service had become. We now know in light of the profound effects of the energy crisis that to overcome the tremendous physical obstacles, and to provide the service that the public so desperately needs at this time, our work should have commenced not three years ago, but many years before that.

Perhaps our country's finest tradition is one of overcoming seemingly impossible obstacles with a combination of determined effort and cooperation. If the Senate should see fit to confirm my reappointment to the Amtrak Board you can rest assured that there will be no lack of determined effort either on my part or on the part of anyone else associated with the Company. That effort must, of course, be made in close conjunction with members of the legislative and executive branches of government, without whose cooperation and support neither I, nor any combination of Amtrak officials, can achieve the goal expressed in the Rail Passenger Service Act of 1970. Because it is so vital to maintain the level of these mutual efforts, I intend to provide vigorous leadership and to be especially active in opposing any governmental policy or development that threatens our continued progress.

I am proud of the work that the Company has done so far, but the challenge is now greater than ever. Amtrak, conceived originally as something of an experiment, now has become an enterprise that must not fail. I believe that I can do much to see that it does not fail, and with your help and the help of others, to assure that within the shortest possible period the American people once again will be afforded the level of comfort, convenience and reliability in rail passenger travel that our times demand.

Sincerely,

ROGER LEWIS,
President.

The PRESIDENT pro tempore. The question is, Will the Senate advise and consent to the nomination?

The nomination was confirmed.

Mr. PACKWOOD subsequently said: Mr. President, earlier this morning the Senate by voice vote confirmed the nomination of Mr. Roger Lewis as a member of the Board of Directors of the National Railroad Passenger Corporation.

This hurried decision was made in the absence of a number of opposing Senators, myself included. Had a rollcall been conducted, as many of us assumed would be the case, the outcome might have been very different.

While Roger Lewis may now be a member of the Board through parliamentary maneuver, I wish to advise the Directors of Amtrak that I am fervently opposed to Mr. Lewis' reelection as President of the Board.

To my mind, if we might generalize, there are two major problems which will continue to face Amtrak, and which have confronted Roger Lewis since 1971. The problems are: First, rail passenger accessibility to as many people and the widest area as possible; and second, efficient service. Accessibility and proficiency, these are the standards by which we must judge those who have been responsible for the development and maintenance of Amtrak. From this perspective I could not have voted for the nomination of Roger Lewis, and likewise, I expect the Board of Directors of Amtrak to recognize the inadvisability of elevating Lewis, again, to the presidency of the Board. I would like to provide some information as to why I am so firm in my opposition to Mr. Lewis.

I fully understand that when Congress took over the Nation's rail passenger service it was essential to operations to trim trunklines to the bone so as to insure efficient service. Routes which did not merit continued passenger service had to be cut out if we were to successfully revamp the system. But it was also my understanding that from time to time Amtrak would designate experimental routes, to be in effect 2 years to determine if some regions caught short by the initial route design in 1971 could indeed support services by Amtrak. Or, if for some reason the merits of an added route escaped the notice of Amtrak, the Corporation could be requested to conduct a study which would determine the estimate of losses, if any, which would be applicable if Amtrak were to commence rail passenger service between two points. After receipt of such information, and a decision by those States involved to underwrite two-thirds of any expected losses, such a route could be implemented.

Mr. President, with those assurances the Pacific Northwest Regional Council, composed of the States of Idaho, Oregon, and Washington, actively pursued the establishment of a route linking Portland, Oreg. with Ogden, Utah. Such a link would cut in half a more than 200,000-square mile void of service extending from western Oregon to eastern Wyoming. Without it, the bulk of the population of eastern Oregon and the entire State of Idaho has no access to Amtrak. The entire tier of Northern States from Washington to Wisconsin must connect in Chicago or Sacramento if they want to travel by rail to Denver. What could be a 350-mile trip is doubled twice again; of course, it would be senseless to embark on such a circuitous journey.

At least, Mr. President, this situation demands a feasibility study. However, instead of cooperation from Amtrak under Roger Lewis, the Pacific Northwest Regional Council has only met with frustration. A letter from Gov. Cecil D. Andrus, of Idaho, was unanswered for 2 months. Typically, the eventual response was less than an answer to important questions raised by the Governor and Mr. Jack Padrick, Federal Cochairman of the Pacific Northwest Regional Commission. The letter, received in the middle of April, cited a study "currently in progress." As of this morning the Regional Council reported nothing has been received from Amtrak and phone calls are still going unanswered. This situation is deplorable, and it must be remedied. I do not expect such cavalier treatment by any official of the Government to any citizen, but I am particularly upset by the disdainful treatment of Governor Andrus.

If Mr. Lewis' relations with his fellow public servants in trying to improve and expand Amtrak routes is any indication of what to expect with maintenance and operation of the trains themselves, again, we are in for another disappointment. Continually, trains are late and sorely in need of repairs. Money available to remedy this situation has been too frequently used for cosmetic frills.

What is lacking is direction—strong management from an Amtrak head who knows railroads, knows the problems, and can get at the answers. Mr. Lewis has, instead, served as a caretaker of a rail system which needs expert attention. He has presided over an increase in the number of rail passengers, but contributed little to it.

In an interview with Fortune magazine, Mr. Lewis in explaining his task as president of Amtrak said:

I like to visualize myself as the leader of the orchestra. My idea is to make music out of pandemonium.

This country has yet to hear the sweet song of success from Amtrak it deserves. It is time for a new maestro, and I hope the Board of Directors for Amtrak will now vote accordingly.

FEDERAL ENERGY ADMINISTRATION

The second assistant legislative clerk read the nomination of Marmaduke Roberts Ligon, of Oklahoma, to be an Assistant Administrator of the Federal Energy Administration.

Mr. MANSFIELD. Over, Mr. President.

The PRESIDENT pro tempore. The nomination will be passed over.

PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA

The second assistant legislative clerk read the nomination of H. Mason Neeley, of the District of Columbia, to be a member of the Public Service Commission of the District of Columbia

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

DEPARTMENT OF STATE

The second assistant legislative clerk proceeded to read sundry nominations in the Department of State.

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

The PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

COUNCIL ON INTERNATIONAL ECONOMIC POLICY

The second assistant legislative clerk read the nomination of William D. Eberle, of Connecticut, to be Executive Director of the Council on International Economic Policy.

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

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be notified of the confirmation of these nominations.

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

LEGISLATIVE SESSION

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

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

ORDER OF BUSINESS

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

ADMINISTRATION CREATES HAVOC IN TOBACCO COUNTRY

Mr. TALMADGE. Mr. President, I rise today to document once again how this administration has tinkered with the marketing system for agricultural products, creating disastrous economic conditions for our farmers.

On December 14 of last year, I wrote to Secretary Butz to express my strong opposition to a rumored increase in the flue-cured tobacco marketing quota for 1974.

I pointed out that any increase in the quota would have a disastrous effect on the pocketbooks of flue-cured tobacco farmers, and provided the USDA with a detailed economic analysis of what could occur.

Mr. President, I ask unanimous consent that my letter of December 14, 1973, be printed in the RECORD at this point in my remarks.

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

DECEMBER 14, 1973.

HON. EARL L. BUTZ,
Secretary of Agriculture,
Department of Agriculture,
Washington, D.C.

DEAR MR. SECRETARY: It has come to my attention that some segments of the tobacco industry are advocating an increase in the flue-cured marketing quota for 1974. I believe that such action would be a grave mistake and inimical to the best interest of our tobacco farmers.

As you know, the marketing quota for 1974 was set in July at 1,179 million pounds, the same as 1973, and ten percent above 1972. And as I understand it, undermarketings in 1973 could add as much as 50 million additional pounds to the 1974 quota for an effective quota of approximately 1,229 million pounds. In addition, the law permits an excess of 10 percent of quotas to be marketed without penalty. This added to the effective allotment provides a possibility of marketings of 1,347 million pounds next year under the existing quota. A ten percent increase in quota would introduce an additional possibility of 118 million pounds of marketings in 1974 for a grand total of 1.465 million pounds to be available for 1974.

Inasmuch as total disappearance this year is now estimated at 1,190 million pounds, some 275 million pounds less than possible marketings next year, the urgency for an emergency increase in the marketing quota for flue-cured tobacco loses all of its validity.

But, more importantly, is the effect that marketings of this magnitude would have on prices received by farmers. Undoubtedly, prices would fall to support levels. This year preliminary estimates of average prices received by farmers were approximately 11.5 cents per pound above the national average support price, but only about three cents above that received in 1972.

This level of prices was necessary in order for farmers to compensate for some of the additional costs of production suffered in 1973. The Index of Production Items, Interest, Taxes, and Wage Rates jumped an astronomical 18 percent in November 1973, as compared to 1972, while prices received by farmers for tobacco in 1973 increased only three percent over 1972.

There is no indication that costs will abate. As a matter of fact, all indications are just the opposite. Fuel prices are skyrocketing as are fertilizer prices. Cost of machinery and equipment are increasing faster than farmers can figure.

Therefore, any increase in the quota would appear to have a disastrous effect on the solvency of flue-cured tobacco farmers to a loss position in 1974.

As a result of my study of this situation, Mr. Secretary, I have concluded that you should not even consider further the increase advocated by the trade. Please do not make such a mistake.

With every good wish, I am

Sincerely,

HERMAN E. TALMADGE,
Chairman.

Mr. TALMADGE. Mr. President, despite my warning the Department of Agriculture put a notice in the Federal Register of December 26, 1973, that the Department was considering not only an increase, but the complete termination of the national marketing quotas and acreage allotment for flue-cured toabcco for the 1974–75 marketing year.

I again wrote to the USDA to express my strong objections. I pointed out that the USDA threat to terminate quotas altogether was only a knife held at the throat of farmers to force their acceptance of an increase in quotas. I deplored this type of blatant coercion.

Mr. President, I ask unanimous consent that my letter of January 9, 1974, be printed in the RECORD at this point in my remarks.

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

JANUARY 9, 1974.

MR. WILLIAM L. LANIER,
Director, Tobacco and Peanut Division, Agricultural Stabilization and Conservation Service, U.S. Department of Agriculture, Washington, D.C.

DEAR MR. LANIER: On December 14, 1973, I wrote to Secretary Butz to express my strong opposition to any increase in the flue-cured tobacco marketing quota for 1974. I pointed out that any increase in the quota would have a disastrous effect on the solvency of flue-cured tobacco farmers.

Therefore, I was shocked and amazed when there was published in the *Federal Register* of December 26, 1973, a notice that the United States Department of Agriculture is considering not only an increase, but the complete termination of the national marketing quota and acreage allotment for flue-cured tobacco for the 1974–75 marketing year.

This would be ruinous to the American tobacco farmers. As you know, the marketing quota for 1974–75 was set in July at 1,179 million pounds, the same as in 1973, and ten percent above 1972. This quota was based upon estimated utilization of 690 million pounds domestically, 455 million pounds for exports plus an upward adjustment in excess of requirements of 34 million pounds. The Register announcement indicates the Department now feels this insufficient to meet our needs.

But what are the facts? The latest information from the Department available to me indicates that needs for 1974–75 are now estimated at 695 million pounds for domestic use and 500 million pounds for exports, for a total of 1,195 million pounds. This is 1.4 percent above the original quota announced in July of 1973.

Now, what are the supply possibilities of flue-cured tobacco for 1974–75? The quota amounts to 1,179 million pounds. And as I understand it, the base quota plus 1973's net undermarketings gives an effective quota for 1974–75 of about 1,230 million pounds. In addition, the law permits an excess of 10 percent of quotas to be marketed without penalty. This added to the effective allotment provides a possibility of 1974–75 marketings of 1,348 million pounds. Furthermore, as of November 30, 1973, flue-cured tobacco under loan totaled about 323 million pounds. Therefore, the total supply available for marketings in 1974–75 appears to be about 1,671 million pounds. This is 476 million pounds or about 40 percent more than presently estimated requirements for 1974–75.

Therefore, the need for an increase in the allotment loses its validity. The threat to terminate quotas is revealed only as a knife held at the throat of farmers to force their acceptance of an increase in quotas. This is typical of other recent actions by the USDA affecting a number of other programs.

Furthermore, marketings of the magnitude that are possible under the existing quota would have a negative impact on prices received by farmers. Undoubtedly, prices would fall to support levels.

This year preliminary estimates of average prices received by farmers were approximately 11.5 cents per pound above the national average support price, but only about three cents above that received in 1972.

This level of prices was necessary in order for farmers to compensate for some of the additional costs of production suffered in 1973. The Index of Production Items, Interest, Taxes, and Wage Rates jumped an astronomical 18 percent in November, 1973, as compared to 1972, while prices received by farmers for tobacco in 1973 increased only three percent over 1972.

There is no indication that costs will abate. As a matter of fact, all indications are just the opposite. Fuel prices are skyrocketing, as are fertilizer prices. Costs of machinery and equipment are increasing faster than farmers can figure.

Therefore, any increase in the quota would have a detrimental effect on tobacco farmers and could severely disrupt the economy of such tobacco-producing areas as South Georgia. A termination of quota is unthinkable and the USDA threat to terminate must be rejected as the kind of blatant coercion that it is.

With every good wish, I am

Sincerely,

HERMAN E. TALMADGE,
Chairman.

Mr. TALMADGE. Mr. President, incredibly, on January 14 of this year, Secretary Butz ignored my warning and increased the 1974 tobacco acreage allotment by 10 percent at the behest of the big tobacco companies.

However, since the Secretary had ignored my warnings and the economic analyses I had presented, I could do nothing but issue the strongest statement I had ever made against Secretary

Butz and his policies. These remarks seemed harsh at the time, but the prices that farmers are now receiving for their tobacco make them seem mild. My warnings of December and January have become a reality in July.

Mr. President, I ask unanimous consent that my statement of January 15, 1974, be printed in the RECORD at this point in my remarks.

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

BUTZ STOMPS GEORGIA FARMERS TO AID MAJOR CORPORATE INTERESTS, TALMADGE SAYS

WASHINGTON.—Senator Herman E. Talmadge of Georgia, Chairman of the Committee on Agriculture and Forestry, lashed out at Agriculture Secretary Butz today for increasing the flue-cured tobacco allotment and thereby "poking holes in the pocket books of small farmers."

Butz announced the increase in the allotment late yesterday. Talmadge responded by predicting that the move could cut tobacco prices paid to farmers by more than five cents a pound in the face of drastically increasing production costs charged by the inflationary spiral. The Georgia Senator had written to USDA officials on December 14, 1973 and January 9, 1974, strongly objecting to any increase in flue-cured tobacco quotas.

Talmadge said the decision to increase the allotment was obviously made after Department of Agriculture officials met with large corporate tobacco buyers who requested the increased planting. "Tobacco farmers usually think that the buyers are trying to get their tobacco at depression-level prices, and in this case they are evidently correct."

As for Secretary Butz, the Senator said, "Dr. Butz likes to travel around the country portraying himself as the saviour of the American farmer, but in this instance, as with the continuing effort to gut the peanut program, he's leading the farmers in my State down the road to ruin. That's hardly the role you would expect of a saviour."

Talmadge pointed out that he had tried, and that the farmers had tried to get the Department of Agriculture to avoid making decisions on the peanut and tobacco programs which would cause economic hardship for family farmers, "But there is an innate hard-headedness in this Administration which transcends economic reason. Not since Sherman marched through Georgia have we witnessed such a brutal attack on our farm economy."

Talmadge recommended to farmers that at harvest time when the full force of these measures was felt in their bank accounts, they write to Butz and ask, "Why, Mr. Secretary" "Why?"

Mr. TALMADGE. Mr. President, my office has been swamped with telephone calls from irate farmers who see a year's work being sold for a pittance.

This administration, despite my early warnings, has taken it upon itself to reduce income to tobacco farmers at a time when fuel, fertilizer, herbicides, farm machinery, labor, and all other farm inputs are from 20 to 50 percent higher now than in 1973.

We have just gone through the exercise of pushing through emergency legislation to save the livestock industry because of bungling by this administration in tinkering with the beef marketing system.

The rhetoric of this administration on the economy is above reproach. But as former Attorney General Mitchell once said, "Watch what we do, not what we say." I have been watching all right—watching one grand foulup after another that has plunged this Nation into economic chaos.

Rhetoric is not enough. My tobacco farmers have had it with fine words and promises. They are paying in a very literal way for the mistakes made by Secretary Butz.

Now I call on the Secretary to bail himself out of this mess immediately, without the Congress having to go through the time-consuming process of doing it for him. Farmers are losing money right now—today.

The big tobacco corporations got the Secretary in this jam by getting him to increase acreage. Now let them get him out.

I urge the Secretary to call a national meeting of the big tobacco corporations so that he can ask them to pay tobacco farmers the prices they must have to survive.

The companies have done themselves no favors by cutting the heart out of the income of their suppliers.

After an investigation of possible collusion among buyers last year by the staff of the Committee on Agriculture and Forestry, I asked USDA to conduct a thorough investigation of its own.

The USDA coordinated this request with the Antitrust Division of the Justice Department which initiated a full-scale investigation. USDA is actively assisting the Antitrust Division in this effort and I have today asked that these investigations move into the tobacco warehouses now. I urge the Secretary to intensify these investigations of buyer collusion and bring them quickly to a head.

Farmers cannot withstand the onslaught of increased costs in the face of lower prices. They must be protected. Prices must improve immediately before the whole crop is lost.

QUORUM CALL

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

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

PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business for not to exceed 10 minutes, with statements therein limited to 2 minutes.

YEAR-ROUND DAYLIGHT SAVING TIME

Mr. TAFT. Mr. President, the Department of Transportation recently released its report on the effects and results of winter daylight saving time. The findings of the report are inconclusive, however, the report does recommend that the second year of year-round daylight saving time be amended to provide that during that year, the Nation observe DST for 8 months of the year and standard time for the remainder, from the last Sunday in October 1974 through the last Sunday in February 1975.

The report states that after the January 6, 1974 DST transition, the effects were so small that they could not in general be reliably separated from effects of other changes occurring at the time. These other changes included fuel availability constraints, speed limit reductions, Sunday gasoline station closings, and voluntary reductions in the use of lighting, heating, and unnecessary travel.

Year-round daylight saving time may have resulted in a flattening of the daily peakloads and a decrease on the order of 0.75 percent in electricity consumption for January and February. Savings of approximately 1 percent for March and April in fuel consumption for electricity production are inferred only from the experience of transitions to DST in previous years.

Savings of 1 percent of our electricity consumption translates into six-tenths of 1 percent of our daily consumption of 17 million barrels of oil per day. The report states that the predominant fuel saved is coal, but we are not short of coal. The estimated savings of oil, the commodity in shortest supply, is miniscule, 14,500 barrels a day.

The Department's report concludes that travel and gasoline use were down during January and February, but up on March and April. Analyses of heating fuel effects of year-round daylight saving time were inconclusive.

No significant effects on traffic safety can be attributed to winter daylight saving time, according to the report. The decline in motor vehicle fatalities in January through March, 1974, as compared to those months of 1973, are largely attributable to the lowering of speed limits and restrictions on the availability of gasoline. While there was an increase in schoolchildren fatalities during the hours of 6 a.m. to 9 a.m. in February 1974 versus February 1973, there was a decrease in fatalities occurring in the early evening hours.

Reports from 37 States and the District of Columbia indicate that school districts in 18 States advanced their school hours because of the problems of dark mornings.

In my State of Ohio, the Columbus Board of Education noted fears of parents whose children had to go to school in the darkness last winter. The board sent questionnaires to parents asking if a later school opening would be beneficial and helpful. The problems caused by dark mornings have been severe in Ohio. Working parents have schedule conflicts in driving their children to school, yet they do not want them to walk in the dark. Even in March, on the western side of the eastern standard time zone, where I live, people had to drive with lights on after 8:15 a.m. As

a result, 66.4 percent of the schools indicated they would prefer a later starting time. However, the school board has not yet changed the schedule because it is waiting to see if the Congress will take action and repeal winter daylight saving time. The people in Ohio overwhelmingly reject winter DST.

Last March, the Senate had an opportunity to repeal winter DST in acting on my amendment to the minimum wage bill. The amendment, as modified, would have ended winter daylight saving time from the last Sunday in October until the last Sunday in April. The amendment was defeated in the Senate by the slim margin of 48 to 43.

One of the arguments against my proposal was that it might be thrown out in the House-Senate conference on the minimum wage legislation.

Another argument of the opposition was that we had no conclusive evidence on the effects of year-round daylight saving time, and should at least wait until the Department of Transportation report was available for study, before repealing our law. At that time, the chairman of the Commerce Committee promised hearings on the report "just as soon as it was available." It is now available and I believe we should go ahead with hearings as quickly as possible.

Well, the DOT report has been available since July 1, and it still does not give us any conclusive evidence on the effects of year-round daylight saving time. It does, however, recommend that winter DST be discontinued from the last Sunday in October through the last Sunday in February.

I have asked for hearings on the report soon, and I will ask again. My constituents will not be satisfied until the law is changed. The press reports of the DOT findings, or lack of them, have regenerated the mail on this subject from anxious parents and others who are affected adversely.

School starts early in September, and some few places in August. We must act now, if we are to act responsively and responsibly for our constituents on this problem.

I yield back the remainder of my time.

Mr. GRIFFIN. 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. 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.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BIBLE, from the Committee on Interior and Insular Affairs, with amendments:

S. 3700. A bill to provide for the establishment of the Clara Barton House National Historic Site in the State of Maryland, and for other purposes (Rept. No. 93–1020).

By Mr. ERVIN, from the Committee on the Judiciary, with amendments:

S. 754. A bill to give effect to the sixth amendment right to a speedy trial for persons charged with criminal offenses and to reduce the danger of recidivism by strengthening the supervision over persons released pending trial, and for other purposes (Rept. No. 93–1021).

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

H.R. 5094. An act to amend title 5, United States Code, to provide for the reclassification of positions of deputy U.S. marshal, and for other purposes (Rept. No. 93–1022).

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. SCHWEIKER:

S. 3776. A bill to provide individuals serving as grand or petit jurors certain employment rights. Referred to the Committee on the Judiciary.

By Mr. CHURCH (for himself and Mr. McCLURE):

S. 3777. A bill to authorize the establishment of city of Rocks National Monument in the State of Idaho, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. MATHIAS:

S. 3778. A bill for the relief of Monica Ribandeneira. Referred to the Committee on the Judiciary.

By Mr. DOLE:

S. 3779. A bill to amend chapter 37 of title 38, United States Code, to improve the basic provisions of the veterans farm and business loan programs. Referred to the Committee on Veterans Affairs.

By Mr. BENTSEN:

S. 3780. A bill for the relief of Choi Soon Yung. Referred to the Committee on the Judiciary.

By Mr. BEALL:

S. 3781. A bill to amend chapter 55 of title 10, United States Code, to provide maternity benefits to wives of certain former members of the uniformed services and to certain former female members. Referred to the Committee on Armed Services.

By Mr. JAVITS (for himself, Mr. KENNEDY, Mr. TAFT, Mr. WILLIAMS, Mr. HATHAWAY, Mr. CRANSTON, Mr. PELL, Mr. BEALL, Mr. HUGHES, Mr. STAFFORD, Mr. SCHWEIKER, Mr. RANDOLPH, Mr. DOMINICK, and Mr. EAGLETON):

S. 3782. A bill to amend the Public Health Service Act to extend for one year the authorization of appropriations for Federal capital contributions into the student loan funds of health professions education schools. Ordered to be placed on the calendar.

By Mr. FULBRIGHT:

S. 3783. A bill to implement certain provisions of the International Convention on Fishing and Conservation of the Living Resources of the High Seas, and for other purposes. Referred to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BEALL:

S. 3781. A bill to amend chapter 55 of title 10, United States Code, to provide maternity benefits to wives of certain former members of the uniformed services and to certain former female members. Referred to the Committee on Armed Services.

Mr. BEALL. Mr. President, I send to the desk a bill to provide maternity benefits to the wives of certain former servicemen and to certain former servicewomen.

This legislation is prompted by a letter from the father of a former serviceman from Baltimore County who called to my attention this problem based on his son's experience, which more than any argument I could advance, makes the case for remedial action.

The constituent in his letter to me pointed out that his son was honorably discharged from the military on February 8, 1974, at the rank of sergeant, after 4 years of service in the U.S. Air Force.

During his period of service, the sergeant was married and at the time of his discharge his wife was pregnant. Upon leaving the military his armed services medical coverage, including the provisions for maternity care, was terminated. It is obvious that the sergeant would find it virtually impossible to purchase private insurance that would reasonably cover his wife's pregnancy. This is because premiums for health insurance are essentially based on the risk assumed by the insurer. For all practical purposes, the risk of hospitalization for a woman already pregnant is 100 percent.

Therefore, premiums would have to be based on the total cost of maternity care. The sergeant, of course, following his discharge could have purchased private insurance, but such private insurance policies would have included a provision excluding benefits for pregnancies existing prior to the commencement of the policy.

The lack of insurability in this case is often compounded by unemployment suffered by the veterans. Mr. President, I agree with the sergeant's father who said in his letter to me that—

> It seems inequitable to me that the Government would discharge a young man without continuing benefits for this situation. He is now unemployed with limited funds from his separation and unable to purchase the needed insurance. Is there something that he can do to obtain medical services for his wife and the soon-to-be-born baby?

Fortunately, since our correspondence, the sergeant has found employment. But even if an individual were to find immediate employment upon leaving the military, the loss of his maternity care insurance would work a significant financial hardship on the individual. In the case of the sergeant in question, the total cost for maternity care was $2,230. This particular case was not typical since some complications were involved, but the average cost is nevertheless substantial, $800.

Mr. President, I ask unanimous consent that the full text of the bill be included at the conclusion of my remarks.

I urge the Senate Armed Services Committee and the full Senate to give favorable consideration to this measure.

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

S. 3781

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) chapter 55 of title 10, United States Code, is amended by adding at the end thereof a new section as follows:

"§ 1089. Maternity care for pregnant wives of certain former members and for certain former female members

"(a) In any case in which the wife of a member of a uniformed service is pregnant at the time her husband is discharged or released from active duty under honorable conditions after having served on active duty for a period of more than 30 days, the Secretary of Defense shall provide such wife with health benefits in connection with that pregnancy under section 1076 or 1079 of this title, as appropriate.

"(b) In any case in which a member of a uniformed service is pregnant at the time of her discharge or release from active duty under honorable conditions after having served on active duty for a period of more than 30 days, the Secretary of Defense shall provide such former member with health benefits in connection with that pregnancy under section 1076 of this title."

(b) The table of sections at the beginning of chapter 55 of such title is amended by adding at the end thereof the following:

"1089. Maternity care for pregnant wives of certain former members and for certain former female members."

SEC. 2. No benefits shall be paid to any person for a period prior to the date of enactment of this Act by virtue the amendments made by the first section of this Act.

By Mr. SCHWEIKER:

S. 3776. A bill to provide individuals serving as grand or petit jurors certain employment rights. Referred to the Committee on the Judiciary.

Mr. SCHWEIKER. Mr. President, I am introducing legislation today to guarantee that every person serving on a jury in the United States will have the right to return to his or her prior employment when jury service is completed.

Everyone knows the sixth and seventh amendments to our Constitution guarantee the right to trial by jury. Few people realize, however, that the overwhelming majority of jurors risk discharge by their employers as soon as they accept jury duty, and the juror who is not permitted to return to his prior job does not have any legal remedy, under either State or Federal law.

Historically, this has not been such a critical problem, because the frequency and the duration of jury trials were relatively low and short, and most employers tolerated the brief absences caused by jury duty. Today, expanded procedural safeguards have resulted in increasingly prolonged trials, and the incidence of jury trials has sharply increased. Indeed, in the Federal courts alone, there were over 70,000 jury trials during the 10-year period ended in 1973, which means that theoretically more than 840,000 American citizens could have been dismissed from their employment, without redress, simply for accepting the constitutional responsibility to serve as Federal jurors.

This situation was called to my attention by James A. Villanova, an assistant U.S. attorney serving in Pittsburgh. Mr. Villanova sent me two newspaper clippings—which I ask unanimous consent be printed in the RECORD in full following my remarks—detailing how two Watergate grand jurors were fired outright, and two others requested to be relieved to protect their employment. In addition, two jurors in the Mitchell-Stans trial were discharged by their employers. These are only the most publicized examples of persons who have been economically penalized simply for trying to be good citizens. Mr. Villanova informs me that this problem is pervasive, and that it is consequently increasingly difficult to find jurors who are willing to serve.

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

Mr. SCHWEIKER. Mr. President, jury duty is vital to our system of government. The jury is an institution which not only protects the legal rights of litigants, but also puts into practice our commitment to "government by the people." Aside from voting and paying taxes, jury duty represents the most direct participation which many of our citizens ever have in a governmental function. If we permit the price of this civic participation to be loss of employment, we should not be surprised that citizens shirk involvement in Government, or that the public confidence in Government continues to decline.

My bill would extend to citizens drafted for jury service the same basic reemployment protection granted to citizens called to military service. It would apply to jurors serving on both State and Federal juries, including grand jurors and trial—petit—jurors alike. This bill has the following major provisions:

First, any employee—except a temporary worker—who applies for reemployment within 15 days after completion of jury duty must be rehired with his former seniority, status, and pay, provided he receives a certificate from the court verifying his service. In the event that some disability sustained during jury duty renders him unqualified for his former position, he must be restored to the nearest reasonable approximation of his previous job.

Second, my bill provides that any employee restored to his position shall be considered to have been on furlough or leave of absence during his jury service for purposes of insurance and other employment benefits, and that such employee cannot be discharged without cause for a 1-year period thereafter.

Third, original jurisdiction is created in the Federal district courts to grant money damages under this measure, regardless of the amount of controversy, and the district courts are required to give precedence to recovery actions filed under this bill.

Finally, the U.S. attorney is required to act as attorney for any person seeking relief under this measure, and no attorney fees or court costs may be charged.

Mr. President, I ask unanimous consent that the bill be printed in full in the RECORD.

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

S. 3776

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) chapter 121 of title 28, United States Code, is amended by adding at the end thereof the following new section:

"§ 1875. Employment rights

"(a) In the case of any individual who leaves a position (other than a temporary position) in the employ of any employer to perform jury service and who receives a certificate from the court verifying such service, and makes application, within fifteen days after he is relieved from such service, to be reemployed in such position—

"(1) if such position was in the employ of a private employer, such individual shall—

"(A) if still qualified to perform the duties of such position, be restored by such employer or his successor in interest to such position or to a position of like seniority, status, and pay; or

"(B) if not qualified to perform the duties of such position by reason of disability sustained during the period of any such service but qualified to perform the duties of any other position in the employ of such employer or his successor in interest, be restored by such employer or his successor in interest to such other position the duties of which he is qualified to perform as will provide him like seniority, status, and pay, or the nearest approximation thereof consistent with the circumstances in his case;

unless the employer's circumstances have so changed as to make it impossible or unreasonable to do so; or

"(2) if such position was in the employ of any State or political subdivision thereof, it is declared to be the sense of the Congress that such individual should—

"(A) if still qualified to perform the duties of such position, be restored to such position or to a position of like seniority, status, and pay; or

"(B) if not qualified to perform the duties of such position by reason of disability sustained during the period of such service but qualified to perform the duties of any other position in the employ of the employer, be restored to such other position the duties of which he is qualified to perform as will provide him like seniority, status, and pay, or the nearest approximation thereof consistent with the circumstances in his case.

"(b)(1) Any individual who is restored to a position in accordance with the provisions of paragraph (1) of subsection (a) of this section shall be considered as having been on furlough or leave of absence during his period of jury service, shall be so restored without loss of seniority, shall be entitled to participate in insurance or other benefits offered by the employer pursuant to establishing rules and practices relating to employees on furlough or leave of absence in effect with the employer at the time such individual entered upon jury service, and shall not be discharged from such position without cause within one year after such restoration.

"(2) It is declared to be the sense of the Congress that any individual who is restored to a position in accordance with the provisions of paragraph (1) of subsection (a) of this section should be so restored in such manner as to give such individual such status in his employment as he would have enjoyed if he had continued in such employment continuously from the time of his entering upon jury service until the time of his restoration to such employment.

"(c) In any case in which two or more individuals who are entitled to be restored to a position under the provisions of this section or of any other law relating to similar reemployment benefits left the same position in order to enter upon jury service, the individual who left such position first shall have the prior right to be restored thereto, without prejudice to the reemployment rights of any other individual to be restored.

"(d) For purposes of this section, the term 'jury service' includes service upon any grand or petit jury of the United States, the District of Columbia, or any territory or possession, or of any State or political subdivision thereof.".

(b) The analysis of such chapter 121 is amended by adding at the end thereof the following new item:

"1875. Employment rights.".

SEC. 2. (a) Chapter 85 of such title is amended by adding at the end thereof the following new section:

"§ 1364. Employment rights of jurors

"(a) The district courts shall have original jurisdiction, without regard to the amount in controversy, to require any private employer to comply with the provisions of section 1875 of this title and to award damages for any loss of wages or other benefits suffered by reason of such employer's action.

"(b) The district courts shall give precedence to civil actions brought under this section. Upon application of any individual claiming entitlement to the benefits of section 1875 of this title, the United States attorney for the district in which the employer charged with a violation of such section maintains a place of business shall, if reasonably satisfied that the individual making application is entitled to such benefits, appear and act as attorney for such individual in any action necessary to require such employer to comply with such section. No fees or court costs may be taxed against any individual bringing any action under such section. Only the employer shall be deemed a necessary party to any such action."

(b) The analysis of such chapter is amended by adding at the end thereof the following new item:

"1364. Employment rights of jurors.".

EXHIBIT 1

WATERGATE DUTY TOUGH ON JURORS—TWO QUIT TO SAVE BUSINESS INTERESTS; TWO OTHERS LOSE JOBS

WASHINGTON.—Low pay and long hours have taken their toll on at least two of three grand juries investigating the Watergate break-in conspiracy.

Two persons have quit the jury to protect their businesses and two others have lost their jobs.

"BEGINNING TO DRAG"

The foreman of the official grand jury, which was empaneled nearly 19 months ago, says that jury is "beginning to drag" as the investigation wears on.

"Jury duty is usually Tuesday, Wednesday and Thursday so the heart is taken out of the business week," Julian G. Murphy, a Washington insurance salesman, said yesterday.

Murphy was one of two persons on the grand jury convened last August who asked to be relieved of his duties.

Chief Judge John J. Sirica granted Murphy's request along with that of Margaret Henry.

CITES "FATIGUE PROBLEM"

Murphy, 53, said he was suffering financially because the $20 per diem paid to the jurors did not make up for lost insurance business and he added "there is a fatigue problem, especially for the middle aged."

"You have to work nights and to go to the jury days," he said. "I had only three days vacation with my family."

The original grand jury was first called together in June 1972 and was expected to be in session only two months to deal with narcotics cases.

JURIES ADDED

But the Watergate break-in was discovered June 17, 1972, and the jurors have been pursuing the case ever since with the aid of two more recently installed juries. The two other grand juries have been empaneled since then.

"Most of them want to see this thing through, but it has been dragging on," foreman Vladimir N. Pregelj of the original jury said. "The jurors are sometimes beginning to drag.

"This (case) has been going on a long, long time and we'd like to get it over with as soon as possible."

The original jurors have met 98 separate days in the last 19 months, sometimes with little advance warning.

Pregelj said they "feel a sense of the seriousness and importance of the case and what we're doing," but their recent attempts to obtain more per diem pay brought to light some problems involved in shepherding the nation's no. 1 criminal case through the courts.

SOUGHT $25 PER DIEM

The jurors claimed they were entitled to $25 per diem instead of the normal $20.

Judge Sirica agreed, and asked that the increase for the 12 jurors involved be retroactive. The 11 other jurors are civil servants who receive full government pay but no per diem while on jury duty.

The administrative office of United States courts granted the increase, but would not make it retroactive. The jurors have asked the special Watergate prosecutor's office to intervene.

The two original jurors who need the money most are those who lost their jobs while on the jury.

"One woman was dismissed outright and the other was given so much harassment by her employer she was forced to resign," Pregelj said. He said both women are secretaries but he would not identify them or their former employers.

He said neither woman had been able to find another job.

"Imagine if you were an employer and someone asked for a job but said they couldn't work every day and sometimes would have to take two or three days a week off," Pregelj said. "Would you hire them?"

The women told Pregelj they were not qualified to receive unemployment compensation because their grand jury demands made them "unemployable."

TWO STANS JURYMEN LOSE JOBS

NEW YORK.—Two of the jurors in the Mitchell-Stans trial have lost their jobs. The employers in each case say the firings were the result of staff cutbacks.

U.S. District Court Judge Lee P. Gagliardi, who presided at the trial in which former U.S. Attorney General John N. Mitchell and ex-Commerce Secretary Maurice H. Stans were acquitted, said he was looking into the situation.

Rolando DeTouche, 33, a provisional assistant engineer-technician in the New York City Department of Transportation, was told after the trial that he was one of 2,500 provisional city employes being laid off for economy reasons.

DeTouche, who held the job for five years, said he got the bad news when he asked for several days off to hold a family reunion after being sequestered for 10 weeks.

"I was told I could have plenty of time off from now on," DeTouche said. "I was stunned."

The other juror, Theresa Cavanna, an insurance clerk with the Maryland Casualty Co. for 13 years, said that when she returned to work Monday she was told that her job had been eliminated as part of a general cutback in staff.

By Mr. CHURCH (for himself and Mr. MCCLURE):

S. 3777. A bill to authorize the establishment of City of Rocks National Monument in the State of Idaho, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

Mr. CHURCH. Mr. President, on behalf of my distinguished colleague from Idaho (Mr. MCCLURE) and myself, I introduce for appropriate reference a bill to authorize the establishment of a City of Rocks National Monument in Idaho.

At the urging of many Idahoans, including especially those people who live in close proximity to the Silent City of Rocks, and those ranchers who graze their cattle in the area, I am happy to introduce this legislation which is also being submitted, today, by Idaho's Congressmen ORVAL HANSEN and STEVE SYMMS.

Of particular concern to local residents is the threat of vandalism and defacement to the rock formations themselves. Each passing year sees an increased flow of visitors to the area and ranchers have cited instances of interference with their grazing operations as a result of unregulated visits.

Presently designated a national historic landmark, the City of Rocks is located in south-central Idaho, just south of Burley, Idaho, on the headwaters of the Raft River. The City of Rocks National Monument would comprise approximately 32,000 acres of which no more than 3,000 acres would comprise a "core area," the principal portion of the monument area in which the unique rock formations are located. With national monument status the National Park Service can provide protection and interpretation of the area's unique geologic, scientific, historic, and scenic features.

The rocks form elaborate sculptures of deeply eroded granite spires, rims, and boulders—some of which have an estimated age of 2½ billion years. Geologists say this area has a remarkable record of faulting and folding, and they stress the importance of its study. The national park system, in which the national monument would be included, contains no other phenomena of eroded granite and genesis domes similar to those displayed here.

This spectacular area of monolithic outcroppings and overhangs attracted early man, and already one ancient campsite is under study by archeologists. It is anticipated that further sites will be discovered.

Two historic Shoshoni Indian winter villages are known to have existed nearby, and it is known that as recently as the 1900's Indians camped in the area.

But it is not just the geologic and archeologic values that makes the City of Rocks meritorious as a national monument. During the great westward migration of America, the City of Rocks became famous as a stopping place on the Oregon and California Trail. The City of Rocks afforded the emigrants passage around hazardous marshes on the upper Raft River, water, good campsites, and pasture for animals. It became a spot for rest, and travelers of the 1800's wrote their names on the strange formations, many of these rosters can be seen today.

Settlement of the area did not occur until the mid-1870's, at which time settlers had begun ranching and grazing cattle in the area. A log-cabin store was opened, and a school and church established on the north side of Almo Creek. Although some dry farm wheat has been grown in the past, the land is now generally used for pasture. Ranching is the primary occupation of the area and the

proposed monument lands have served these ranching families for decades.

The authors of this bill intend that these grazing operations be allowed to continue subject only to those limitations consistent with the purposes of the monument. In discussing this proposal with many of the ranchers, I know their desire is to protect the area and to continue their grazing operations. We seek to attain these goals by calling for creation of a national monument while including specific provisions to protect grazing and to prevent the use of condemnation.

Mr. President, the bill I introduce today is a simple one. I want to reiterate that this proposal is merely a beginning, the final bill will be determined after public hearings and consideration in committee and then by both Houses of Congress. But, I do believe our proposal will provide the framework necessary to begin the task of creating a City of Rocks National Monument.

The Nation will soon celebrate its 200th birthday. For Idahoans, inclusion of this area in the national park system will be a fitting tribute to our national heritage.

I ask unanimous consent that the text of the bill appear at this point in the RECORD.

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

S. 3777

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) in order to preserve for the benefit and enjoyment of present and future generations an area containing outstanding geological formations and unique historical values, including the passage of thousands of emigrating Americans pursuing expectations of new lives in the West, the Secretary of the Interior (hereinafter referred to as the "Secretary") is authorized to acquire lands and interests therein for the establishment of the City of Rocks National Monument.

(b) The City of Rocks National Monument shall comprise the lands generally depicted on the map entitled "———", Number "———" and dated ———, which shall be kept on file and available for public inspections in the office of the Director, National Park Service, Department of Interior, and in the office of the Assistant to the Regional Director of the Pacific Northwest Region, National Park Service, Boise, Idaho; Provided, however, that such area shall not exceed 32,000 acres. Within the boundaries of the national monument; said map shall also outline the boundaries of a "Core Area" which shall not exceed 3,000 acres.

(c) The Secretary shall establish the monument by publication of a notice to that effect in the "Federal Register" at such times as he determines that sufficient property to constitute an administerable unit has been acquired.

SEC. 2. (a) The Secretary is authorized to acquire by donation, purchase with donated or appropriated funds, exchange or bequest such lands, or interests therein, including scenic easements, which he determines are needed for the purposes of this Act.

(b) Notwithstanding any other provision of law, any Federal property located within the boundaries of the monument may, with the concurrence of the agency having custody thereof, be transferred without consideration to the administrative jurisdiction of the Secretary for use by him in carrying out the purposes of this Act.

(c) Any land or interest in land owned by the State of Idaho or any of its political subdivisions may be acquired by exchange.

(d) In exercising the authority to acquire property by exchange, the Secretary may accept title to any non-Federal property, or interest therein, located within the monument; and notwithstanding any other provision of law, he may convey in exchange therefor any federally owned property within the State of Idaho which he classifies as suitable for exchange and which is under his administrative jurisdiction. The values of the properties so exchanged shall be approximately equal or, if they are not approximately equal, they shall be equalized by the payment of cash to the grantor or to the Secretary as the circumstances require.

SEC. 3. The grazing use of public land outside the Core Area but included within the boundaries of the City of Rocks National Monument shall, upon enactment of this Act, be deemed to be a use compatible with the purposes of such monument and the provisions of this Act.

SEC. 4. Pending establishment of the monument and thereafter, the Secretary shall administer property acquired pursuant to this Act in accordance with the Act of August 25, 1916 (39 Stat. 535; 16 U.S.C. 1, 2–4), as amended and supplemented, and the Act of August 21, 1935 (49 Stat. 666; 16 U.S.C. 461–467), as amended.

SEC. 5. There is hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act.

Mr. McCLURE. Mr. President, today I cosponsor a bill to provide for the establishment of the City of Rocks National Monument in the State of Idaho. The City of Rocks is an area in southern Idaho which combines outstanding geological formations and historical values against a background of exceptional scenic grandeur.

The Albion Mountain Range runs down through this area, and it has a geologic history that goes back more than 2½ billion years. The basic crystalline complex of the range was buried by tons of newer rocks which resulted in high temperatures and extreme pressures at great depths below the Earth's surface. As time passed, this overburden of new rocks was uplifted and finally after 10 miles of vertical uplift, the ancient rocks which formed the base of the mountain range were exposed by erosion. Some geologists claim that some of the ancient rocks originated far to the West and were moved to this area on thrust faults. And so, the area is one where great and interesting scientific debate abounds.

As a result of the erosion process, the unique monoliths of eroded granite were exposed, and it is this area that we know as the City of Rocks. Aside from the outstanding geologic history that the City of Rocks tells us, the area is also important for its "mantled gneiss domes." As its name implies, this is a structural uplift, or dome, generally covered by the foliated metamorphic rock called "gneiss." Throughout the world, gneiss domes usually form the exposed cores of any great mountain chain's hinterlands. Although many gneiss domes do exist, few are so easily seen and interpreted as those in the City of Rocks area.

And the City of Rocks also has historical values. Ancient people found there among these strange rock formations, some protection from a hostile environment. Archeologists believe that prehistoric people lived in the area of the City of Rocks, and there is one known ancient campsite to back that up. It is known that there were at least two large historic Shoshoni Indian winter villages and that as recently as the 1900's, Indians camped in the area.

But the most important historical value of the City of Rocks is the role it played in the great westward migration during the 1800's. The movement of thousands of emigrants across plains and mountains to the Far West was a dramatic event unduplicated in our history. The tenacity, bravery, and energy of those pioneers is legendary in the annals of American achievement. During the 19th century, the picturesque City of Rocks was the junction of a number of transportation routes where thousands of these emigrating Americans paused while pursuing their hopes and expectations for a new life in the West. The westward migration and each ensuing frontier settlement born out of this far-flung frontier movement have provided this Nation with a unique heritage of dynamic struggle in colonizing a continent—and the City of Rocks was instrumental in that movement.

The overland migrations were composed of three significant population movements: the optimistic pioneer farmers moving into the fertile valleys of California and Oregon; the persevering Mormons, searching for an area where they might live in peace; and the hordes of Forty-Niners heading West with visions of quick and easy wealth. Thus, the westward migration of Americans resulted from a combination of circumstances and motives. But beneath it all was a desire to improve their prospects for the good life whether expressed in terms of land or gold or simply the freedom to pursue happiness.

The longest, most significant and most heavily traveled route of overland migration during the 19th century was that known as the "Oregon Trail." It was the sole artery of overland travel to Oregon and later became the most important access route to the California Gold Rush of 1849. And the early pioneers were constantly searching for new travel routes in order to avoid such menacing barriers as the Salt Desert and the Great Salt Lake. The City of Rocks, sometimes called the "Silent City of Rocks," owes much of its prominence to the proximity of these everchanging historic routes. The first practicable route to California, going north of the Great Salt Lake, passed directly through the City of Rocks area.

During the earlier years, this route was spoken of as the "California Trail." But after 1846, it was sometimes referred to as the "Applegate Trail" due to its use by Oregon-bound emigrants who wished to enter the Willamette Valley from the South. In this instance, it served as an alternate route to the Oregon Trail.

In 1848, a new connection to the California trail was established from the Mormon settlement at Salt Lake to a junction with the orginal California trail. This new connection went just south of the Twin Sisters in Emigrant Canyon in the City of Rocks. This route later became the main emigrant thoroughfare and was known as the Salt Lake Cutoff.

The City of Rocks area provided emigrants with a passage around the hazardous marshes of the upper Raft River, good campsites, plenty of water, and pasturage for their animals. Their arrival at City of Rocks was usually an occasion for a rest and an interesting respite from the arduous journey. As they climbed over the unusual rock formations of eroded granite, many of these rocks became covered with the names of those who passed by on the trail. I can well imagine that the members of the wagon trains not only added their names to the roster, but searched the rocks for the names of relatives and friends who had preceded them westward.

To the emigrant, the City of Rocks was the portal to a new and unpleasant adventure, a change from the comparatively easy pull through the Platte and Snake River Basins to the arid, danger-ridden Great Basin. City of Rocks, with its rugged skyline, portended rough passage through Granite Pass ahead and a descent to hardship in the bleak Humboldt Valley beyond. Here, at City of Rocks, amidst the apprehensive view, was a chance for forage, rest, and merriment before embarking on a new regime of travel. City of Rocks, too, was a relief from past boredom of travel, a place for wonderment among the granite pinnacles, such a contrast from the easterly plains.

It is not difficult to imagine the emigrants' hardships as they crossed southern Idaho en route to Oregon and California some 120 years ago. Mute evidence of their crossing still remains—worn rock ledges and old junipers that bear scars of the ropes and handmade chains used to help loaded wagons down steep grades, the ruts of the wagon wheels, handmade oxshoes, horseshoes, and lengths of chain and various pieces of metal rusting in dry washes and on sagebrush flats.

And so we have an area which is nothing less than an epilog of people, land, and events. The beautiful and unusual geological formations as well as the historical values of City of Rocks are superlative. In addition, there is an abundance of interesting plants and animals in the area. The delicately balanced blending that characterizes this area's collective resources—natural, historical, cultural, and scientific—ascribe a special significance and appeal to the area. And I think that these resources must be preserved in some manner.

The City of Rocks was designated a national historic landmark in 1963 and a national natural landmark in 1974. The national park system contains no other phenomena of eroded granite and gneiss domes similar to those displayed in the City of Rocks area, and nowhere in the entire system is there emphasis on the California trail and the people who used it. It is for these reasons as well as the desire to preserve the area that I cosponsor this bill today.

By Mr. DOLE:

S. 3779. A bill to amend chapter 37 of title 38, United States Code, to improve the basic provisions of the veterans farm and business loan programs. (Referred to the Committee on Veterans Affairs.)

VA FARM AND BUSINESS LOANS FOR VIETNAM VETERANS

Mr. DOLE. Mr. President, I am introducing a bill today to make Vietnam veterans eligible for the VA business loan program and to raise the lending levels under the VA business and farm loan programs to a meaningful level. VA loan guarantees would be increased to $100,000 for farm loans and $219,000 for business loans.

The purpose of this bill is to help those Vietnam-era veterans in Kansas and other States who are trying to start their own businesses or farms. World War II veterans received VA assistance in getting started in their own businesses. Many of us here benefited from these loan programs. I challenge any member of the Senate or anyone else to explain to me why Vietnam veterans earned an equivalent award any less than veterans of World War II or any other war.

ASSISTANCE NEEDED MORE THAN EVER

The difficulty of veterans getting started in farming and business these days is even greater now than it was 25 years ago. Veterans need realistic farm and business loan programs even more now than we did in the earlier era.

The difficulties of a young veteran trying to get started in farming are especially acute. In trying to buy farmland, he faces prices that rose 13 percent in fiscal year 1973 and 25 percent in fiscal year 1974. Farm real estate values are expected to rise another 15 percent during 1975. And these figures are on a nationwide average. Farm landprices have risen even more sharply in Kansas and other major agriculture States. For example, land which sold at $200 an acre in 1971 or 1972 is now selling for $500 to $1,000 per acre. In an area where a young farmer normally needs at least 160 acres or more to make a living, as in Kansas, the size of the investment is tremendous.

FARM EXPENSES SOARING

And the cost of farm real estate is only part of the problem. Agricultural expenses have doubled and even tripled in the past year or so. Fertilizer prices are two or three times as high as last year, and in some cases of imported or "blackmarket" fertilizer, the prices are six or seven times as high as last year. The price of fuel has nearly doubled. The cost of equipment has also risen sharply.

All of these increased expenditures make it harder for a young farmer to get started, and veterans interested in farming are generally young men facing these difficulties.

This country needs young farmers perhaps more than ever in its history. With the tremendous migration of our population from rural to urban areas, we have seen a trend where a large number of our farmers are approaching retirement age. Because of the expense and difficulty of the agriculture business, many young men choose an urban job and a steady income instead of the continual risk involved in farming.

At the same time, we are seeing a trend where food is increasingly becoming the No. 1 issue in the world. The food production requirements placed on American farmers have increased sharply in the past 2 years and are expected to continue to increase in the future. This is why we need more young farmers.

Veterans going into farming, by and large, would be young farmers. They would help insure a continuity of expertise in our agriculture industries.

LOAN LEVEL GROSSLY INADEQUATE

Mr. President, we see that the level of loan garantees provided under the VA farm loan program is totally inadequate. A maximum limit of $4,000 on real estate and $2,000 on non-real estate loans is reminiscent of an era 25 years ago.

As I have already outlined, the cost of getting started in agriculture is many, many times this amount. Agriculture is one of the most capital-intensive industries and a loan limitation of $100,000, as my bill provides, is hardly excessive. This is the lending level of Farmers Home Administration, and I certainly believe that veterans should be eligible for the same level of assistance as other young men.

SIMILAR CONDITIONS IN BUSINESS

Mr. President, the situation of a young man trying to start his own business is similar to that of a young farmer. The expenses of real estate and property have skyrocketed.

In order to be competitive in today's industry, the small independent businessman must be able to operate on a size and efficiency adequate to enable him to be competitive. The young veteran trying to get started in his own enterprise faces a tremendous problem.

We see that the Vietnam-era veteran is not even eligible for the VA business loan guarantees. My bill corrects this situation by making Vietnam-era veterans eligible for the program.

In addition, in a manner parallel to the farm loan program, we see that the level of VA business loan guarantees is still about a quarter of a century behind the times. The maximum loan limit of $10,000 is hardly adequate to get anyone started in business. My bill raises the loan limit to a level equivalent to that of the Small Business Administration. This limit, $219,000, will hopefully enable more young veterans to establish their own independent commercial operations.

Mr. President, the Senate is presently working on an improved veterans education bill. I support these efforts and have taken a leading role in getting veterans education legislation introduced. However, not all veterans are attending school and these men need assistance just as other veterans do. In any event, all veterans who are trying to get established in their own business enterprises need assistance.

In my opinion, this bill is greatly needed and is long overdue. I urge every Senator to support this measure.

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

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

S. 3779

A bill to amend chapter 37 of title 38, United States Code, to improve the basic provisions of the veteran farm and business loan programs.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection 1803(b) of title 38, United States Code, is amended by deleting the first sentence thereof.

SEC. 2. Subsection 1812(b)(4) of title 38, United States Code, is amended by striking out the period at the end of the sentence and inserting in lieu thereof the following: ", or $100,000, whichever is the lesser."

SEC. 3. Subsection 1813(b)(4) of title 38, United States Code, is amended by striking out the period at the end of the sentence and inserting in lieu thereof the following: ", or $219,000, whichever is the lesser."

SEC. 4. Section 1818 of title 38, United States Code, is amended as follows:

(a) Subsection (a) is amended by deleting "(except sections 1813 and 1815, and business loans under section 1814, of this title)" and inserting in lieu thereof "(except section 1815 and business loans under section 1814 of this title)"; and

(b) Subsection (c) is amended by deleting "sections 1813 and 1815, and business loans under section 1814 of this title" and inserting in lieu thereof "section 1815 and business loans under section 1814 of this title."

By Mr. JAVITS (for himself, Mr. KENNEDY, Mr. TAFT, Mr. WILLIAMS, Mr. HATHAWAY, Mr. CRANSTON, Mr. PELL, Mr. BEALL, Mr. HUGHES, Mr. STAFFORD, Mr. SCHWEIKER, Mr. RANDOLPH, Mr. DOMINICK, and Mr. EAGLETON):

S. 3782. A bill to amend the Public Health Service Act to extend for 1 year the authorization of appropriations for Federal capital contributions into the student loan funds of health professions education schools. Ordered to be placed on the calendar.

THE EMERGENCY HEALTH PROFESSIONS EDUCATIONAL ASSISTANCE ACT

Mr. JAVITS. Mr. President, I am going to present a bill which, for reasons of its being a very serious emergency, I am going to ask unanimous consent to go right on the calendar, although I will not call it up today, but explain it in great detail so Members will have until, say, next Tuesday to look at it carefully.

The bill is sponsored by 12 of the, I think it is, 16 or 17, whatever is our total number, of the members of the Committee on Labor and Public Welfare.

Mr. President, on behalf of myself and Senator KENNEDY and of Senators TAFT, WILLIAMS, HATHAWAY, CRANSTON, PELL, BEALL, HUGHES, STAFFORD, SCHWEIKER, RANDOLPH, DOMINICK, and EAGLETON, I am introducing today the "Emergency Health Professions Educational Assistance Act" (S. 3782), and a companion measure is being introduced in the House of Representatives by the distinguished chairman of the Public Health and Environment Subcommittee, Representative PAUL G. ROGERS of Florida.

Our bill is an emergency measure which would authorize the extension of the present Health Professions and Nursing Loan Programs for 1 year at the fiscal year 1974 authorization levels of $60,000,000 and $35,000,000 respectively. Without such legislation thousands of nursing and medical students just beginning their education will be denied the opportunity to receive financial assistance and many may be compelled to drop out. First year students are not eligible for such financial assistance without the provisions of this bill.

Mr. President, I intend in a moment to ask unanimous consent that this bill be placed on the calendar, but I do not do so now.

Under the terms of the continuing resolution House Joint Resolution 1062, "activities for 'Health Resources' as set forth in the 1975 budget" shall receive "such amounts as may be necessary for continuing projects or activities—not otherwise provided for in this joint resolution or other enacted Appropriation Acts for the fiscal year 1975—which were conducted in the fiscal year 1974 and are listed in this subsection at a rate for operations not in excess of the current rate or the rate provided for in the budget estimate, whichever is lower, and under the more restrictive authority . . ."

The loan program provisions of the Public Health Service Act with respect to these loans authorize funds to enable the Government to honor its commitment of loans to previous recipients, and the administration intends to fund only those students who received loans last year. The administration only requested phase-out money in the fiscal year 1975 budget for health loan programs but has requested no new student loan program funds, as indicated by the following appropriations chart:

[In millions of dollars]

	Fiscal year—		
	1973	1974	1975 (budget estimate)
Health professions loans	36	36M	30
Nursing loans	24	[1] 24	18

[1] Cut 5 percent to $22,800,000.

The enactment of this authorizing legislation will enable an appropriation to be provided by the Senate in the 1975 Labor/HEW appropriations bill. Also it may enable schools to spend even a reduced appropriation for all classes and so some funds might be available to the beginning classes. The schools might be able to use the funds more flexibly.

While the Senate and House Committees are currently working on the development of health manpower legislation which would revise the expired loan programs, it is now apparent that action cannot be completed in time to provide support to this year's entering class of nurses, physicians, dentists, osteopaths, pharmacists, veterinarians, optometrists, and podiatrists.

Over one-half of the entering classes in medical school—14,500 students—will require loans and over one-half of the loans to be made would have come from the health professions loan program; 96,000 nursing students enter school this year and approximately 20 percent—19,200—were expected to receive the special nursing student loans in addition to the other grants and loans for which they, as undergraduate students, qualify.

Without this emergency legislation the loan fund cannot be utilized except on behalf of those students who had previously received loans. In view of the late date other financial aid funds for entering students are already allocated on the expectation that health loan funds would have been available. This is truly a national problem affecting students in institutions throughout the country.

Mr. President, the bill, as I say, is sponsored by the overwhelming majority of the members of the Committee on Labor and Public Welfare, and a companion measure is being introduced in the House of Representatives for the very same reason, that it is an emergency.

What we are trying to do is see that those who go to nursing and medical schools, the first-year students, may be able to have their student loans at the opening of the fall session.

What has happened is that the authorization has expired as of June 30, 1974, which would accommodate loans to these first-year students. The administration does not desire to make loans to first-year students, and hence has simply allowed the law to lapse without seeking renewal, because it simply wants to continue loans to students already in the medical schools and the nursing schools. So that is the key issue.

To understand the impact of this cutoff of funds more completely, I ask unanimous consent that the full text of a report entitled "The Impact of the Health Professions Loan Programs on Selected Medical Students at Private Universities" from John C. Crowley, assistant executive secretary of the Association of American Universities be printed in the RECORD.

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

THE IMPACT OF THE HEALTH PROFESSIONS LOAN PROGRAMS ON FIRST YEAR MEDICAL STUDENTS AT SELECTED PRIVATE UNIVERSITIES

COLUMBIA UNIVERSITY

Medical School: The total student enrollment in 1973–74 was 580, of whom 147 were 1st year students. Minority students constitute 12.5% (72) of the total enrollment. Minority enrollment has continued to increase at a rate of 1.7% compounded annually. Sixty percent of the total student body receive some financial assistance, 90% of minority students receive assistance.

Total student body financial aid from all sources in 1973–74 was $1,740,000. Of this $850,000 was in the form of scholarships and grants and $890,000 was provided in the form of loans. A total of 515 loans were granted, of which 225 (43.7%) were health professions loans totaling almost $300,000.

In the words of medical school financial administrators the health professions loan program is "very critical, we could not survive" without it. The Columbia University medical school is "committed to the enrollment of the best qualified students; without these loans the medical school could not continue to live up to its commitment and obligation to provide high quality medical education to the best qualified students."

School of Dentistry: In the dental school 55% of the student body requires financial assistance. Private scholarship resources compared to the medical school are modest. Therefore 75% of the available aid is in the form of loans. Approximately ⅓ of the total loans granted are health professions loans.

Thus dental students are highly, dependent upon them.

Trend: The financial aid officer at the Medical School of Columbia University reports that the growth rate in total financial aid provided over a seven-year period (1967–74), as a result of the steady increase in the cost of education to the medical student, is 9% compounded annually. During this period the number of students requiring financial aid has increased at a rate of 5.1% compounded annually. The total student population, has increased 3.5% annually. Therefore the aggregate financial aid requirements between 1967–1974 increased at a rate of 19.5% compounded annually. In this setting the Health Profession Loans provide a vital financial assistance service.

HARVARD UNIVERSITY

The Health Professions loan fund at the Harvard Medical School constitute approximately ¼ of the total loans made to students. Approximately $325,000 is awarded annually in Health Professions loans.

Of a total 1st year class in 1973–74 of 165 students, 115 received financial aid. Of these, thirty-four students each received a health professions loan of $1,500. Three students received $1,000 each. Although the annual individual loan limit under the program is $3,500, the maximum health professions loan per student for first-year students was restricted to $1,500, or less, to avoid an inequitable distribution of these scarce loan funds among the total student body. Advance students received a maximum loan of $2,000, down from $2,500 the year before.

If health professions loans are further reduced the repayments received by the medical school would probably have to be distributed inequitably among the four classes in order to provide health professions loans to the most needy first-year students. In effect this would mean a thinning-out of the program, as approximately 45 needy upper class students would have their health professions loans restricted.

These students frequently come from disadvantaged and minority families. The Financial Aid Officers at the Harvard Medical School stressed that although other loan funds might be available, they would be available only at substantially higher interest rates and without the valuable deferment and service cancellation provisions of the health professions loans.

The health professions loans have been an incentive for minority and disadvantaged students to enter the health professions. The overriding concern of financial aid administrators at all the medical schools contacted, including the Harvard Medical School, was that the upward trend toward greater enrollments of minority and disadvantaged students would be seriously slowed, or even reversed, if the federal commitment to provide low cost loans to medical students is ended.

UNIVERSITY OF IOWA

Medical School: In the fall of 1974, the medical school of the University of Iowa will enroll an estimated 671 students, of whom 238 (35.5%) will be advanced students eligible for the health professions loan program. A first-year class of 181 students is projected, including 83 students eligible for these loans. The 238 continuing students would be eligible for a total of $272,559 in loans, and first-year students would need an estimated $95,450, for a total health profession loan need of $368,009.

The medical school expects to enroll 26 minority students, all of whom would participate in the health profession loan program. The Financial Aid Office of the University reports that no private resources are available to provide needy students with such long term loans. Medical students, therefore are highly dependent upon the health profession loan program.

Dental School: The anticipated total 1974 fall enrollment is 338 students. Of these 115 advanced students are eligible for a total of $283,354 in health professions loans. Of the first-year class, 42 students are eligible for a total of $102,900 in loans. Therefore 157 dental students at the University of Iowa are eligible this fall for a total of $386,254 in health professions loans.

In just these two schools at the University of Iowa needy students will be eligible for health professions loans in excess of $750,000. First-year students will the eligible for almost $200,000 in loans. The program, therefore, is of vital interest to the medical students of the University of Iowa.

NEW YORK UNIVERSITY

Medical School: In 1973–74, 191 students (31.2%) of a total enrollment of 612 received health professions loans totaling $259,920. Of these 191 students, 47 (24.6%) were first-year students.

School of Dentistry: In 1973–74 23.5% (169) of the total school enrollment of 720 students financed their medical education in part with health professions loans. Of the 169 students participating in the health professions loan program 61 (36.1%) were first-year students. The total amount borrowed by dental students was $196,045.

The health professions loan program is centrally important to the student assistance program for medical and dental students at New York University.

STANFORD UNIVERSITY

In academic year 1973–74 109 students (29%) of a total enrollment of 370 in the medical school borrowed a total of $132,613 in health profession loans. Of these 109 students 26 were first-year students. This loan fund is the largest loan fund of the Stanford Medical School and is, therefore, crucial to their aid program.

Until the authorization for health professions loans is passed, the medical school is not assigning any loans to its incoming class. Of the 86 incoming students this fall, however, it is estimated that 30 students would qualify for these loans. If first-year and advanced medical students can not obtain a health profession loan they would be forced to borrow very high cost loans, such as an AMA loan which has an interest rate calculated at the total of the current prime rate *plus* two percent—a very high rate in today's money market!

Low income students are the most frequent borrowers under the program, and, therefore, the group of students least able to cope with this financial burden would be hardest hit. The total 9-month budgeted cost to the student at the medical school is $6,540, including $3,570 for tuition. The health professions loan program is vital to the needy student in meeting this very substantial cost of professional education.

UNIVERSITY OF PENNSYLVANIA

School	Total enrollment, 1973–74	Total health professions loans		First-year loans	
		Number	Amount	Number	Amount
Medicine	603	233	$307,000	70	$103,000
Dentistry	580	237	247,000	67	64,850
Veterinary	372	134	209,000	40	75,000
Nursing	216	64	47,000	(1)	(1)

[1] Not available.

The Student Financial Aid Office of the University of Pennsylvania prepared the data shown above. The office concludes that without the health professions loan fund many students would be unable to meet the high costs of a medical education.

To illustrate, a first-year student in the School of Dentistry in academic year 1974–75 will require $8,750 to meet the total costs incurred during the 9-month academic year. This amount includes $3,710 tuition and fees and $2,250 for books and instruments. Needy students already are required to borrow the maximum available guaranteed student loan before additional aid is provided. If a student with full need borrows $2,500 under the G.S.L. program his remaining need will be between $5,550 and $6,250 depending upon the amount saved from summer earnings. Without a health professions loan existing resources could not fill that aid gap, and that student may be denied access to the School of Dentistry. The University does not have sufficient private resources to assume the financial burden of meeting the aid requirements of all needy students now served by the health professions loan program, which even at current levels is inadequate to meet the needs of students. A further reduction would place unprecedented burdens on both students and their schools.

Mr. JAVITS. Mr. President, I also ask unanimous consent to have printed in the RECORD a list of the members of that association.

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

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, Col. 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, Ia. 50010.
University of Iowa, Iowa City, Ia. 52240.
The Johns Hopkins University, Baltimore, Md. 21218.
University of Kansas, Lawrence, Kan. 66044.
University of Maryland, College Park, Md. 20742.
Massachusetts Institute of Technology, Cambridge, Mass. 02139.
McGill University, Montreal, Quebec, Canada.
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, Penn. 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, Charlottesville, 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.

Mr. JAVITS. Mr. President, we have, for insertion in the RECORD, an analysis of the situation of a large number of private universities and at various medical schools, including Columbia, Harvard, the University of Iowa, New York University, Stanford in California, and the University of Pennsylvania, by way of illustration from those institutions as to what it means to their first-year classes.

A brief review of the students' situations on several campuses and in different programs of study across the Nation—exclusive of information according to the financial aid director for all 72 State University of New York institutions, that the decision to cut off health professions and nursing student loans will affect over 1,800 State university students in the health field—indicates:

At State University of New York/Upstate Medical Center, 43 freshmen students, of whom 16 come from families with incomes under $10,000, and which university required parental contributions for health professions loan eligibility will need $94,121.

At Rutgers University one-third of the entering class, 52 freshmen students need $70,650.

At the University of New Mexico—which has exhausted its own resources to aid new students—there are now pending applications for health professions and nursing loans from 60 new students in nursing, 35 in medicine, and 25 in pharmacy.

At Stanford University Medical School no loans are assigned to the incoming class of 86, yet 30 qualify for these loans.

Low-income students are the most frequent borrowers under the program, and, therefore, the group of students least able to cope with this financial burden would be hardest hit. The health professions loan program is vital to the needy student in meeting this very substantial cost of professional education.

At the new medical school at the State University of New York, Stony Brook, each student applying for aid must borrow the maximum allowable loan from the New York State administered national guaranteed student loan program. They must also apply for the health professions loan program. Finally, each student must complete a financial statement which is reviewed by the college scholarship service to determine the total amount of the student's financial need. Notwithstanding these stringent requirements over one-half of the entering class of 48 has been determined to need additional loan assistance through the health profession loan programs. The 10 colleges in City University of New York offering nursing programs expect to have 1,100 initial year nursing students eligible to participate in the loan program. Based on last year's average loans these students could expect to receive loans totaling $600,000.

It has been suggested that students in the health area participate more fully in the other general student assistance programs. Because of the short time remaining before school opens, many of the programs are simply not available to the students this year and even more importantly the available funds are insufficient to meet the needs of the nonhealth students. Appropriations for these programs were made 1 year in advance and have already been allocated to the institutions without anticipating this new group of needy students.

Taking the student aid programs individually, some freshmen nursing students will be eligible for basic opportunity grants—BOG grants—but this program, which holds promise for the future, has not been fully funded and therefore grants which can never exceed one-half of a student's financial need, will be reduced. In addition, grant aid is available only to the most needy students. The supplementary opportunity grant program—for undergraduates only—and the college work study program—for graduates and undergraduates—have been funded at about the same level for several years. During this time numerous new institutions and students have become eligible for funds and there is simply too little money to meet the need of all eligible students.

In addition, the allocations for these programs too have already been made with the expectation that health students would have other alternatives. The nonhealth student loan programs will provide almost no relief to these students.

In 44 States students are not allowed to borrow more than $1,500 per year from the federally guaranteed loan program. With average costs of $6,000 at private medical schools and $3,500 to $4,500 costs at public schools, the national guaranteed student loan—NGSL—is miniscule. Further, because of tight money and high interest rates, banks are reluctant to invest additional funds in guaranteed loans and according to the National Association of Student Financial Aid officers, loans are even more difficult for students to obtain for this fall. Many health professions institutions also do not allow their students to work the first year because of the very heavy schedule in the beginning year. Both the Comprehensive Health Manpower and the Nurse Training Acts of 1971 forbid national direct student loan—NDSL—to students eligible to participate in special health loan programs. Again funding for direct loans is inadequate for additional unexpected students.

In order to permit an orderly transition and in order to avert the disastrous effects of the President's budget, I believe it is necessary to extend these two legislative authorities for 1 year. That is exactly what the bill does. It makes no substantive changes in the law at all. It adds no new money but simply extends the life of the provisions from June 30, 1974, to June 30, 1975.

Mr. President, the case, we think—that is, the overwhelming majority of the members of our committee—is a very strong one, and it is only because it is an emergency, without in any way being a precedent, that the matter is in limbo at this particular moment, and hence the desire to avoid the committee stage, though it is our own committee, by putting the bill up on the calendar, where it can be called up at the earliest possible convenience because of its emergency nature.

I send the bill to the desk for myself, the Senator from Massachusetts (Mr. KENNEDY), and a number of cosponsors, all of whom are members of the Committee on Labor and Public Welfare, and ask unanimous consent that the bill be placed on the calendar.

The PRESIDING OFFICER. Without objection, the bill will be considered as having been read twice, and will be placed on the calendar.

Mr. JAVITS. Mr. President, I have discussed this matter with the majority leader and with the deputy majority leader, and again wish to emphasize that this is not a precedent, either for me or for anyone else. It is just an emergency, and the concentration of the sponsorship by members of our own committee, we believe, justifies this particular type of action.

Mr. MANSFIELD. Mr. President, if the Senator will yield, the Senator has well stated the position of the majority leader. It is because of the unusual emergency nature of the situation that this is being allowed at this time, but I want to join the Senator from New York in emphasizing that this is not to be considered a precedent for the future.

Mr. JAVITS. I thank my colleague.

Mr. TAFT. Mr. President, I am pleased to cosponsor the Emergency Health Professions Educational Assistance Act introduced by the Senator from New York (Mr. JAVITS).

This bill would extend for 1 year the authorization of appropriations of a program in the Public Health Service Act providing for Federal capital contributions into the student loan funds of health professions educational schools. This authorization ended June 30 of this year. In order that extension legislation could be enacted for legislation whose authorization ended on June 30, House Joint Resolution 1062, a continuing appropriations bill, was passed and made law on June 30. Whereas most of the programs in the Public Health Service Act were funded through September 30 by this resolution, the student loan program was not. Since it was not a part of the administration's 1975 budget proposal, it was not included in the continuing resolution.

Although the administration's deletion from their budget proposal appears to have been just an attempt to change from one program of assisting health professions students to another, it has grievous consequences for needy students entering medical school this fall. They must attempt to put together their

loan package immediately, and they have no place to turn.

The various health bills extending and revising the Public Health Service Act are still before the Labor and Public Welfare Committee. These bills are quite controversial, so it is likely that it might be a while before they become law. The need for loans is too urgent for any of these bills to be passed in time.

There remains the option of the National Health Service Corps which is still funded. Unfortunately, however, it is funded at only $3 million, whereas the administration has requested $21 million. With insufficient funding, the corps would not be able to offer nearly enough positions for all the health professions students needing financial assistance.

The only other option for Federal aid is the Federal guaranteed student loan program, a loan program open to all graduate and undergraduate students. This program seems to the one, to which the admiinstration wishes to shift health professions students. Unfortunately the maximum amount that can be borrowed in 1 year under that program is $2,500. Considering the high cost of health education, this does not go a long way. The administration has realized this and proposed that the maximum amount be raised to up to $8,000 a year. This, however, is still just a proposal and can do little for students entering health professions schools this fall.

To make matters worse, officials at Ohio State University advise me that many banks do not enter into the guaranteed student loan program, and those that do usually offer a maximum yearly rate consderably less than $2,500.

Also, many banks do not allow students to participate unless their parents are already customers of the bank, and then require cosignatures.

Even with Federal capital contributions into the student loan funds of health professions schools, Ohio State University needed approximately $600,000 in student loans last year for students in their six health professions schools. If this legislation continuing these Federal contributions is not passed, officials at Ohio State predict they will need over $2 million in student loan money. They have no idea where they will get these funds. This will either put Ohio State into financial crisis, or they will have to accept only those students able to pay full tuition if such students exist. Nationwide, this situation could harmfully affect all of the health professions schools in the country this year, and it could have a harmful effect on the entire health field in the years to come. With the obvious extreme urgency of this legislation, I urge immediate passage of the Emergency Health Professions Educational Assistance Act.

By Mr. FULBRIGHT:

S. 3783. A bill to implement certain provisions of the International Convention on Fishing and Conservation of the Living Resources of the High Seas, and for other purposes. Referred to the Committee on Foreign Relations, by unanimous consent.

Mr. FULBRIGHT. Mr. President, I am today introducing a bill to implement certain provisions of the International Convention on Fishing and Conservation of the High Seas, and for other purposes, and I request unanimous consent that this bill be referred to the Committee on Foreign Relations.

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

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 2022

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

S. 2801

At the request of Mr. PROXMIRE, the Senator from Alabama (Mr. ALLEN) was added as a cosponsor of S. 2801, a bill to amend the Federal Food, Drug, and Cosmetic Act to include a definition of food supplements, and for other purposes.

S. 3460

At the request of Mr. DOMENICI, the Senator from Mississippi (Mr. STENNIS), the Senator from Ohio, (Mr. TAFT), and the Senator from Texas (Mr. TOWER) were added as cosponsors of S. 3460 to amend the Internal Revenue Code of 1954 with respect to certain charitable contributions.

S. 3480

At the request of Mr. TUNNEY, the Senator from Washington (Mr. JACKSON) was added as a cosponsor of S. 3480, the National Summer Youth Sports program.

S. 3513

At the request of Mr. TOWER, the Senator from Texas (Mr. BENTSEN) was added as a cosponsor of S. 3515, a bill to authorize the Secretary of the Interior to construct, operate, and maintain the Neuces River project, Texas, and for other purposes.

S. 3625

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

S. 3649

At the request of Mr. PELL, the Senator from South Dakota (Mr. ABOUREZK), the Senator from Tennessee (Mr. BAKER), the Senator from Texas (Mr. BENTSEN), the Senator from Tennessee (Mr. BROCK), the Senator from Massachusetts (Mr. BROOKE), the Senator from California (Mr. CRANSTON), the Senator from Maine (Mr. HATHAWAY), the Senator from Minnesota (Mr. HUMPHREY), the Senator from New York (Mr. JAVITS), the Senator from Maryland (Mr. MATHIAS), the Senator from New Hampshire (Mr. MCINTYRE), the Senator from Wyoming (Mr. MCGEE), the Senator from Montana (Mr. METCALF), the Senator from Minnesota (Mr. MONDALE), the Senator from New Mexico (Mr. MONTOYA), and the Senator from Wisconsin (Mr. NELSON) were added as cosponsors of S. 3649, the Social Security Recipients Fairness Act of 1974.

S. 3717

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

S. 3758

At the request of Mr. HATFIELD, the Senator from Maryland (Mr. MATHIAS) was added as a cosponsor of S. 3758, a bill to amend section 121 of the Internal Revenue Code of 1954 to increase the exclusion from gross income of gain from the sale of a residence by an individual who is 65 years or older.

S. 3769

At the request of Mr. PELL, the Senator from Illinois (Mr. STEVENSON) was added as a cosponsor of S. 3769, a bill to amend title II of the Social Security Act to increase to $3,000 the annual amount which an individual may earn without suffering deductions from monthly insurance benefits on account of excess earnings.

SENATE RESOLUTION 360—SUBMISSION OF A RESOLUTION AUTHORIZING SUPPLEMENTAL EXPENDITURES BY THE SPECIAL COMMITTEE ON AGING FOR INQUIRIES AND INVESTIGATIONS

(Referred to the Committee on Rules and Administration.)

Mr. CHURCH submitted the following resolution:

S. RES. 360

Resolved, That section 4 of Senate Resolution 51, Ninety-third Congress, agreed to February 22, 1973, is amended by striking out "$411,000" and inserting in lieu thereof "$415,500".

CONSUMER PROTECTION AGENCY ACT—AMENDMENTS

AMENDMENT NO. 1576

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

Mr. BUCKLEY submitted an amendment, intended to be proposed by him, to the bill (S. 707) 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. BUCKLEY. Mr. President, yesterday the Senate adopted almost unanimously an amendment to S. 707 introduced by the distinguished junior Senator from New Mexico (Mr. DOMENICI) that would offer small businesses limited protection against some of the onerous overhead burdens that the Consumer Protection Agency could impose on them. I am encouraged by this vote to believe that this body shares my growing concern over the heavy burdens that are being imposed increasingly on small businesses and small people by the regulatory bodies and agencies we continue to proliferate.

I therefore hope that the amendment to S. 707 that I now send to the desk may find wide support. The purpose of my amendment is to protect small businesses from two other areas where they can be subjected to undue burdens and even to harassment by the all-powerful Consumer Protection Agency that is to be created under this bill.

The first concerns agency adjudica-

tions of violations of laws. These proceedings are administrative trials prosecuted by Federal agency lawyers before their own commissions in which a businessman or business is charged with violating a law or regulation under law.

Within the spectrum of all Federal agency proceedings and activities, there are relatively few such agency adjudications. But, in these, small businessmen are particularly vulnerable because of the expense of defending themselves—often in Washington, D.C.—and because of the bad publicity these proceedings generate.

Most small businesses do not have large batteries of lawyers and public relations men to keep the Federal Government at bay. Indeed, many consumerists have cited these factors in their allegations that Federal agencies often will go after the little guy who has inadequate resources to defend himself, rather than take on a giant of industry who will give the prosecuting agency no quarter.

For example, this was one of the main criticisms of the Federal Trade Commission voiced by Ralph Nader when he and his colleagues investigated that agency several years ago.

It is difficult enough for a small businessman to defend himself against a giant and prestigious agency such as the Federal Trade Commission. To allow another full agency—the ACA—to intervene as a dual prosecutor against the small businessman would be too much, I am afraid, for many smaller companies.

The second area of small business vulnerability in need of safeguarding is related to the first. It involves judicial review of such adjudications of violations.

Under S. 707, where a businessman has successfully defended himself in an agency adjudication, and is found innocent of all charges by the agency with the responsibility to make such findings, the ACA can appeal that finding of innocence to the courts in an attempt to overturn it. Moreover, the ACA can even reopen cases that have been resolved.

This, of course, places a disproportionately heavy burden on a small businessman who not only would find himself the subject of an unexpected court battle, but would have to face the prospect of having the whole case reopened if the court, when confronted by the specter of one Federal agency challenging another, remands the case back for further consideration.

My amendment provides small businesses with the necessary protection by exempting agency proceedings in which they are involved from intervention by the ACA.

The exemption I propose will not materially inhibit the legitimate work proposed for the ACA, but it will protect small enterprises against the prospect of heavy added costs anytime they become involved in agency proceedings; costs that can either force them to close down or to capitulate to bureaucratic harassment.

Mr. President, it is time we thought seriously of the consequences of too much of our legislation on the cost of doing business. The interests of the consumer will not be served if we limit competition and innovation by creating a business overhead that only large corporations can afford.

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

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

AMENDMENT NO. 1576

On page 59, line 12, after the word "concerning" insert the following:

"(A) an adjudication of an alleged violation of law against any person which is a small business concern as defined under Section 3 of the Small Business Act (15 U.S.C. 632), or (B)"

DEPARTMENT OF AGRICULTURE-ENVIRONMENTAL AND CONSUMER PROTECTION APPROPRIATIONS, 1975

AMENDMENT NO. 1557

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

Mr. ABOUREZK submitted an amendment, intended to be proposed by him, to the bill (H.R. 15472) making appropriations for agriculture-environmental and consumer protection programs for the fiscal year ending June 30, 1975, and for other purposes.

JUVENILE JUSTICE AND DELINQUENCY PREVENTION ACT OF 1974—AMENDMENT

(AMENDMENT NO. 1578)

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

Mr. BAYH (for himself, Mr. HRUSKA, Mr. MATHIAS, Mr. COOK, Mr. MCCLELLAN, Mr. FONG, Mr. HART, Mr. HUGH SCOTT, Mr. KENNEDY, Mr. THURMOND, Mr. BURDICK, Mr. GURNEY, Mr. ABOUREZK, Mr. BIBLE, Mr. BROCK, Mr. CASE, Mr. CHURCH, Mr. CLARK, Mr. CRANSTON, Mr. GRAVEL, Mr. HUMPHREY, Mr. MCGEE, Mr. MONTOYA, Mr. MOSS, Mr. PASTORE, Mr. RANDOLPH, Mr. RIBICOFF, Mr. MONDALE, Mr. CANNON, and Mr. EASTLAND) submitted an amendment, intended to be proposed by them, jointly, to the bill (S. 821) to improve the quality of juvenile justice in the United States and to provide a comprehensive, coordinated approach to the problems of juvenile delinquency, and for other purposes.

Mr. BAYH. Mr. President, I am gratified to join today with my distinguished colleague, Senator ROMAN HRUSKA and numerous cosponsors in introducing an amendment in the nature of a substitute to S. 821, the Juvenile Justice and Delinquency Prevention Act of 1974. The Juvenile Justice and Delinquency Prevention Act is the product of a 3-year, bipartisan effort, which I have been privileged to lead, to improve the quality of juvenile justice in the United States and to provide overhaul of the Federal approach to the problems of juvenile delinquency.

I originally introduced this measure as S. 3148 during the 92d Congress when it received strong support from youth-serving organizations and juvenile delinquency experts around the country. I reintroduced S. 821 on February 8, 1973. The Senate Subcommittee on Juvenile Delinquency of which I am chairman, held 10 days of hearings and heard 80 witnesses on S. 821 and S. 3158. These hearings demonstrated the need for a comprehensive coordinated juvenile delinquency effort combined with assistance to States, localities, and private agencies to prevent delinquency and to provide community-based alternatives to juvenile detention and correctional facilities.

I was gratified when on March 5, 1974, the Senate Subcommittee To Investigate Juvenile Delinquency reported S. 821 unanimously to the full judiciary. S. 821 originally proposed the creation of a new office to administer the program in the Executive Office of the President and the bill as reported from the subcommittee placed the program in the Department of Health, Education, and Welfare. The Judiciary Committee amended and reported the bill on May 8, 1974, placing the program in the Law Enforcement Assistance Administration (LEAA) of the Department of Justice and making certain other changes.

I have been working closely with the distinguished ranking minority member of the Judiciary Committee (Mr. HRUSKA) to develop a strong bill which provides for administration of this program within LEAA and which guarantees that the program can achieve the crucial goals of S. 821 as originally introduced. I am pleased to announce that Senator HRUSKA and I have been able to work out this substitute amendment that preserves the essence of the original Juvenile Justice and Delinquency Act while placing the program in LEAA. It achieves such vital objectives as coordination of Federal delinquency programs; authorization of additional resources to States, localities and public and private agencies for community-based prevention, diversion, and treatment programs; creation of centralized research, training, technical assistance, and evaluation activities; and adoption of basic procedural protections for juveniles under Federal jurisdiction. We are gratified that so many of the original cosponsors have joined this effort along with additional cosponsors which assure a broadly based support for the substitute amendment.

The substitute amendment creates a Juvenile Justice and Delinquency Prevention Office in LEAA headed by an Assistant Administrator who will administer a newly created juvenile delinquency prevention and rehabilitation effort within LEAA, and who will have policy control over all juvenile delinquency programs funded by LEAA. S. 821 thus assures a comprehensive approach within LEAA and this office will also have the responsibility of carrying out the goal of the original S. 821 to coordinate all Federal juvenile delinquency programs. Moreover, this office will provide the desperately needed leadership to deal with the multifaceted problem of delinquency.

The substitute amendment also provides that LEAA shall maintain the same level of financial assistance for existing juvenile delinquency programs as LEAA maintained in 1972—namely, $140 million. The substitute amendment further

authorizes substantial new funds over the next 2 years to carry out the additional programs which it establishes. In this way we have guaranteed the kind of substantial resources necessary to combat the delinquency crisis in this country. As is well-known, juveniles account for more than half of the crime in this country and no agency of the Federal Government has ever devoted the kind of resources needed to solve the problem. The funding authorized in S. 821 is a substantial step in the right direction of matching resources with the gravity of the problem.

LEAA is a block grant program so that major decisions on expenditure of funds are made at the State level where the program is administered by the State planning agency. Thus, S. 821 provides for administration of the juvenile program at the State level by the State planning agency. However, to guarantee proper consideration of the needs of juveniles, this substitute amends the LEAA Act to provide that the State planning agency must be representative of agencies related to the prevention and control of juvenile delinquency and shall include representatives of citizen, professional, and community organizations including organizations related directly to the prevention of delinquency.

These same provisions also apply to the LEAA regional planning units in the State so that the substitute amendment assures participation in the allocation of funds at the State and local level of persons experienced in delinquency prevention. The participation of these agencies and organizations who have experience in dealing with the day-to-day problems of juvenile delinquency is further assured by their participation in an advisory group to support the State planning agency in the administration of this program. The Governor will appoint the group from persons with a special knowledge concerning the prevention and treatment of juvenile delinquency or the administration of juvenile justice. Membership will include units of local government, juvenile justice agencies, agencies concerned with delinquency prevention and treatment, private organizations concerned with delinquency prevention and community-based treatment, and organizations which represent employees affected by this act. A majority of the members of the group shall not be governmental employees and at least one-third shall be under the age of 26.

S. 821 had always recognized that solutions to the juvenile delinquency problem must come at the State and local level. Thus, the substitute builds on existing provisions of the Crime Control Act of 1973 to assure that States will develop a comprehensive juvenile justice plan in order to receive funds under the new juvenile delinquency programs created by S. 821 and under existing LEAA juvenile delinquency funding. S. 821 builds on the existing LEAA juvenile delinquency program to provide for comprehensive planning to develop and to maintain services to prevent juvenile delinquency, to divert juveniles from the juvenile justice system and to provide community-based alternatives to juvenile detention and correctional facilities.

The substitute amendment carries forward the major purpose of S. 821 namely, to provide funding for delinquency prevention. Rising crime statistics demonstrate that the whole focus of LEAA's effort in the juvenile justice field must be toward prevention. The substitute amendment incorporates the vital provision of the original S. 821 to require that 75 percent of the newly authorized State funds must be expended on advanced techniques in developing and maintaining services to prevent juvenile delinquency, to divert juveniles from the juvenile justice system and to provide community-based alternatives to juvenile detention and correctional facilities. These programs are the heart of S. 821 and include community-based services for prevention and treatment of juvenile delinquency through development of foster care and shelter care homes; youth service bureaus and other counseling, educational and supportive services for delinquents, youth in danger of becoming delinquent and their families; youth initiated services, and expanded use of probation and probation subsidy programs.

These programs open the possibility of communities creating meaningful alternatives for youth who were previously incarcerated. Witnesses before the subcommittee have repeatedly testified that many delinquents who were institutionalized could be better and more humanely handled in community-based programs at less cost to the public while preserving the public safety. Such programs will mean a significant reduction in crime.

S. 821, as originally introduced and as contained in the substitute amendment, has placed a heavy emphasis on the role of the private voluntary agency in developing prevention and treatment alternatives. S. 821 provides the necessary assistance and direction to create an effective partnership with the private sector. The substitute amendment authorizes direct special emphasis grants to public and private agencies to develop and implement new and innovative and effective approaches to juvenile delinquency programs. The substitute amendment mandates that 20 percent of these funds must go to private nonprofit agencies who have had experience in dealing with youth. This provision, combined with the provision for representation of the private agencies on State planning boards, assures a meaningful role to the many dedicated private agencies and individuals who have long worked on the delinquency problem.

The substitute amendment also establishes a National Institute of Juvenile Justice within the Office of Juvenile Justice and Delinquency Prevention at LEAA. This Institute will serve as a clearinghouse on information concerning juvenile justice and will conduct training, research, and evaluation. The Institute will provide vitally neded leadership in developing effective research, training, and information services relating to juvenile delinquency. It is an essential part of the new comprehensive coordinated Federal approach to delinquency and will give added focus and strength to the new Juvenile Justice and Delinquency Prevention Office.

Finally, the substitute amendment contains in title II a series of specific amendments to existing Federal law, to guarantee certain basic protections to juveniles under Federal jurisdiction. Title II as revised in the substitute amendment, amends the Federal Juvenile Delinquency Act to guarantee certain basic procedural and constitutional protections to juveniles under Federal jurisdiction. Although less than 700 juveniles are annually processed through Federal court, it is important that the Federal Government set an example of how juveniles should be treated. In its emphasis on both due process and on community-based treatment for juveniles this title furthers the goals of S. 821.

There are numerous other gratifying aspects of the substitute amendment which confirm my belief that it is the best possible bill to do the job that needs to be done in the delinquency field. After 3 years of study, I know it is vitally important to pass S. 821 as soon as possible. The substitute amendment goes a long way toward assuring that juvenile delinquency will be a priority concern of LEAA. At last, one department of the Federal Government will have authority to create the long-needed comprehensive, coordinated Federal program to provide meaningful alternatives to youth—preferably before they are involved in the juvenile justice system. I will vigilantly review LEAA's activities to assure that the strong accountable Federal responsibility to the delinquency crisis required by S. 821 is forthcoming. With the authority contained in the substitute amendment, I have every expectation this will be the case.

The Juvenile Justice and Delinquency Prevention Act represents a commitment to our Nation's future. I urge my colleagues in the Congress to support the substitute amendment and hope that they will act expeditiously to provide the Federal leadership and resources so desperately needed to deal with juvenile delinquency. By enacting S. 821 we will contribute significantly to the safety and well-being of all our citizens, particularly our youth.

Mr. President, I ask unanimous consent that the substitute amendment as presented be printed in the RECORD, following the remarks of the distinguished Senator from Nebraska (Mr. HRUSKA).

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

(See exhibit 1.)

Mr. HRUSKA. Mr. President, I would like to preface my comments on S. 821, as amended, with a few words about my valued friend, the distinguished Senator from Indiana. Senator BAYH for a long time has been the leading advocate on juvenile delinquency prevention and control. The dedication and spirit of cooperation which he has exhibited should serve as an inspiration in the effort against one of our leading national problems—juvenile crime.

I have agreed to cosponsor this proposed substitute amendment to S. 821—The Juvenile Justice and Delinquency Prevention Act of 1974. Juvenile crime is reaching crisis proportions. Comprehensive legislation could help to stem the tide of rising crime and provide viable

alternatives for youthful offenders to insure meaningful processing and rehabilitation.

It is well recognized that one of the keys to controlling overall crime in this country is to reduce and to prevent juvenile crime. Juvenile crime has skyrocketed in the past decade. The seriousness of the problem is reflected in the ominous statistics.

The arrests of juveniles under 18 for violent crimes such as murder, rape, and robbery have increased 216 percent from 1960 to the present. During the same period juvenile arrests for property crime, such as burglary and auto theft have increased 91 percent. Juveniles under 18 are responsible for 51 percent of the total arrests for property crimes, 23 percent for violent crimes and 45 percent for all serious crimes.

Juvenile crime takes an enormous toll each year. In 1970, the material cost was in excess of $4 billion. Even more costly was the immeasurable loss in human terms to both the victims of juvenile crime and to the juveniles themselves. The intangible effects of public fear and private despair are substantial.

Despite all current efforts, the recidivism rate for juvenile offenders is estimated to range from 60 to 75 percent and higher. It is generally agreed that policemen, judges, and probation officers who deal with juveniles are extremely dedicated. Too often, however, their efforts are negated by outmoded procedures, a lack of funds and inadequate facilities for caring for youth offenders. Even more discouraging is the use of the criminal justice system to deal with troublesome or problematic youth perceived to be too difficult to be dealt with by normal community facilities. Nearly 40 percent of juveniles incarcerated have committed no criminal act. The figure is staggering in recognition of the detrimental effects that incarceration has been shown to produce with first offenders and juveniles.

There is a strong need to provide alternative programs utilizing resources other than the police, courts, and corrections to rehabilitate youth and prevent the development of a criminal career. The problem of juvenile delinquency cannot be attacked in a singular manner. It requires a multifaceted approach involving all aspects of the youth's life.

LEAA is the obvious and natural agency to administer this program. LEAA already possesses the administrative structure necessary for the effective and efficient operation of the juvenile delinquency program.

Currently LEAA has in operation 55 State planning agencies which plan, coordinate, and implement various programs of LEAA. Under existing LEAA legislation, States are required to include in their State plans comprehensive programs for the improvement of juvenile justice. The State agencies have already developed forms, regulations, grant fund mechanisms, guidelines, and other procedures necessary for the efficient operation of the juvenile delinquency program. With a minimum of modification, the existing structure with qualified and competent personnel can go into operation immediately to implement this legislation.

Perhaps the most compelling reason that LEAA should administer the program is the dedicated commitment to juvenile delinquency prevention and control that it has made over the past 5 years.

Although LEAA was never given primary responsibility in this area, it has assumed the dominant position. Recent amendments to the Omnibus Crime Control and Safe Streets Act have prompted LEAA to take a number of new initiatives. Juvenile justice and delinquency prevention is one of LEAA's four national priority programs. A juvenile justice section has been established in the National Institute of Law Enforcement and Criminal Justice, the research arm of LEAA. It is important to note that S. 821, as amended, provides for the establishment of a National Institute of Juvenile Justice within LEAA. Locating this body here will expand the level and nature of delinquency research already conducted by LEAA and will increase the focus on the prevention of delinquency.

LEAA has already spent tremendous sums for juvenile delinquency programs in its first 5 years. During the fiscal year 1972, LEAA awarded nearly $140 million on a wide-ranging juvenile delinquency program. Of this total, $21 million or 15 percent was for juvenile delinquency prevention. In fiscal year 1973, the amount of funds for juvenile delinquency prevention programs has increased to $34 million.

LEAA has funded approximately 2,000 juvenile delinquency projects. Although there is no official count available for the number of juveniles affected, it could reach several million. A further indication of LEAA's strong commitment in this area is the assumption of control it has assumed over the Interdepartmental Council. The Council created in HEW legislation sought to coordinate all Federal juvenile delinquency programs. LEAA now supplies the leadership and a core of permanent staff for the Council. It will likely retain this position under the proposed amendment.

It is unquestionable that LEAA has the capability, capacity and the desire to do the job. Failure to give LEAA a comprehensive mandate as proposed by this legislation would seriously weaken the Federal juvenile delinquency prevention and control effort.

The amendment to S. 821 makes several notable improvements in the committee amendments while at the same time retaining all of the major provisions of what I perceive to be a progressive and imaginative approach to the solution of the problem of juvenile delinquency in the United States.

The amended bill provides for strong Federal leadership in coordinating the resources necessary to develop and implement effective programs at the State and local level to prevent and treat juvenile delinquency. I would like to briefly summarize the major provisions of this bill.

Title I of the bill incorporates the findings and purposes of the committee bill into the findings and purposes of the Omnibus Crime Control and Safe Streets Act.

Title II amends the Federal Juvenile Delinquency Act to clarify the language and add guarantees to protect the rights of juveniles while in contact with the Federal criminal justice system, consistent with existing judicial interpretations of our Constitution.

Title III provides a new part F for the Omnibus Crime Control and Safe Streets Act entitled "Juvenile Justice and Delinquency Prevention." It establishes in the Department of Justice, Law Enforcement Assistance Administration, an office of Juvenile Justice and Delinquency Prevention, headed by an assistant administrator, appointed by the President with the advice and consent of the Senate. It establishes an Interdepartmental Council on Juvenile Delinquency charged with coordination of all Federal juvenile delinquency programs and a National Advisory Committee for Juvenile Justice and Delinquency Prevention to make recommendations regarding planning, policy, priorities, operations and management of all Federal juvenile delinquency programs.

Title IV establishes a Federal assistance program for State and local government for juvenile justice, delinquency and related programs. Substantial grants are authorized through existing mechanisms of the Law Enforcement Assistance Administration to encourage the development of comprehensive programs designed to impact on all facets of juvenile delinquency. This is a key feature of the bill, utilizing the LEAA block grant mechanism as the primary vehicle to infuse funds into the States in an orderly, coordinated and effective manner.

Title V establishes a National Institute of Juvenile Justice within the Juvenile Justice and Delinquency Prevention Office. The Institute will serve as a center for national efforts in juvenile delinquency evaluation, data collection and dissemination, research and training, and adoption of national standards for the administration of juvenile justice.

Title VI authorizes, for purposes of part F, appropriations of $225 million over the next 2 years. This increased funding should provide an effective impact on juvenile delinquency.

Title VII establishes a National Institute of Corrections within the Federal Bureau of Prisons. This represents a much needed effort to provide a coordinating mechanism for a fragmented corrections system in need of direction and intercommunication.

Mr. President, this amendment treats a broad range of complicated and comprehensive problems. It attempts to logically assemble the various component elements in a program of juvenile delinquency and prevention.

I frankly cannot subscribe to each and every facet of the bill. However, it is the result of a healthy compromise within the ranks of the membership of the Committee on the Judiciary. In my opinion this give and take has been fruitful and apparently this view is shared by my colleagues on the committee where there has developed a virtual unanimity on the amendment introduced today.

This bill meets the problem of juvenile delinquency in an effective manner. I believe it to be the best possible beginning to meet the need for a national program which will produce results over all of this Nation. I respectively urge all Members to support this amendment vigorously.

EXHIBIT 1

SUBSTITUTE AMENDMENT

Strike out all after the enacting clause and insert in lieu thereof the following: That this Act may be cited as the "Juvenile Justice and Delinquency Prevention Act of 1974".

TITLE I—FINDINGS AND DECLARATION OF PURPOSE

SEC. 101. (a) Section titled "Declaration and Purpose" in Title I of the Omnibus Crime Control and Safe Streets Act of 1968, as amended [82 Stat. 197; 84 Stat. 1881; 87 Stat. 197], is amended by inserting immediately after the second paragraph thereof the following new paragraph:

"Congress finds further that the high incidence of delinquency in the United States today results in enormous annual cost and immeasurable loss in human life, personal security, and wasted human resources and (2) that juvenile delinquency constitutes a growing threat to the national welfare requiring immediate and comprehensive action by the Federal government to reduce and prevent delinquency.

(b) Such section is further amended by adding at the end thereof the following new paragraph:

"It is therefore the further declared policy of Congress to provide the necessary resources, leadership, and coordination to (1) develop and implement effective methods of preventing and reducing juvenile delinquency; (2) to develop and conduct effective programs to prevent delinquency, to divert juveniles from the traditional juvenile justice system and to provide critically-needed alternatives to institutionalizaton; (3) to improve the quality of juvenile justice in the United States; and (4) to increase the capacity of State and local governments and public and private agencies to conduct effective juvenile justice and delinquency prevention and rehabilitation programs and to provide research, evaluation, and training services in the field of juvenile justice and delinquency prevention."

DEFINITIONS

SEC. 103. Section 601 of title I of the Omnibus Crime Control and Safe Streets Act of 1968, as amended [82 Stat. 197; 84 Stat. 1881; 87 Stat. 197], is further amended by adding the following new subsections:

"(p) the term 'community-based' facility, program, or service, as used in Part F, means a small, open group or home or other suitable place located near the adult offender's or juvenile's home or family and programs of community supervision and service which maintain community and consumer participation in the planning, operation, and evaluation of their programs which may include, but are not limited to, medical, educational, vocational, social, and psychological guidance, training, counseling, drug treatment, and other rehabilitative services;

"(q) the term 'Federal juvenile delinquency program' means any juvenille delinquency program which is conducted, directly, or indirectly, or is assisted by any Federal department or agency, including any program funded under this Act;

"(r) the term 'juvenile delinquency program' means any program or activity related to juvenile delinquency prevention, control, diversion, treatment, rehabilitation, planning, education, training, and research, including drug abuse programs; the improvement of the juvenile justice system; and any program or activity for neglected, abandoned, or dependent youth and other youth who are in danger of becoming delinquent."

TITLE II—AMENDMENTS TO THE FEDERAL JUVENILE DELINQUENCY ACT

DEFINITIONS

SEC. 201. Section 5031 of title 18, United States Code, is amended to read as follows:

"§ 5031. Definitions

"For the purposes of this chapter, a 'juvenile' is a person who has not attained his eighteenth birthday, or for the purpose of proceedings and disposition under this chapter for an alleged act of juvenile delinquency, a person who has not attained his twenty-first birthday. and 'juvenile delinquency' is the violation of a law of the United States committed by a person prior to his eighteenth birthday which would have been a crime if committed by an adult."

DELINQUENCY PROCEEDINGS IN DISTRICT COURTS

SEC. 202. Section 5032 of title 18, United States Code, is amended to read as follows:

"§ 5032. Delinquency proceedings in district courts; transfer for criminal prosecution

"A juvenile alleged to have committed an act of juvenile delinquency shall not be proceeded against in any court of the United States unless the Attorney General, after investigation, certifies to an appropriate district court of the United States that the juvenile court or other appropriate court of a State (1) does not have jurisdiction or refuses to assume jurisdiction over said juvenile with respect to such alleged act of juvenile delinquency, or (2) does not have available programs and services adequate for needs of juveniles.

"If the Attorney General does not so certify, such juvenile shall be surrendered to the appropriate legal authorities of such State.

"If an alleged juvenile delinquent is not surrendered to the authorities of a State or the District of Columbia pursuant to this section, any proceedings against him shall be in an appropriate district court of the United States. For such purposes, the court may be convened at any time and place within the district, in chambers or otherwise. The Attorney General shall proceed by information, and no criminal prosecution shall be instituted for the alleged act of juvenile delinquency except as provided below.

"A juvenile who is alleged to have committed an act of juvenile delinquency and who is not surrendered to State authorities shall be proceeded against under this chapter unless he has requested in writing upon advice of counsel to be proceeded against as an adult, except that, with respect to a juvenile sixteen years and older alleged to have committed an act after his sixteenth birthday which if committed by an adult would be a felony punishbale by a maximum penalty of ten years imprisonment or more, life imprisonment, or death, criminal prosecution on the basis of the alleged act may be begun by motion to transfer of the Attorney General in the appropriate district court of the United States, if such court finds, after hearing, such transfer would be in the interest of justice.

"Evidence of the following factors shall be considered, and findings with regard to each factor shall be made in the record, in assessing whether a transfer would be in the interest of justice: the age and social background of the juvenile; the nature of the alleged offense; the extent and nature of the juvenile's prior delinquency record; the juvenile's present intellectual development and psychological maturity; the nature of past treatment efforts and the juvenile response to such efforts; the availability of programs designed to treat the juvenile's behavioral problems.

"Reasonable notice of the transfer hearing shall be given to the juvenile, his parents, guardian, or custodian and to his counsel. The juvenile shall be assisted by counsel during the transfer hearing, and at every other critical stage of the proceedings.

"Once a juvenile has entered a plea of guilty or the proceeding has reached the stage that evidence has begun to be taken with respect to a crime or an alleged act of juvenile delinquency subsequent criminal prosecution or juvenile proceedings based upon such alleged act of delinquency shall be barred.

"Statements made by a juvenile prior to or during a transfer hearing under this section shall not be admissible at subsequent criminal prosecutions."

CUSTODY

SEC. 203. Section 5033 of title 18 United States Code is amended to read as follows:

"§ 5033. Custody prior to appearance before magistrate

"Whenever a juvenile is taken into custody for an alleged act of juvenile delinquency, the arresting officer shall immediately advise such juvenile of his legal rights, in language comprehensive to a juvenile, and shall immediately notify the Attorney General and the juvenile's parents, guardian, or custodian of such custody. The arresting officer shall also notify the parents, guardian, or custodian of the rights of the juvenile and of the nature of the alleged offense.

"The juvenile shall be taken before a magistrate forthwith. In no event shall the juvenile be detained for longer than a reasonable period of time before being brought before a magistrate."

DUTIES OF MAGISTRATE

SEC. 204. Section 5034 of title 18, United States Code, is amended to read as follows:

"§ 5034. Duties of magistrate

"The magistrate shall insure that the juvenile is represented by counsel before proceeding with critical stages of the proceedings. Counsel shall be assigned to represent a juvenile when the juvenile and his parents, guardian, or custodian are financially unable to obtain adequate representation. In cases here the juvenile and his parents, guardian, or custodian are financially able to obtain adequate representation but have not retained counsel, the magistrate may assign counsel and order the payment of reasonable attorney's fees or may direct the juvenile, his parents, guardian, or custodian to retain private counsel within a specified period of time.

"The magistrate may appoint a guardian ad litem if a parent or guardian of the juvenile is not present, or if the magistrate has reason to believe that the parents or guardian will not cooperate with the juvenile in preparing for trial, or that the interests of the parents or guardian and those of the juvenile are adverse.

"If the juvenile has not been discharged before his initial appearance before the magistrate, the magistrate shall release the juvenile to his parents, guardian, custodian, or other responsible party (including, but not limited to, the director of a shelter-care facility) upon their promise to bring such juvenile before the appropriate court when requested by such court unless the magistrate determines, after hearing, at which the juvenile is represented by counsel, that the detention of such juvenile is required to secure his timely appearance before the appropriate court or to insure his safety or that of others."

DETENTION

SEC. 205. Section 5035 of this title is amended to read as follows:

"§ 5035. Detention prior to disposition

"A juvenile alleged to be delinquent may be detained only in a juvenile facility or such other suitable place as the Attorney General may designate. Whenever possible, detention shall be in a foster home or community based facility located in or near his home community. The Attorney General shall not cause any juvenile alleged to be delinquent to be detained or confined in any

institution in which the juvenile has regular contact with adult persons convicted of a crime or awaiting trial on criminal charges are confined. Insofar as possible, alleged delinquents shall be kept separate from adjudicated delinquents. Every juvenile in custody shall be provided with adequate food, heat, light, sanitary facilities, bedding, clothing, recreation, education, and medical care, including necessary psychiatric, psychological, or other care and treatment."

SPEEDY TRIAL

SEC. 206. Section 5036 of this title is amended to read as follows:

"§ 5036. Speedy trial

"If an alleged delinquent who is in detention pending trial is not brought to trial within thirty days from the date upon which such detention was begun, the information shall be dismissed on motion of the alleged delinquent or at the direction of the court, unless the Attorney General shows that additional delay was caused by the juvenile or his counsel, or consented to by the juvenile and his counsel or would be in the interest of justice in the particular case. Delays attributable solely to court calendar congestion may not be considered in the interest of justice. Except in extraordinary circumstances, an information dismissed under this section may not be reinstituted.

DISPOSITION

SEC. 207. Section 5037 is amended to read as follows:

"§ 5037. Dispositional hearing

"(a) If a juvenile is adjudicated delinquent, a separate dispositional hearing shall be held no later than twenty court days after trial unless the court has ordered further study in accordance with subsection (c). Copies of the presentence report shall be provided to the attorneys for both the juvenile and the Government a reasonable time in advance of the hearing.

"(b) The court may suspend the adjudication of delinquency or the disposition of the delinquent on such conditions as it deems proper, place him on probation, or commit him to the custody of the Attorney General. Probation, commitment, or commitment in accordance with subsection (c) shall not extend beyond the juvenile's twenty-first birthday or the maximum term which could have been imposed on an adult convicted of the same offense, whichever is sooner, or a period not to exceed the lesser of two years or the maximum term which could have been imposed on an adult convicted of the same offense.

"(c) If the court desires more detailed information concerning an alleged or adjudicated delinquent, it may commit him, after notice and hearing at which the juvenile is represented by counsel, to the custody of the Attorney General for observation and study by an appropriate agency. Such observation and study shall be conducted on an outpatient basis, unless the court determines that inpatient observation and study are necessary to obtain the desired information. In the case of an alleged juvenile delinquent, inpatient study may be ordered only with the consent of the juvenile and his attorney. The agency shall make a complete study of the alleged or adjudicated delinquent to ascertain his personal traits, his capabilities, his background, any previous delinquency or criminal experience, any mental or physical defect, and any other relevant factors. The Attorney General shall submit to the court and the attorneys for the juvenile and the Government the results of the study within thirty days after the commitment of the juvenile, unless the court grants additional time."

JUVENILE RECORDS

SEC. 208. Section 5038 is added, to read as follows:

"§ 5038. Use of juvenile records

"(a) Throughout the juvenile delinquency proceeding, the court shall safeguard the records from disclosure. Upon the completion of any juvenile delinquency proceeding whether or not there is an adjudication the district court shall order the entire file and record of such proceeding sealed. After such sealing the court shall not release these records except to the extent necessary to meet the following circumstances:

"(1) inquiries received from another court of law;

"(2) inquiries from an agency preparing a presentence report for another court;

"(3) inquiries from law enforcement agencies where the request for information is related to the investigation of a crime or a position within that agency;

"(4) inquiries, in writing, from the director of a treatment agency or the director of a facility to which the juvenile has been committed by the court; and

"(5) inquiries from an agency considering the person for a position immediately and directly affecting the national security.

Unless otherwise authorized by this section, information about the sealed record may not be released when the request for information is related to an application for employment, license, bonding, or any civil right or privilege. Responses to such inquiries shall not be different from responses made about persons who have never been involved in a delinquency proceeding.

"(b) District courts exercising jurisdiction over any juvenile shall inform the juvenile, and his parent or guardian, in writing in clear and nontechnical language, of rights relating to the sealing of his juvenile record.

"(c) During the course of any juvenile delinquency proceeding, all information and records relating to the proceeding, which are obtained or prepared in the discharge of an official duty by an employee of the court or an employee of any other governmental agency, shall not be disclosed directly or indirectly to anyone other than the judge, counsel for the juvenile and the government, or others entitled under this section to receive sealed records.

"(d) Unless a juvenile who is taken into custody is prosecuted as an adult—

"(1) neither the fingerprints nor a photograph shall be taken, without the written consent of the judge; and

"(2) neither the name nor picture of any juvenile shall be made public by any medium of public information in connection with a juvenile delinquency proceeding."

COMMITMENT

SEC. 209. Section 5039 is added, to read as follows:

§ 5039. Commitment

"No juvenile committed to the custody of the Attorney General may be placed or retained in an adult jail or correction institution in which he has regular contact with adults incarcerated because they have been convicted of a crime or are awaiting trial on criminal charges.

"Every juvenile who has been committed shall be provided with adequate food, heat, light, sanitary facilities, bedding, clothing, recreation, counseling, education, training, and medical care, including necessary psychiatric, psychological, or other care and treatment.

"Whenever possible, the Attorney General shall commit a juvenile to a foster home or community-based facility located in or near his home community."

SUPPORT

SEC. 210. Section 5040 is added, to read as follows:

"§ 5040. Support

"The Attorney General may contract with any public or private agency or individual and such community-based facilities as halfway houses and foster homes, for the observation and study and the custody and care of juveniles in his custody. For these purposes, the Attorney General may promulgate such regulations as are necessary and may use the appropriation for 'support of United States' prisoners' or such other appropriations as he may designate."

PAROLE

SEC. 211. Section 5041 is added, to read as follows:

"§ 5041. Parole

"The Board of Parole shall release from custody, on such conditions as it deems necessary, each juvenile delinquent who has been committed, as soon as the Board is satisfied that he is likely to remain at liberty without violating the law and when such release would be in the interest of justice."

REVOCATION

SEC. 212. Section 5042 is added to read as follows:

"§ 5042. Revocation of parole or probation

"Any juvenile parolee or probationer shall be accorded notice and a hearing with counsel before his parole or probation can be revoked."

SEC. 213. The table of sections of chapter 403 of this title is amended to read as follows:

"Sec.
"5031. Definitions.
"5032. Delinquency proceedings in district courts; transfer for criminal prosecution.
"5033. Custody prior to appearance before magistrate.
"5034. Duties of magistrate.
"5035. Detention prior to disposition.
"5036. Speedy trial.
"5037. Dispositional hearing.
"5038. Use of juvenile records.
"5039. Commitment.
"5040. Support.
"5041. Parole.
"5042. Revocation of parole or probation.

TITLE III— JUVENILE JUSTICE AND DELINQUENCY PREVENTION OFFICE

SEC. 301. Section 203(a) of Ttitle I of the Omnibus Crime Control and Safe Streets Act of 1968, as amended [82 Stat. 197; 84 Stat. 1881; 87 Stat. 197], is further amended by deleting the second full sentence and inserting in lieu thereof the following:

"The State Planning Agency and any regional planning units within tne State shall within their respective jurisdictions be representative of the law enforcement and criminal justice agencies including agencies directly related to the prevention and control of juvenile delinquency, units of general local governments, and public agencies maintaining programs to reduce and control crime, and shall include representatives of citizen, professional, and community organizations including organizations directly related to delinquency prevention.

SEC. 302. (a) Parts F, G, H, and I of title I of the Omnibus Crime Control and Safe Streets Act of 1968, as amended [82 Stat. 197; 84 State. 1881; 87 Stat. 197], and all references thereto, are redesignated as Parts G, H, I, and J, respectively.

(b) Title I of the Omnibus Crime Control and Safe Streets Act of 1968, as amended [82 Stat. 197; 84 Stat. 1881; 87 Stat. 197], is further amended by adding after part E the following new part F:

"PART F—JUVENILE JUSTICE AND DELINQUENCY PREVENTION

"ESTABLISHMENT OF OFFICE

"SEC. 471. (a) There is hereby created within the Department of Justice, Law Enforcement Assistance Administration the Office of Juvenile Justice and Delinquency Prevention (referred to in this Act as the 'Office').

"(b) The programs authorized in Part F (hereinafter referred to as 'this part') and all other programs concerned with juvenile delinquency and administered by the Law Enforcement Assistance Administration shall

be administered or subject to the policy direction of the Office established under this section.

"(c) There shall be at the head of the Office an Assistant Administrator who shall be nominated by the President by and with the advice and consent of the Senate.

"(d) The Assistant Administrator shall exercise all necessary powers, subject to the direction of the Administrator of the Law Enforcement Assistance Administration.

"(e) There shall be in the Office a Deputy Assistant Administrator who shall be appointed by the Administrator of the Law Enforcement Assistance Administration. The Deputy Assistant Administrator shall perform such functions as the Assistant Administrator from time to time assigns or delegates, and shall act as Assistant Administrator during the absence or disability of the Assistant Administrator or in the event of a vacancy in the office of the Assistant Administrator.

"(f) There shall be established in the Office a Deputy Assistant Administrator who shall be appointed by the Administrator whose function shall be to supervise and direct the National Institute for Juvenile Justice established under section 501 of this Act.

"(g) Section 5108(c)(10) of Title 5, United States Code, is amended by deleting the word 'twenty-two' and inserting in lieu thereof the word 'twenty-five'.

"PERSONNEL, SPECIAL PERSONNEL, EXPERTS, AND CONSULTANTS

"SEC. 472. (a) The Administrator is authorized to select, employ, and fix the compensation of such officers and employees, including attorneys, as are necessary to perform the functions vested in him and to prescribe their functions.

"(b) The Administrator is authorized to select, appoint, and employ not to exceed three officers and to fix their compensation at rates not to exceed the rate now or hereafter prescribed for GS–18 of the General Schedule by section 5332 of title 5 of the United States Code.

"(c) Upon the request of the Administrator, the head of any Federal agency is authorized to detail, on a reimbursable basis, any of its personnel to the Assistant Administrator to assist him in carrying out his functions under this Act.

"(d) The Administrator may obtain services as authorized by section 3109 of title 5 of the United States Code, at rates not to exceed the rate now or hereafter prescribed for GS–18 of the General Schedule by section 5332 of title 5 of the United States Code.

"VOLUNTARY SERVICE

"SEC. 473. The Administrator is authorized to accept and employ, in carrying out the provisions of this Act, voluntary and uncompensated services notwithstanding the provisions of section 3679(b) of the Revised Statutes (41 U.S.C. 665(b)).

"CONCENTRATION OF FEDERAL EFFORTS

"SEC. 474. (a) The Administrator shall implement overall policy and develop objectives and priorities for all Federal juvenile delinquency programs and activities relating to prevention, diversion, training, treatment, rehabilitation, evaluation, research, and improvement of the juvenile justice system in the United States. In carrying out his functions, the Administrator shall consult with the Interdepartmental Council and the National Advisory Committee for Juvenile Justice and Delinquency Prevention.

"(b) In carrying out the purposes of this Act, the Administrator is authorized to—

"(1) advise the President through the Attorney General as to all matters relating to federally assisted juvenile delinquency programs and Federal policies regarding juvenile delinquency;

"(2) assist operating agencies which have direct responsibilities for the prevention and treatment of juvenile delinquency in the development and promulgation of regulations, guidelines, requirements, criteria, standards, procedures, and budget requests in accordance with the policies, priorities, and objectives he establishes;

"(3) conduct and support evaluations and studies of the performance and results achieved by Federal juvenile delinquency programs and activities and of the prospective performance and results that might be achieved by alternative programs and activities supplementary to or in lieu of those currently being administered;

"(4) implement Federal juvenile delinquency programs and activities among Federal departments and agencies and between Federal juvenile delinquency programs and activities and other Federal programs and activities which he determines may have an important bearing on the success of the entire Federal juvenile delinquency effort;

"(5) develop annually with the assistance of the Advisory Committee and submit to the President and the Congress, after the first year the legislation is enacted, prior to September 30, an analysis and evaluation of Federal juvenile delinquency programs conducted and assisted by Federal departments and agencies, the expenditures made, the results achieved, the plans developed, and problems in the operations and coordination of such programs. This report shall include recommendations for modifications in organization, management, personnel, standards, budget requests, and implementation plans necessary to increase the effectiveness of these programs;

"(6) develop annually with the assistance of the Advisory Committee and submit to the President and the Congress, after the first year the legislation is enacted, prior to March 1, a comprehensive plan for Federal juvenile delinquency programs, with particular emphasis on the prevention of juvenile delinquency and the development of programs and services which will encourage increased diversion of juveniles from the traditional juvenile justice system; and

"(7) provide technical assistance to Federal, State, and local governments, courts, public and private agencies, institutions, and individuals, in the planning, establishment, funding, operation, or evaluation of juvenile delinquency programs.

"(c) The Administrator may request departments and agencies engaged in any activity involving any Federal juvenile delinquency program to provide him with such information and reports, and to conduct such studies and surveys, as he may deem to be necessary to carry out the purposes of this Act.

"(d) The Administrator may delegate any of his functions under this title, except the making of regulations, to any officer or employee of the Administration.

"(e) The Administrator is authorized to utilize the services and facilities of any agency of the Federal Government and of any other public agency or institution in accordance with appropriate agreements, and to pay for such services either in advance or by way of reimbursement as may be agreed upon.

"(f) The Administrator is authorized to transfer funds appropriated under this Act to any agency of the Federal Government to develop or demonstrate new methods in juvenile delinquency prevention and rehabilitation and to supplement existing delinquency prevention and rehabilitation programs which the Director finds to be exceptionally effective or for which he finds there exists exceptional need.

"(g) The Administrator is authorized to make grants to, or enter into contracts with, any public or private agency, institution, or individual to carry out the purposes of this Act.

"(h) All functions of the Administrator under this Act shall be coordinated as appropriate with the functions of the Secretary of the Department of Health, Education, and Welfare under the Juvenile Delinquency Prevention Act (42 U.S.C. 3801 et seq.).

"JOINT FUNDING

"SEC. 475. Notwithstanding any other provision of law, where funds are made available by more than one Federal agency to be used by any agency, organization, institution, or individual to carry out a Federal juvenile delinquency program or activity, any one of the Federal agencies providing funds may be requested by the Administrator to act for all in administering the funds advanced. In such cases, a single non-Federal share requirement may be established according to the proportion of funds advanced by each Federal agency, and the Administrator may order any such agency to waive any technical grant or contract requirement (as defined in such regulations) which is inconsistent with the similar requirement of the administering agency or which the administering agency does not impose.

"INTERDEPARTMENTAL COUNCIL

"SEC. 476. (a) There is hereby established an Interdepartmental Council on Juvenile Delinquency (hereinafter referred to as the 'Council') composed of the Attorney General, the Secretary of Health, Education, and Welfare, the Secretary of Labor, the Director of the Special Action Office for Drug Abuse Prevention, the Secretary of Housing and Urban Development, or their respective designees, and representatives of such other agencies as the President shall designate.

"(b) The Attorney General or his designee shall serve as Chairman of the Council.

"(c) The function of the Council shall be to coordinate all Federal juvenile delinquency programs.

"(d) The Council shall meet a minimum of six times per year and the activities of the Council shall be included in the annual report required by section 474(b)(5) of this title.

"(e) The Chairman shall appoint an Executive Secretary of the Council and such personnel as are necessary to carry out the functions of the Council.

"ADVISORY COMMITTEE

"SEC. 477. (a) There is hereby established a National Advisory Committee for Juvenile Justice and Delinquency Prevention (hereinafter referred to as the 'Advisory Committee') which shall consist of twenty-one members.

"(b) The members of the Interdepartmental Council or their respective designee shall be ex officio members of the Committee.

"(c) The regular members of the Advisory Committee shall be appointed by the Attorney General from persons who by virtue of their training or experience have special knowledge concerning the prevention and treatment of juvenile delinquency or the administration of juvenile justice, such as juvenile or family court judges; probation, correctional, or law enforcement personnel; and representatives of private voluntary organizations and community-based programs. The President shall designate the Chairman. A majority of the members of the Advisory Committee, including the Chairman, shall not be full-time employees of Federal, State, or local governments. At least seven members shall not have attained twenty-six years of age on the date of their appointment.

"(d) Members appointed by the President to the Committee shall serve for terms of four years and shall be eligible for reappointment except that for the first composition of the Advisory Committee, one-third of these members shall be appointed to one-year terms, one-third to two-year terms, and one-third to three-year terms; thereafter

each term shall be four years. Any members appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed, shall be appointed for the remainder of such term.

"DUTIES OF THE ADVISORY COMMITTEE

"SEC. 478. (a) The Advisory Committee shall meet at the call of the Chairman, but not less than four times a year.

"(b) The Advisory Committee shall make recommendations to the Administrator at least annually with respect to planning, policy, priorities, operations, and management of all Federal juvenile delinquency programs.

"(c) The Chairman may designate a subcommittee of the members of the Advisory Committee to advise the Administrator on particular functions or aspects of the work of the Administration.

"(d) The Chairman shall designate a subcommittee of five members of the Committee to serve as members of an Advisory Committee for the National Institute for Juvenile Justice to perform the functions set forth in section 407 of this title.

"(e) The Chairman shall designate a subcommittee of five members of the Committee to serve as an Advisory Committee to the Administrator on Standards for the Administration of Juvenile Justice to perform the functions set forth in section 409 of this title.

"COMPENSATION AND EXPENSES

"SEC. 479. (a) Members of the Advisory Committee who are employed by the Federal Government full time shall serve without compensation but shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in carrying out the duties of the Advisory Committee.

"(b) Members of the Advisory Committee not employed full time by the Federal Government shall receive compensation at a rate not to exceed the rate now or hereafter prescribed for GS–18 of the General Schedule by section 5332 of title 5 of the United States Code, including traveltime for each day they are engaged in the performance of their duties as members of the Advisory Committee. Members shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred by them in carrying out the duties of the Advisory Committee."

TITLE IV—FEDERAL ASSISTANCE FOR STATE AND LOCAL PROGRAMS

SEC. 401. Title I of the Omnibus Crime Control and Safe Streets Act of 1968, as amended [82 Stat. 197; 84 Stat. 1881; 87 Stat. 197], is further amended by adding the following sections to new part F thereof:

"FORMULA GRANTS

"SEC. 480. The Administrator is authorized to make grants to States and local governments to assist them in planning, establishing, operating, coordinating, and evaluating projects directly or through contracts with public and private agencies for the development of more effective education, training, research, prevention, diversion, treatment, and rehabilitation programs in the area of juvenile delinquency and programs to improve the juvenile justice system.

"ALLOCATION

"SEC. 481. (a) In accordance with regulations promulgated under this part, funds shall be allocated annually among the States on the basis of relative population of people under age eighteen. No such allotment to any State shall be less than $200,000, except that for the Virgin Islands, Guam, and American Samoa, no allotment shall be less than $50,000.

"(b) Except for funds appropriated for fiscal year 1974, if any amount so allotted remains unobligated at the end of the fiscal year, such funds shall be reallocated in a manner equitable and consistent with the purposes of this part. Funds appropriated for fiscal year 1974 may be obligated in accordance with subsection (a) until June 30, 1976, after which time they may be reallocated. Any amount so reallocated shall be in addition to the amounts already allotted and available to the State, the Virgin Islands, American Samoa, and Guam for the same period.

"(c) In accordance with regulations promulgated under this part, a portion of any allotment to any State under this part shall be available to develop a State plan and to pay that portion of the expenditures which are necessary for efficient administration. Not more than 15 per centum of the total annual allotment of such State shall be available for such purposes. The State shall make available needed funds for planning and administration to local governments within the State on an equitable basis.

"STATE PLANS

"SEC. 482. (a) In order to receive formula grants under this part, a State shall submit a plan for carrying out its purposes in accordance with the requirements set forth in Sec. 303 (a) of Title I. In accordance with regulations established under this title, such plan must—

"(1) designate the State planning agency established by the State under section 203 of this title as the sole agency for supervising the preparation and administration of the plan;

"(2) contain satisfactory evidence that the State agency designated in accordance with paragraph (1) (hereafter referred to in this part as the 'State planning agency') has or will have authority, by legislation if necessary, to implement such plan in conformity with this part;

"(3) provide for an advisory group appointed by the chief executive of the State to advise the State planning agency and its supervisory board (A) which shall consist of not less than twenty-one and not more than thirty-three persons who have training, experience, or special knowledge concerning the prevention and treatment of juvenile delinquency or the administration of juvenile justice, (B) which shall include representation of units of local government, law enforcement and juvenile justice agencies such as law enforcement, correction or probation personnel, and juvenile or family court judges, and public agencies concerned with delinquency prevention or treatment such as welfare, social services, mental health, education or youth services departments; (C) which shall include representatives of private organizations: concerned with delinquency prevention or treatment; concerned with neglected or dependent children; concerned with the quality of juvenile justice, education, or social services for children; which utilize volunteers to work with delinquents or potential delinquents; community-based delinquency prevention or treatment programs; and organizations which represent employees affected by this Act, (D) a majority of whose members (including the Chairman) shall not be fulltime employees of the Federal, State, or local government, and (E) at least one-third of whose members shall be under the age of twenty-six at the time of appointment.

"(4) provide for the active consultation with and participation of local governments in the development of a State plan which adequately takes into account the needs and requests of local governments:

"(5) provide that at least 50 per centum of the funds received by the State under section 481 shall be expended through programs of local government insofar as they are consistent with the State plan, except that this provision may be waived at the discretion of the Administrator for any State if the services for delinquent or potentially delinquent youth are organized primarily on a statewide basis;

"(6) provide that the chief executive officer of the local government shall assign responsibility for the preparation and administration of the local government's part of a State plan, or for the supervision of the preparation and administration of the local government's part of the State plan, to that agency within the local government's structure (hereinafter in this part referred to as the 'local agency') which can most effectively carry out the purposes of this part and shall provide for supervision of the programs funded under this part by that local agency;

"(7) provide for an equitable distribution of the assistance received under section 481 within the State;

"(8) set forth study of the State needs for an effective, comprehensive, coordinated approach to juvenile delinquency prevention and treatment and the improvement of the juvenile justice system. This plan shall include itemized estimated costs for the development and implementation of such programs;

"(9) provide for the active consultation with and participation of private agencies in the development and execution of the State plan; and provide for coordination and maximum utilization of existing juvenile delinquency programs and other related programs, such as education, health, and welfare within the State;

"(10) provide that not less than 75 per centum of the funds available to such State under section 481, whether expended directly by the State or by the local government or through contracts with public or private agencies, shall be used for advanced techniques in developing, maintaining, and expanding programs and services designed to prevent juvenile delinquency, to divert juveniles from the juvenile justice system, and to provide community-based alternatives to juvenile detention and correctional facilities. That advanced techniques include—

"(A) community-based programs and services for the prevention and treatment of juvenile delinquency through the development of foster-care and shelter-care homes, group homes, halfway houses, homemaker and home health services and any other designated community-based diagnostic, treatment, or rehabilitative service;

"(B) community-based programs and services to work with parents and other family members to maintain and strengthen the family unit, so that the juvenile may be retained in his home;

"(C) youth service bureaus and other community-based programs to divert youth from the juvenile court or to support, counsel, or provide work and recreational opportunities for delinquents and youth in danger of becoming delinquent;

"(D) comprehensive programs of drug abuse education and prevention and programs for the treatment and rehabilitation of drug addicted youth, and 'drug dependent' youth (as defined in section 2(g) of the Public Health Service Act (42 U.S.C. 201 (g));

"(E) educational programs or supportive services designed to keep delinquents and other youth in elementary and secondary schools or in alternative learning situations;

"(F) expanded use of probation and recruitment and training of probation officers, other professional and paraprofessional personnel and volunteers to work effectively with youth;

"(G) youth initiated programs and outreach programs designed to assist youth who otherwise would not be reached by assistance programs;

"(H) provides for a statewide program through the use of probation subsidies, other subsidies, other financial incentive or disincentives to units of local government, or other effective means, that may include but are not limited to programs designed to:

"(A) reduce the number of commitments of juveniles to any form of juvenile facility as a percentage of the State juvenile population;

"(B) increase the use of non-secure community-based facilities as a percentage of total commitments to juvenile facilities; and

"(C) discourage the use of secure incarceration and detention.

"(11) provides for the development of an adequate research, training, and evaluation capacity within the State;

"(12) provide within two years after submission of the plan that juveniles who are charged with or who have committed offenses that would not be criminal if committed by an adult, shall not be placed in juvenile detention or correctional facilities, but must be placed in shelter facilities;

"(13) provide that juveniles alleged to be or found to be delinquent shall not be detained or confined in any institution in which they have regular contact with adult persons incarcerated because they have been convicted of a crime or are awaiting trial on criminal charges;

"(14) provide for an adequate system of monitoring jails, detention facilities, and correctional facilities to insure that the requirements of section 482 (13) and (14) are met, and for annual reporting of the results of such monitoring to the Administrator;

"(15) provide assurances that assistance will be available on an equitable basis to deal with all disadvantaged youth including, but not limited to, females, minority youth, and mentally retarded or emotionally handicapped youth;

"(16) provide for procedures to be established for protecting the rights of recipients of services and for assuring appropriate privacy with regard to records relating to such services provided to any individual under the State plan;

"(17) provide that fair and equitable arrangements are made to protect the interests of employees affected by assistance under this part;

"(18) provide for such fiscal control and fund accounting procedures necessary to assure prudent use, proper disbursement, and accurate accounting of funds received under this title;

"(19) provide reasonable assurance that Federal funds made available under this part for any period will be so used as to supplement and increase, to the extent feasible and practical, the level of State, local, and other non-Federal funds that would in the absence of such Federal funds be made available for the programs described in this part, and will in no event supplant such State, local, and other non-Federal funds;

"(20) provide that the State planning agency will from time to time, but not less often than annually, review its plan and submit to the Administrator an analysis and evaluation of the effectiveness of the programs and activities carried out under the plan, and any modifications in the plan, including the survey of State and local needs, which it considers necessary; and

"(21) contain such other terms and conditions as the Administrator may reasonably prescribe to assure the effectiveness of the programs assisted under this title.

"(b) The Board appointed pursuant to Sec. 482(a)(3) shall approve the State plan and any modification thereof prior to submission to the Administrator.

"(c) The Administrator shall approve any State plan and any modification thereof that meets the requirements of this section.

"(d) In the event that any State fails to submit a plan, or submits a plan or any modification thereof, which the Administrator, after reasonable notice and opportunity for hearing in accordance with sections 509, 510 and 511, determines does not meet the requirements of this section, the Administrator shall make that State's allotment under the provisions of 481 (a) available to public and private for Special Emphasis Prevention and Treatment Programs as defined in Section 483.

"(e) In the event the plan does not meet the requirements of this section due to oversight or neglect, rather than explicit and conscious decision, the Administrator shall endeavor to make that State's allotment under the provisions of 481(a) available to public and private agencies in that State for Special Emphasis Prevention and Treatment Programs as defined in section 483.

"SPECIAL EMPHASIS PREVENTION AND TREATMENT PROGRAMS

"SEC. 483. (a) The Administrator is authorized to make grants to and enter into contracts with public and private agencies, organizations, institutions, or individuals to—

"(1) develop and implement new approaches, techniques, and methods with respect to juvenile delinquency programs;

"(2) develop and maintain community-based alternatives to traditional forms of institutionalization;

"(3) develop and implement effective means of diverting juveniles from the traditional juvenile justice and correctional system;

"(4) improve the capability of public and private agencies and organizations to provide services for delinquents and youths in danger of becoming delinquent; and

"(5) facilitate the adoption of the recommendations of the Advisory Committee on Standards for Juvenile Justice as set forth pursuant to section 409.

"(b) Not less than 25 per centum or more than 50 per centum of the funds appropriated for each fiscal year pursuant to this part shall be available only for special emphasis prevention and treatment grants and contracts made pursuant to this section.

"(c) At least 20 percent of the funds available for grants and contracts made pursuant to this section shall be available for grants and contract to private non-profit agencies, organizations or institutions who have had experience in dealing with youth.

"CONSIDERATIONS FOR APPROVAL OF APPLICATIONS

"SEC. 484. (a) Any agency, institution, or individual desiring to receive a grant, or enter into any contract under section 483, shall submit an application at such time, in such manner, and containing or accompanied by such information as the Administrator may prescribe.

"(b) In accordance with guidelines established by the Administrator, each such applicant shall—

"(1) provide that the program for which assistance is sought will be administered by or under the supervision of the applicant;

"(2) set forth a program for carrying out one or more of the purposes set forth in section 482;

"(3) provide for the proper and efficient administration of such program;

"(4) provide for regular evaluation of the program;

"(5) indicate that the applicant has requested the review of the application from the State planning agency and local agency designated in section 482, when appropriate, and indicate the response of such agency to the request for review and comment on the application;

"(6) provide that regular reports on the program shall be sent to the Administrator and to the State planning agency and local agency, when appropriate; and

"(7) provide for such fiscal control and fund accounting procedures as may be necessary to assure prudent use, proper disbursement, and accurate accounting of funds received under this title.

"(c) In determining whether or not to approve applications for grants under section 483, the Administrator shall consider—

"(1) the relative cost and effectiveness of the proposed program in effectuating the purposes of this part;

"(2) the extent to which the proposed program will incorporate new or innovative techniques;

"(3) the extent to which the proposed program meets the objectives and priorities of the State plan, when a State plan has been approved by the Administrator under section 482(c) and when the location and scope of the program makes such consideration appropriate;

"(4) the increase in capacity of the public and private agency, institution, or individual to provide services to delinquents or youths in danger of becoming delinquents;

"(5) the extent to which the proposed project serves communities which have high rates of youth unemployment, school dropout, and delinquency; and

"(6) the extent to which the proposed program facilitates the implementation of the recommendations of the Advisory Committee on Standards for Juvenile Justice as set forth pursuant to section 409.

"GENERAL PROVISIONS

Withholding

"SEC. 485. Whenever the Administrator, after giving reasonable notice and opportunity for hearing, to a recipient of financial assistance under this title, finds—

"(1) that the program or activity for which such grant was made has been so changed that it no longer complies with the provisions of this title; or

"(2) that in the operation of the program or activity there is failure to comply substantially with any such provision; the Administrator shall initiate such proceedings as are appropriate under sections 509, 510, and 511 of this title.

"Use of Funds

"SEC. 486. Funds paid to any State public or private agency, institution, or individual (whether directly or through a State or local agency) may be used for:

"(1) securing, developing, or operating the program designed to carry out the purposes of this part;

"(2) not more than 50 per centum of the cost of the construction of innovative community-based facilities for less than twenty persons (as defined in sections 601(f) and 601(p) of this title) which, in the judgment of the Administrator, are necessary for carrying out the purposes of this part.

"Payments

"SEC. 487. (a) In accordance with criteria established by the Administrator, it is the policy of Congress that programs funded under this title shall continue to receive financial assistance providing that the yearly evaluation of such programs is satisfactory.

"(b) At the discretion of the Administrator, when there is no other way to fund an essential juvenile delinquency program not funded under this part, the State may utilize 25 per centum of the formula grant funds available to it under this part to meet the non-Federal matching share requirement for any other Federal juvenile delinquency program grant.

"(c) Whenever the Administrator determines that it will contribute to the purposes of this part, he may require the recipient of any grant or contract to contribute money, facilities, or services.

"(d) Payments under this part, pursuant to a grant or contract, may be made (after necessary adjustment, in the case of grants, on account of previously made overpayments or underpayments) in advance or by way of reimbursements, in such installments and on

such conditions as the Administrator may determine."

TITLE V—NATIONAL INSTITUTE FOR JUVENILE JUSTICE

SEC. 501. Title I of the Omnibus Crime Control and Safe Streets Act of 1968, as amended [82 Stat. 197; 84 Stat. 1881; 87 Stat. 197], is further amended by adding the following sections to new part F thereof:

"SEC. 490(a). There is hereby established within the Juvenile Justice and Delinquency Prevention Office a National Institute for Juvenile Justice.

"(b) The National Institute for Juvenile Justice shall be under the supervision and direction of the Assistant Administrator, and shall be headed by a Deputy Assistant Administrator of the Office appointed under Section 471(e).

"(c) The activities of the National Institute of Juvenile Justice shall be coordinated with the activities of the National Institute of Law Enforcement and Criminal Justice in accordance with the requirements of Section 471(b).

"INFORMATION FUNCTION

SEC. 491. The National Institute for Juvenile Justice is authorized to—

"(1) serve as an information bank by collecting systematically and synthesizing the data and knowledge obtained from studies and research by public and private agencies, institutions, or individuals concerning all aspects of juvenile delinquency, including the prevention and treatment of juvenile delinquency;

"(2) serve as a clearinghouse and information center for the preparation, publication, and dissemination of all information regarding juvenile delinquency, including State and local juvenile delinquency prevention and treatment programs and plans, availability of resources, training and educational programs, statistics, and other pertinent data and information.

"RESEARCH, DEMONSTRATION, AND EVALUATION FUNCTIONS

"SEC. 492. The National Institute for Juvenile Justice is authorized to—

"(1) conduct, encourage, and coordinate research and evaluation into any aspect of juvenile delinquency, particularly with regard to new programs and methods which show promise of making a contribution toward the prevention and treatment of juvenile delinquency;

"(2) encourage the development of demonstration projects in new, innovative techniques and methods to prevent and treat juvenile delinquency;

"(3) provide for the evaluation of all juvenile delinquency programs assisted under this title in order to determine the results and the effectiveness of such programs;

"(4) provide for the evaluation of any other Federal, State, or local juvenile delinquency program, upon the request of the Administrator; and

"(5) disseminate the results of such evaluations and research and demonstration activities particularly to persons actively working in the field of juvenile delinquency.

"TRAINING FUNCTIONS

"SEC. 493. The National Institute for Juvenile Justice is authorized to—

"(1) develop, conduct, and provide for training programs for the training of professional, paraprofessional, and volunteer personnel, and other persons who are or who are preparing to work with juveniles and juvenile offenders;

"(2) develop, conduct, and provide for seminars, workshops, and training programs in the latest proven effective techniques and methods of preventing and treating juvenile delinquency for law enforcement officers, juvenile judges, and other court personnel, probation officers, correctional personnel, and other Federal, State, and local government personnel who are engaged in work relating to juvenile delinquency.

"INSTITUTE ADVISORY COMMITTEE

"SEC. 494. The Advisory Committee for the National Institute for Juvenile Justice established in section 478(d) shall advise, consult with, and make recommendations to the Assistant Director for the National Institute for Juvenile Justice concerning the overall policy and operations of the Institute.

"ANNUAL REPORT

"SEC. 495. The Assistant Director for the National Institute for Juvenile Justice shall develop annually and submit to the Administrator after the first year the legislation is enacted, prior to June 30, a report on research, demonstration, training, and evaluation programs funded under this title, including a review of the results of such programs, an assessment of the application of such results to existing and to new juvenile delinquency programs, and detailed recommendations for future research, demonstration, training, and evaluation programs. The Administrator shall include a summary of these results and recommendations in his report to the President and Congress required by section 474(b)(5).

"DEVELOPMENT OF STANDARDS FOR JUVENILE JUSTICE

"SEC. 496. (a) The National Institute for Juvenile Justice, under the supervision of the Advisory Committee on Standards for Juvenile Justice established in section 478(e), shall review existing reports, data, and standards, relating to the juvenile justice system in the United States.

"(b) Not later than one year after the passage of this section, the Advisory Committee shall submit to the President and the Congress a report which, based on recommended standards for the administration of juvenile justice at the Federal, State, and local level—

"(1) recommends Federal action, including but not limited to administrative and legislative action, required to facilitate the adoption of these standards throughout the United States; and

"(2) recommends State and local action to facilitate the adoption of these standards for juvenile justice at the State and local level.

"(c) Each department, agency, and instrumentality of the executive branch of the Government, including independent agencies, is authorized and directed to furnish to the Advisory Committee such information as the Committee deems necessary to carry out its functions under this section.

"SEC. 497. Record containing the identity of individual juveniles gathered for purposes pursuant to this title may under no circumstances be disclosed or transferred to any individual or other agency, public, or private."

TITLE VI—AUTHORIZATION OF APPROPRIATIONS

SEC. 601. Section 520 of Title I of the Omnibus Crime Control and Safe Streets Act of 1968, as amended [82 Stat. 197; 84 Stat. 1881; 87 Stat. 197], is further amended by adding at the end thereof:

"SEC. 602. (a) In addition to any other appropriation authorizations contained in this title there is authorized for the purpose of Part F: $75 million for the FY ending June 30, 1975; $150 million for the FY ending June 30, 1976.

"SEC. 602. (b) In adition to the funds appropriated under this section, the Administration shall maintain from other LEAA appropriations other than the appropriations for administration, the same level of financial assistance for juvenile delinquency programs assisted by the Law Enforcement Assistance Administration during fiscal year 1972.

TITLE VII—NATIONAL INSTITUTE OF CORRECTIONS

SEC. 701. Title 18, United States Code, is amended by adding a new chapter 319 to read as follows:

"Chapter 319—National Institute of Corrections

"SEC. 4351. (a) There is hereby established within the Bureau of Prisons a National Institute of Corrections.

"(b) The overall policy and operations of the National Institute of Corrections shall be under the supervision of an Advisory Board. The Board shall consist of fifteen members. The following five individuals shall serve as members of the Commission ex-officio: the Director of the Federal Bureau of Prisons or his designee, the Administrator of the Law Enforcement Assistance Administration or his designee, the Chairman of the United States Parole Board or his designee, the Director of the Federal Judicial Center or his designee, and the Assistant Secretary for Human Development of the Department of Health, Education and Welfare or his designee.

"(c) The remaining ten members of the Board shall be selected as follows:

"(1) Five shall be appointed initially by the Attorney General of the United States for staggered terms; one member shall serve for one year, one member for two years, and three members for three years. Upon the expiration of each member's term, the Attorney General shall appoint successors who will each serve for a term of three years. Each member selected shall be qualified as a practitioner (Federal, State, or local) in the field of corrections, probation, or parole.

"(2) Five shall be appointed initially by the Attorney General of the United States for staggered terms; one member shall serve for one year, three members for two years, and one member for three years. Upon the expiration of each member's term the Attorney General shall appoint successors who will each serve for a term of three years. Each member selected shall be from the private sector, such as business, labor, and education having demonstrated an active interest in corrections, probation or parole.

"(d) The members of the Board shall not, by reason of such membership, be deemed officers or employees of the United States. Members of the Commission who are full-time officers or employees of the United States shall serve without additional compensation, but shall be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of the duties vested in the Board. Other members of the Board shall, while attending meetings of the Board or while engaged in duties related to such meetings or in other activities of the Commission pursuant to this title, be entitled to receive compensation at the rate not to exceed the daily equivalent of the rate authorized for GS-18 by section 5332 of title 5, United States Code, including travel time, and while away from their homes or regular places of business may be allowed travel expenses, including per diem in lieu of subsistence equal to that authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

"(e) The Board shall elect a chairman from among its members who shall serve for a term of one year. The members of the Board shall also elect one or more members as a vice-chairman.

"(f) The Board is authorized to appoint, without regard to the civil service laws, technical, or other advisory committees to advise the Institute with respect to the administration of this title as it deems appropriate.

Members of these committees not otherwise employed by the United States, while engaged in advising the Institute or attending meetings of the committees, shall be entitled to receive compensation at the rate fixed by the Board but not to exceed the daily equivalent of the rate authorized for GS–18 by section 5332 of title 5, United States Code, and while away from their homes or regular places of business may be allowed travel expenses, including per diem in lieu of subsistence, equal to that authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

"(g) The Board is authorized to delegate its powers under this title to such persons as it deems appropriate.

"(h) The Board shall be under the supervision of an officer to be known as the Director, who shall be appointed by the Attorney General after consultation with the Board. The Director shall have authority to supervise the organization, employees, enrollees, financial affairs, and all other operations of the Institute and may employ such staff, faculty, and administrative personnel, subject to the civil service and classification laws, as are necessary to the functioning of the Institute. The Director shall have the power to acquire and hold real and personal property for the Institute and may receive gifts, donations, and trusts on behalf of the Institute. The Director shall also have the power to appoint such technical or other advisory councils comprised of consultants to guide and advise the Board. The Director is authorized to delegate his powers under this title to such persons as he deems appropriate.

Sec. 4352. (a) In addition to the other powers, express and implied, the National Institute of Corrections shall have authority:

"(1) to receive from or make grants to and enter into contracts with Federal, State, and general units of local government, public and private agencies, educational institutions, organizations, and individuals to carry out the purposes of this section and section 411;

"(2) to serve as a clearinghouse and information center for the collection, preparation, and dissemination of information on corrections, including, but not limited to, programs for prevention of crime and recidivism, training of corrections personnel, and rehabilitation and treatment of criminal and juvenile offenders;

"(3) to assist and serve in a consulting capacity to Federal, State, and local courts, departments, and agencies in the development, maintenance, and coordination of programs, facilities, and services, training, treatment, and rehabilitation with respect to criminal and juvenile offenders;

"(4) to encourage and assist Federal, State, and local government programs and services, and programs and services of other public and private agencies, institutions, and organizations in their efforts to develop and implement improved corrections programs;

"(5) to devise and conduct in various geographical locations, seminars, workshops, and training programs for law enforcement officers, judges and judicial personnel, probation and parole personnel, correctional personnel, welfare workers, and other persons, including lay, ex-offenders, and paraprofessional personnel, connected with the treatment and rehabilitation of criminal and juvenile offenders;

"(6) to develop technical training teams to aid in the development of seminars, workshops, and training programs within the several States and with the State and local agencies which work with prisoners, parolees, probationers, and other offenders;

"(7) to conduct, encourage, and coordinate research relating to corrections, including the causes, prevention, diagnosis, and treatment of criminal offenders;

"(8) to formulate and disseminate correctional policy, goals, standards, and recommendations for Federal, State, and local correctional agencies, organizations, institutions, and personnel;

"(9) to conduct evaluation programs which study the effectiveness of new approaches, techniques, systems, programs, and devices employed to improve the corrections system.

"(10) to receive from any Federal department or agency such statistics, data, program reports, and other material as the Institute deems necessary to carry out its functions. Each such department or agency is authorized to cooperate with the Institute and shall, to the maximum extent practicable, consult with and furnish information to the Institute;

"(11) to arrange with and reimburse the heads of Federal departments and agencies for the use of personnel, facilities, or equipment of such departments and agencies;

"(2) to confer with and avail itself of the assistance, services, records, and facilities of State and local governments or other public or private agencies, organizations or individuals;

"(13) to enter into contracts with public or private agencies, organizations, or individuals, for the performance of any of the functions of the Institute; and

"(14) to procure the services of experts and consultants in accordance with section 3109 of title 5 of the United States Code, at rates of compensation not to exceed the daily equivalent of the rate authorized for GS–18 by section 5332 of title 5 of the United States Code.

"(b) The Institute shall on or before the 31st day of December of each year, submit an annual report for the preceding fiscal year to the President and to the Congress. The report shall include a comprehensive and detailed report of the Institute's operations, activities, financial conditions, and accomplishments under this title and may include such recommendations related to corrections as the Institute deems appropriate.

"(c) Each recipient of assistance under this title shall keep such records as the Institute shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance is given or used, and the amount of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

DEPARTMENT OF AGRICULTURE-ENVIRONMENTAL AND CONSUMER PROTECTION APPROPRIATIONS, 1975—AMENDMENTS

AMENDMENTS NOS. 1579–1582

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

Mr. HUMPHREY submitted four amendments, intended to be proposed by him, to the bill (H.R. 15472) making appropriations for agriculture-environmental and consumer protection programs for the fiscal year ending June 30, 1975, and for other purposes.

AGRICULTURAL APPROPRIATIONS AMENDMENTS

Mr. HUMPHREY. Mr. President, I am today introducing four amendments to the agriculture appropriations bill so that they can be printed, distributed and reviewed in advance of Monday's session.

I wish to take this opportunity to commend the distinguished Senator from Wyoming (Mr. McGEE), the ranking minority member, Mr. HRUSKA, and the committee staff for producing a budget which reflects the needs of agriculture and the American people.

The PRESIDING OFFICER. The amendments will be received and printed, and will lie on the table.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the text of the amendments be printed in the RECORD.

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

AMENDMENT No. 1579

On page 12, line 3, strike "$1,500,000" and insert in lieu thereof "7,500,000", and on line 12 of page 12 strike "$108,991,000" and insert in lieu thereof "$114,991,000".

AMENDMENT No. 1580

On page 13, line 15, strike the figure $1,500,000" and insert in lieu thereof "$7,-500,000", and on line 17 of page 13 strike the figure "$218,674,000" and insert in lieu thereof "$224,674,000".

AMENDMENT No. 1581

On page 26, line 12, strike the figure "$20,000,000" and insert in lieu thereof "50,000,000".

AMENDMENT No. 1582

On page 51, line 24, strike the figure "$1,315,630,000" and insert in lieu thereof "$1,321,630,000", and on page 52, line 3, strike the figure $34,000,000" and insert in lieu thereof "$40,000,000".

Mr. HUMPHREY. Mr. President, I ask unanimous consent that Nelson Denlinger and James Thornton be given permission of the floor during the consideration of the agriculture appropriations bill, H.R. 15472.

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

AMENDMENT NO. 1583

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

Mr. HRUSKA submitted an amendment, intended to be proposed by him, to the bill (H.R. 15472), supra.

ADDITIONAL COSPONSOR OF AN AMENDMENT

AMENDMENT NO. 1553

At the request of Mr. ERVIN, the Senator from New Mexico (Mr. DOMENICI) was added as a cosponsor of amendment No. 1553, intended to be proposed to S. 1361 for the general revision of the copyright law, title 17 of the United States Code, and for other purposes.

NOTICE OF HEARINGS ON SENATE JOINT RESOLUTION 119 AND SENATE JOINT RESOLUTION 130

Mr. BAYH. Mr. President, the Senate Subcommittee on Constitutional Amendments is scheduling further hearings on

two proposed amendments to the Constitution: Senate Joint Resolution 119, for the protection of unborn children and other persons, and Senate Joint Resolution 130, to guarantee the right of life to the unborn, the ill, the aged, or the incapacitated.

The next day of hearings will be on Wednesday, July 24, in room 6206, Dirksen Senate Office Building, beginning at 10 a.m.

Any persons wishing to submit statements for the hearing record should contact the Subcommittee on Constitutional Amendments, room 300, Russell Senate Office Building, Washington, D.C. 20510.

ANNOUNCEMENT OF HEARINGS ON S. 2234

Mr. WILLIAMS. Mr. President, the Subcommittee on Securities of the Committee on Banking, Housing and Urban Affairs will hold 3 days of hearings on S. 2234 which I introduced with Senators BROOKE, MCINTYRE, PROXMIRE, and TOWER and S. 2683, which Senators BROOKE and TOWER and I introduced at the request of the Securities and Exchange Commission. The bills would provide for the reporting and public dissemination of information concerning the holdings of transactions in securities by institutional investors.

The hearings will be held on August 13, 14, and 15, 1974, at 10 a.m. in room 5302, Dirksen Senate Office Building.

ANNOUNCEMENT OF HEARING ON S. 3394, THE FOREIGN ASSISTANCE AUTHORIZATION BILL

Mr. FULBRIGHT. Mr. President, I announce that the Committee on Foreign Relations will hold a hearing on Wednesday, July 24, at 10 a.m. in room 4221, Dirksen Senate Office Building, to hear public witnesses on the President's legislative request for foreign assistance authorization, S. 3394.

ADDITIONAL STATEMENTS

ACCESSIBILITY: THE LAW AND REALITY

Mr. CHURCH. Mr. President, the Senate Special Committee on Aging has turned its attention within the last 2 years to architectural barriers which deny or limit accessibility to buildings and transportation systems for elderly and handicapped persons.

On behalf of the committee, I conducted hearings which clearly demonstrated that the Architectural Barriers Act of 1968 falls far short of guaranteeing accessibility in Federal buildings constructed since that time.

In addition, I have worked with other Senators who are concerned about accessibility problems within the Capitol of the United States and within the Senate office buildings. Our concern focused not only on the difficulties encountered by visitors to these public facilities, but by handicapped persons whose work opportunities might be limited because of barriers inside or near those buildings. With the Architect of the Capitol, I toured these structures and was impressed with the problems which were uncovered by our guide, a person who required a wheelchair for mobility. Senator JENNINGS RANDOLPH, chairman of the Subcommittee on the Handicapped, took a keen interest in the same problems and joined with Senator WILLIAMS, the chairman of the Labor and Public Welfare Committee, in seeking corrective action. I am happy to report that such action has begun, and it is continuing with the help of Mr. Edward H. Noakes, the chairman of the Committee on Barrier Free Design for the President's Committee on Employment of the Handicapped.

One of our key concerns, of course, has been the effectiveness of the Architectural Barriers Act, and we have been on the watch for useful information on that subject.

One of the most helpful sources of documentation was recently sent to me by Mrs. Evelyne R. Villines, executive secretary of the Iowa Governor's Committee on Employment of the Handicapped.

It is a report called "Accessibility—the Law and the Reality." It is based upon actual surveys by architects, disabled persons, and recorders who surveyed 34 buildings built since the Architectural Barriers Act became law. Their overall conclusion:

> The Architectural Barriers Act of 1968 has not met the stated intent of Congress—to insure that certain buildings . . . are . . . accessible to the physically handicapped as it pertains to Iowa.

Mr. President, other Senators who are equally impressed by this report will discuss its content and other findings in greater detail. I will add my praise to theirs, and I will also suggest that the Iowa model be applied in other States, as well. Finally, I would like to add a word of commendation for Mr. Noakes, who helped to design the survey and who worked closely with Mrs. Villenes and her associates.

Mr. RANDOLPH. Mr. President, as chairman of the Subcommittee on the Handicapped of the Senate Labor and Public Welfare Committee and as a member of the Special Committee on Aging, I have had a longstanding commitment to make our society barrier free for handicapped individuals.

It was my responsibility to sponsor the Architectural Barriers Act of 1968. The principal purpose of that legislation was to insure that certain buildings financed with Federal funds would be accessible to those who are physically handicapped. Additionally, the Rehabilitation Act of 1973 included my amendment to establish an Architectural and Transportation Barriers Compliance Board to insure compliance with the standards developed pursuant to the Architectural Barriers Act. This Board was and is fully supported by Senator STAFFORD, ranking minority member of the subcommittee, Senator CRANSTON, floor manager of the measure, Senator WILLIAMS, chairman of the full committee and all other members of the Subcommittee on the Handicapped.

Much progress, to be sure, has been made since the enactment of the 1968 law. However, further improvements are still needed if we are to develop a barrier-free society for disabled persons and assure them a full opportunity to participate.

This point was made very forcefully in a recent report prepared by the Easter Seal Society for Crippled Children and Adults of Iowa, the Governor's Committee on Employment of the Handicapped, and the Iowa Chapter of the American Institute of Architects. Their survey of 34 federally funded projects in Iowa provides clear and convincing evidence that the spirit and letter of the Architectural Barriers Act has not always been maintained.

Major areas of concern of the report included parking lots, rest rooms, water fountains, public telephones, and adequate precautionary devices for individuals with sight handicaps.

For example, nearly 70 percent of the federally funded projects did not provide parking spaces for disabled individuals. Moreover, in several cases general parking was not even within proximity of the building. Since mass transportation systems are only beginning to become accessible to handicapped persons, they are very often dependent on specially equipped cars. These conditions will, of course, only intensify the problems handicapped persons encounter in even getting to and from their job.

A need also exists to make public telephones more accessible for the disabled. Only about one-half of the buildings surveyed in Iowa had telephones available to handicapped persons. Most of these, though, were office desk phones which are ordinarily available during business hours. Coin operated public phones were generally too high, and the cords too short. Additionally, no telephones surveyed were equipped for persons with hearing disabilities. Because many business, financial, and other transactions are now concluded by telephone, these oversights can create formidable barriers for handicapped Americans. I am hopeful that they can be corrected promptly.

Finally, the study noted that there was, in most cases, adequate identification of rooms and offices from the standpoint of the general public. But there was a basic lack of understanding about some of the unique problems of the blind. For instance, one project had knurled handles or knobs to identify doors not intended for normal use. The need for such safety features, it seems to me, is especially compelling because some of these "off-limits" areas could conceivably prove to be dangerous for a blind person.

Mr. President, the joint report by the three Iowa agencies is a powerful docu-

ment which merits the attention of every Member in the Senate. Senator CLARK, it is my understanding, will ask unanimous consent to have the findings, recommendations, and conclusions reprinted in the RECORD. For the Subcommittee on the Handicapped, I will transmit to the Architectural Transportation Barrier Compliance Board copies of the Iowa study and the remarks of my colleagues.

Mr. President, the Subcommittee on the Handicapped has been working closely with the Architect of the Capitol to make the buildings on Capitol Hill accessible to all citizens; I am gratified that architect Edward Noakes, consultant on this project, has submitted a good report and that work has been started. I urge my colleagues in the Senate to study the Iowa report and the work done on the Hill. It will help us to become even more sensitive to the barriers which mobility-impaired persons face and work to eliminate those barriers in our own States.

Mr. President, I commend the able and diligent chairman of the Special Committee on Aging, Senator CHURCH, for his initiative in coordinating this colloquy on the critical issue of architectural barriers. We have worked in a constant endeavor to insure that the handicapped and elderly have complete access to Federal and other buildings and installations. Additionally, I am grateful for the participation of the Senator from New Jersey, Mr. WILLIAMS, the Senator from Illinois, Mr. PERCY, and the Senator from Iowa, Mr. CLARK, in bringing to the attention of our colleagues and the public the continuing need to develop programs for the elimination of architectural and transportation barriers, thereby providing fuller opportunity for the handicapped and elderly of America.

Mr. WILLIAMS. Mr. President, in far too many cases persons with physical disabilities have found that our society is "off limits" to them. Barriers, both physical and psychological, face them at every turn, from buildings and transportation systems which will not allow them entrance—to public policies and attitudes which preclude them their birthright. As a consequence, large numbers of persons with physical disabilities are being denied equal opportunity to participate fully and effectively in all facets of life.

Despite public laws which argue for full and free access, often these laws fail because of a lack of compliance procedures. As the Subcommittee on the Handicapped found during consideration of the Rehabilitation Act of 1973, compliance with the major Federal law on the subject of Architectural Barriers (Public Law 90–480) faltered because of unclear compliance procedures and administrative responsibility. As a result of these findings, the subcommittee, under the able leadership of Senator JENNINGS RANDOLPH, Senator STAFFORD, and Senator CRANSTON, created the Architectural and Transportation Barriers Compliance Board, currently housed in the Department of Health, Education, and Welfare and charged with oversight and investigation of compliance with Public Law 90–480 and other laws seeking a barrier-free environment.

A recent study on "Accessibility—the Law and the Reality," conducted by the Iowa Chapter of the American Institute of Architects, Easter Seal Society for Crippled Children and Adults of Iowa, Inc., and the Iowa Governor's Committee on Employment of the Handicapped—gives further confirmation to the need for implementation of the Architectural and Transportation Barriers Compliance Board.

This hard-hitting factual document includes several sound and sensible recommendations to help assure that buildings financed with Federal funds are, in fact, accessible to persons with disabilities.

Public buildings, and especially Federal buildings, are financed with tax dollars from all Americans and include many dollars contributed by Americans with physical disabilities. Yet most of these buildings, despite laws on the subject, are constructed without the slightest consideration to the special needs of these persons. My colleagues here today have pointed out many of the recommendations cited by the Iowa study. One of the major points made is that there is a general lack of understanding about the problems of persons with various types of disabilities. As that study states:

> The most positive answer lies in education—an informed design professional, agency administrator, building owner, and general public will best assure that the needs of the handicapped are met.

Educational efforts were urged in a number of critical areas, including handrail design, safety identification requirements for the blind, and others.

The recent Iowa report also urged action on several fronts to help make this goal a reality.

One of the priority recommendations was to require that accessible parking spaces for the handicapped be located within proximity of buildings financed with Federal funds. Because this provision is not now mandated, many handicapped persons are deterred from seeking valuable social services at Federal agencies, inquiring about helpful Federal benefit programs, or perhaps seeking employment with a U.S. agency. But in the words of the Iowa report, "This shortcoming is relatively easy and inexpensive to correct and should be accomplished." And, I fully concur.

The report noted that over one-third of the 34 buildings surveyed in Iowa did not have accessible drinking fountains. To correct this problem, the Joint Committee urged that plumbing code standards and manufacturers recommendations for mounting height should be adjusted to facilitate use by those in wheelchairs.

This report is the first of its kind that I have seen, but its importance cannot be overestimated. It represents the effort of an individual State to review public policy in this area comprehensively, and to make sound and reasonable recommendations for change. This kind of awareness serves an important role in the policy process.

As my distinguished colleague, the Senator from West Virginia has noted, with the assistance of Senator CHURCH and other colleagues, the Subcommittee on the Handicapped has undertaken a study of the Capitol area, and the Architect of the Capitol has begun work to make these buildings barrier-free. These efforts, along with work being done on major mass transportation systems, will serve to stimulate a comprehensive awareness of these problems. This is also one of the major goals of my proposal for a White House Conference on the Handicapped (S.J. Res. 118) which is pending before the House Committee on Education and Labor. It is my hope that this Conference can develop a blueprint for comprehensive action to make our society barrier-free for the disabled.

In conclusion, Mr. President, I commend this report, "Accessibility—the Law and the Reality," to my colleagues, and will join with Senator RANDOLPH in transmitting this report with the statements made today to the Architectural and Transportation Barriers Compliance Board for their review and action.

Mr. PERCY. Mr. President. I take this opportunity to join my colleagues in commending the Easter Seal Society of Iowa, the State's Governor's Committee on Employment of the Handicapped and the Iowa Chapter of the American Institute of Architects for their fine effort to survey the effectiveness of the Architectural Barriers Act of 1968, Public Law 90–480, in Iowa. Although Public Law 90–480 was enacted in 1968, the Iowa effort represents the first attempt to systematically review the statewide application of the law. The strength of this Iowa effort lies in its sensitive conclusion that the success of Public Law 90–480 will depend not so much on the punitive enforcement of the letter of the law but, rather, on the education of the industry, government, and the public to a full understanding of the meaning of accessibility.

Without such an understanding, architects, designers, and building professionals tend to follow the letter of the law, not its spirit. Take the example of entrances, the key of access to any facility. When Congress enacted the Architectural Barriers Act of 1968, it intended that facilities financed with Federal funds be designed and constructed to be accessible to the physically handicapped. However, the accessibility standards specify only that at least one primary entrance to each building be usable by individuals in wheelchairs. Following the letter of the law, wheelchair users could be relegated to one entrance, not necessarily the most convenient entrance. Following the spirit of the law, all doors would be uniformly wide enough for wheelchair users to pass through. As the Iowa report "Accessibility, the Law and the Reality" indicates, compliance with the spirit of the law is a still distant goal.

In the interest of attaining that goal, the Iowa effort can act as a blueprint for all other States interested in undertaking similar surveys. For my own part, I have suggested to the Illinois Governor's Committee on Employment of the

Handicapped that it coordinate a similar effort to review the effectiveness of Public Law 90–480 in Illinois. With sufficient interest Public Law 90–480 may finally fulfill the intent of Congress that the independence and dignity of all handicapped persons be realized.

Mr. CLARK. Mr. President, about one out of every seven Americans has a permanent physical disability. But all of the available statistics, facts and studies show that these individuals can be productive citizens if they are given a full opportunity to participate in our society. To achieve this goal, it is absolutely essential that public facilities and buildings be accessible to the physically handicapped.

In 1968, under the leadership of my friend and colleague Senator RANDOLPH of West Virginia, Congress took an important step with the enactment of the Architectural Barriers Act. This legislation already has had a major impact in opening the doors to new employment, service, and other essential opportunities for handicapped persons.

Recently, a comprehensive study on the provisions of Public Law 90–480 was made by the Iowa Chapter of the American Institute of Architects, in conjunction with the Easter Seal Society for Crippled Children and Adults of Iowa and the Governor's Committee on Employment of the Handicapped. Their conclusion: The spirit of the law still has not been fulfilled.

More than 3,000 buildings have been constructed with some form of Federal support since the Architectural Barriers Act became law. In Iowa, 34 projects have been federally funded since 1968. And, these 34 buildings were thoroughly investigated to determine whether they met the standards and requirements of the Architectural Barriers Act.

The report gave this candid assessment:

Although there have been great improvements made as a result of the law, too many deficiencies were noted to judge the majority of projects built under the law fully accessible. There is an apparent lack of full understanding of the problems of the physically handicapped on the part of the design professionals, building owners and agencies administering federal funds.

This condition, however, need not persist. This society should not be "off limits" for the disabled. With a clear-cut sense of commitment and sound policies, facilities can be made barrier free for the handicapped, and at a reasonable cost.

Mr. President, in many respects Iowa has been a leader in removing architectural barriers for aged and handicapped persons. The recent study by the Iowa chapter of the American Institute of Architects on "Accessibility—the Law and the Reality" is an outstanding example of this leadership.

Despite some of the sobering conclusions, it remains optimistic:

Fortunately, we are in a time when the potential and value of each human life is recognized. It is the fervent hope of the agencies sponsoring this survey that it will serve as an example for similar projects across the country, that as a result there will be an ever increasing circle of awareness of what needs to be and should be done to provide buildings which recognize the independence and dignity of all handicapped persons.

Mr. President, I commend the report on "Accessibility—the Law and the Reality" to my colleagues, and ask unanimous consent that the first three sections be printed at this point in the RECORD.

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

SECTION 1.—THE CONCEPT AND DEVELOPMENT OF THE SURVEY

The Architectural Barriers Act of 1968, Public Law 90–480, was passed by the Nintieth Congress on August 12th of that year. Its purpose was to insure that certain buildings financed with federal funds are designed and constructed as to be accessible to the physicially handicapped. The authority to prescribe standards for design, construction and alteration of buildings under their administration to conform to the law was granted to the Administrator of General Services, Secretary of Housing and Urban Development, and Secretary of Defense, each in consultation with the Secretary of Health, Education and Welfare. In practice, all adopted the basic design criteria of the American Standard Specifications for making buildings and facilities accessible to, and usable by, the physically handicapped, A117.1 (R 1971).

More than 3000 buildings have been constructed under the jurisdiction of this law. The President's Committee on Employment of the Handicapped expressed concern that these buildings vary in their degree of accessibility. As a result, their Barrier Free Design Committee—chaired by Edward H. Noakes, A1A, invited the Iowa Chapter American Institute of Architects to spearhead a survey of 34 projects in Iowa, federally funded since 1968, to determine to what extent they fulfill the standards set by the law.

Consumer assessment was considered extremely important. Since the Governor's Committee on Employment of the Handicapped and the Easter Seal Society for Crippled Children and Adults of Iowa, Inc., are active in working with problems confronting the handicapped they were contacted, responded eagerly, and became very effective co-sponsors of the pilot project. A steering committee composed of representatives from the three sponsoring agencies and students from Iowa State University, School of Architecture, Ames, Iowa, was organized. The Regional Office of the General Services Administration in Kansas City was advised of the proposed project, endorsed it and has provided advice and counsel throughout the survey.

The initial meeting of the Steering Committee was held October 15, 1973, with the following general plan developed:

A. Since there were apparently no available federal funds for this purpose, it was decided to plunge forward depending on volunteer efforts with individuals paying their own expenses. Costs of mailing, preliminary printing, duplication, etc., were to be absorbed by the sponsoring agencies.

The question of printing costs for the final completed report was a concern. Fortunately, through the cooperation of the Governor's Committee on Employment of the Handicapped, this problem was resolved.

B. Each survey team would be comprised of an architect, a disabled individual who is confined to a wheel chair, and a recorder. Organization of the teams was a joint effort by the executive directors of the three sponsoring agencies.

C. The 34 buildings in the Iowa inventory were divided into 12 geographical groups—each of which could be surveyed by one team.

D. A checklist to be used as the common basis for judgement of the buildings was to be developed by a subcommittee. The basic source for material, was ANSI 117.1 (R1971) and information from survey forms used for accessibility survey projects at Iowa State University and the State University of Iowa.

E. On completion of the checklist, a trial run survey was to be conducted by a team from the Steering Committee: Villines (Consumer), Karlsson (Recorder), and Broshar (Architect). This team would then serve as the "faculty" for an all day orientation session with all team members prior to conducting the general survey.

F. It was determined that the final report would consist of two parts: The first part would deal with those items not complying with the standards and the Barrier Act of 1968. The second part would deal with evaluation of the standards and their effectiveness in fulfilling the intent of Congress to provide accessibility for physically handicapped persons.

G. A time table was established with target dates as listed:

November 10th—All team members assigned and committed.

November 15th—Checklist completed for review and refinement by the Steering Committee.

December 7th—Orientation Session of all team members from 10:00 A.M.-3:00 P.M. at the Eastern Seal Society, Camp Sunnyside—lunch to be catered.

December 7th-January 15th—Surveys to be made and reports submitted to the Iowa Chapter, AIA.

January 15th-April 1st—Reports recapped, summary prepared and final comprehensive survey and recommendation document prepared and printed.

Although some modifications were required the general plan and time table held up quite well in practice and in the judgement of our committee could be effectively used as guidelines for similar projects.

The response from those contacted to serve on teams was excellent. One man and wife, both wheel chair consumers, volunteered to serve on a team together—one as a recorder and one as a consumer. The orientation session was most effective: Participating were Edward H. Noakes from Washington, D.C., and Tom Crawford from the Kansas City office of the G.S.A. The team participation was enthusiastic and attendance was nearly perfect. In addition to serving its educational function, the meeting established an excellent spirit of goodwill and common cause. Teams were also briefed on means and methods of contacting the news media regarding the survey activities. The resultant coverage by television and newspapers across the state was very good. Once apprised of the nature of the project, building owners were very cooperative in scheduling surveys, providing guides, and making facilities available to the teams.

Reports were generally completed and submitted in accordance with the time schedule. The Steering Committee then was faced with the frustrating task of sorting out and organizing the data so that the individual problem areas could be defined and analyzed, conclusions drawn and recommendations developed. To organize this work into "bite size" elements, the staff of the Easter Seal Society prepared a tabulation of the survey reports, including pertinent comments. Copies were distributed to each survey committee member, who in turn prepared his own brief overviews prior to meeting to determine the conclusions. Two all day sessions were then required to develop

the summary and recommendations, so that the report could be written. The self defined role of the committee has been to inform, recommend and, if possible, educate. One of the direct results of the project was a seminar on Barrier Free Architecture presented by committee members to approximately 200 architectural students at Iowa State Universtiy in March. A Barrier Free Workshop is planned for the member Iowa Chapter, AIA, after completion of the report. The owners of a project surveyed will be furnished with a copy of their individual checklist, a copy of the final printed report, and a letter thanking them for their cooperation and urging their careful analysis and consideration of corrections where needed. Finally, a "wrap up" meeting is planned for all survey workers and others who have participated so that they can be informed of the overall results and impact of their efforts.

SECTION 2.—CATEGORICAL SUMMARY OF THE SURVEY AND RESULTANT RECOMMENDATIONS

A. Parking Lots

In nearly 70% of the projects parking provisions were not made for the handicapped. Several instances were noted in which "not even general parking" was provided in close proximity to the building. It should be pointed out that some parking, close to the building access, is much more critical to the handicapped than to the general public.

Recommendation:—Although the standards appear to be clear and concise, wording is not mandatory. It is recommended that provision of accessible parking spaces approximate to the building and otherwise in accordance with the standards be required. Of those projects surveyed with parking lots, many did not identify or provide accessible stalls. This shortcoming is relatively easy and inexpensive to correct and should be accomplished.

B. Walks

General compliance with recommendations of the standards was excellent. However, about 20% were deficient in "blending to a common level" where walks cross other walks, driveways or parking lots.

Recommendation:—The standard is adequate, but additional awareness of the need for "blending of surfaces" for the handicapped as defined in 4.2.3 is required.

C. Ramps

Of the ramps encountered, most complied with the requirements. There did appear to be confusion regarding use of handrails. There was apparently some problem in defining the difference between a ramp and a sloping walk.

Recommendation: The standards should stipulate at what minimum slope handrails are required. Other requirements seemed clearly stated.

D. Entrances and exits

Nearly all of the buildings surveyed met the minimum requirement of one primary entrance usable by individuals in wheelchairs.

Recommendation: Although the standard does state it is preferable that most entrances and exits be accessible, it is the recommendation of the committee that this should be strengthened. Emergency exits, under most existing codes, become hazards for the handicapped.

E. Doors and doorways

General compliance with door size requirements was excellent although in the judgment of the teams there were some problems with ease of operation and change of level through the doorways. Both of these problems relate directly to hardware.

It should be pointed out that excessive level changes at the threshold are potential hazards for all users of buildings.

Recommendations: Since the problem of ease of operation relates to hardware, it is recommended that the finish hardware manufacturers be given the challenge to develop door closers which will allow opening with relative ease while closing firmly and with adequate resistence to wind pressures.

While automatic entrances provide an ideal solution, economics generally preclude their use on all but primary entrances on major buildings.

F. Stairs and steps

Nearly one-fourth of the stairs surveyed were built with abrupt nosings diagrammed as unacceptable in the standards. This is probably related to standard detailing practice for steel pan stair construction, a very popular and economical method of building stairs. There was some confusion regarding the wording in the standards—"Steps in stairs that might require use by those with disabilities. . . ."

Some variation in handrail heights (from 29 inches to 34 inches) was encountered, and rarely did the handrails extend the prescribed 18 inches beyond the top and bottom steps. Conformance with riser height recommendations was generally good.

Recommendations: Clarification is necessary in the wording of the standard regarding which stairs shall not have abrupt (square) nosing. It was not clear to the committee how to determine which stairs might not be required for use by the disabled.

In addition, studies in modifying standard details for metal pan stairs both by architects and the industry, could be beneficial in resolving this problem.

Although the handrail requirement is clearly stated, there have been a number of varying standards and practices in use for many years. Education, administration and a standardization of codes all are required for a satisfactory solution.

G. Floors

There are two basic areas of concern here—the surface of the floors and a common level throughout a given story.

From their answers it is apparent that team members had some difficulties in defining "non slip". For example, both vinyl asbestos tile and terrazzo were listed as slippery and non-slip. In general, however, the floors were judged to be satisfactory. Regarding the requirement that floors on a given story be of a common level, although only three "no's" were indicated, a careful review of the comments indicates that at least five or six additional projects had mezzanine or other areas separated and accessible only by stairs or non-complying ramps. This problem seems to relate particularly to educational facilities with lecture rooms requiring sloped or stepped seating for proper vision lines.

Recommendations:—Although it was apparently not a major problem, it would be advantageous to have a more specific definition of "non-slip".

A literal reading of 5.5.2 would appear to be too narrow in scope. It's most important that the designer be aware of the potential needs of the handicapped during the conception as well as the detail portion of the design process. Whereas, it may be mandatory to have tiered seats in a lecture room or auditorium, provisions for accessibility of both a handicapped student or audience member as well as a handicapped lecturer should be an integral part of the design program.

H. Rest rooms

In general, the details prescribed by the standards were provided. However, there was considerable discussion both by the survey teams and the reviewing committee as to the adequacy and appropriateness of certain standards.

Most facilities did have an appropriate number of accessible toilet rooms for each sex, did have maneuvering space for wheelchairs and did provide oversized toilet stalls as required. On the other hand, over 25 percent had inadequate doors to provide access to the designated stall; grab bars in many cases differed from the standards; and the maneuvering space in front of the stalls was too small for wheelchairs turning in 40 percent of the cases surveyed. A majority of the toilet rooms did not have drain pipes and hot water pipes covered, had mirrors, dispensers and shelves higher than 40 inches above the floor, and did not provide wall mounted urinals at the required level.

Recommendations:—Total study of rest room accessibility standards is required to provide facilities which recognize the independence, privacy and dignity of the handicapped individual. Specific areas of concern include the following:—

(1) Toilet stall design—The required stall depth of 4 feet-8 inches was considered less than minimum. Additional study should be directed to side vs. front access to the water closet and its effect on stall design.

(2) Grab bars—The standards prescribe bars parallel to the floor, whereas many of the surveyors preferred the 45 percent angle bars encountered. It's apparent that different configurations benefit different handicaps, but perhaps a combination of the two would benefit all. This requires further study.

(3) Accessible urinals—There was a general lack of understanding for the mounting height requirement. If the 19 inch mounting height is valid, plumbing code mounting heights, as well as those recommended by fixture manufacturers, should be brought into compliance.

(4) Although the covering and/or insulating of pipes under a lavatory is listed as a footnote under Art. 5.6.3, there should be some clarification of the hazard. Often the location of the piping thermostatically controlled hot water, or other reasons would appear to eliminate the problem.

I. Water fountains

In retrospect, it appears that our questionnaire was more detailed than necessary, and as a result there was some confusion on the part of the survey teams.

One conclusion was clear—over one-third of the buildings did not have accessible drinking fountains in accordance with the standards and the law.

The major problem with drinking fountains was the height of controls and bubbler. Most were wall mounted and the manufacturer's standard mounting height of 40 inches is excessive for most wheelchair users. The other inaccessible fixtures were either flush mounted recessed fountains or fountains mounted in narrow recesses.

Recommendations: — Planning Code standards and manufacturers recommendations for mounting height should be adjusted to accommodate the wheelchair users. The inconvenience of lower height to the average user is minimal if anything, particularly when compared to the benefit to the handicapped.

The provision of paper cup dispensers will solve the problem in many existing inaccessible drinking fountain installations.

J. Public telephones

At least half of the buildings surveyed had telephones available and accessible to disabled persons. However, most of these were desk phones in offices which are only available when the offices are open. Coin operated public phones were generally too high—the coin slot was too high and the cord too short.

At least, it was noted, the handicapped person was unable to reach the coin slot when he couldn't dial.

No telephones surveyed were equipped for persons with hearing disabilities.

Recommendations:—Since the telephone companies are generally responsible in de-

termining both the numbers and types of installations of public telephones, they should be informed of these deficiencies and the law. The wording of the standard should be clarified to state whether the equipping of an appropriate number of public telephones for those with a hearing disability is a recommendation or a requirement.

K. Elevators

Where applicable, most elevators were available and useable by the handicapped. One exception was an educational institution where the handicapped were expected to use a freight elevator which was judged inaccessible because of its key operation, as well as a number of apparent operational hazards. A common criticism (more than half) was that the controls were mounted too high, and most did not have raised or indented letters on the controls.

Although our check list asked if the cab were 5 feet x 5 feet, it more appropriately should have asked if the elevator allowed for traffic by wheelchair. In several instances, it was noted that a cab less than the dimensions noted was adequate. There was concern expressed in one instance over the distance between elevator car and threshold being a hazard. No reference to this is made in the standard.

Recommendations:—Elevator manufacturers should be made aware of the need for lower mounting heights for operating controls. There was unresolved discussion regarding the appropriateness of raised or indented letters on the controls. Obviously, this should be resolved as the result of a study beyond the scope of this report.

L. Controls

In general the controls and switches noted were within the reach of individuals in wheelchairs. Fire alarm switches and fire extinguishers in some instances were high, but with new standards all would be accessible.

Recommendation:—With the seemingly illogical "standard" mounting heights for the switches and controls generally used in public buildings and the resultant jumbled appearance, it would seem evident that all should be mounted at one common height which would be a convenience to the public and also accessible to the handicapped.

M. Identification

Although identification of rooms and offices for the general public was quite good in the projects surveyed, there was a general lack of understanding of the problems of the blind. The standards are definitive and when followed would appear to benefit all users as well as the blind.

Only one project of all those surveyed used knurled door handles or knobs to identify doors which are not intended for normal use and might prove dangerous if entered by a blind person. There was a general lack of familiarity with this identifying device both on the part of the surveying teams and the review committee.

Recommendations:—The solution to compliance to this standard appears to be education and administration. Fortunately, it is relatively easy to accomplish in existing structures.

N. Warning Signals

Three fourths of the buildings did not have visual warning systems while most had audible.

Recommendations:—Since the equipment and systems are available to meet this requirement, education and administration are the means to assuring compliance with the law. State and local fire marshals should be aware of this requirement since alarm systems fall within their domain.

O. Hazards

Conformance with the requirements of this section was generally quite good.

Deficiencies generally related to signs, fixtures or objects that projected into hallways (below 7 foot heights) and a review of the comments indicates that a number of these problems are the result of items added after completion of the project.

Recommendations:—None.

SECTION 3.—GENERAL CONCLUSIONS

The conclusion of this survey must be that the Architectural Barriers Act of 1968 has not met the stated intent of Congress—"to insure that certain buildings . . . are . . . accessible to the physically handicapped as it pertains to Iowa.

Although there have been great improvements made as a result of the law, too many deficiencies were noted to judge the majority of projects built under the law fully accessible. There is an apparent lack of full understanding of the problems of the physically handicapped on the part of the design professionals, building owners and agencies administering federal funds. The standards adopted while generally good, require clarification in certain areas and detailed review in others.

The standards clearly define the various categories, but the difficult problem of deciding what degree of disability should be designed for has not been resolved.

The lack of understanding cited is illustrated in the classroom building which featured second floor toilet facilities beautifully executed in compliance with the detailed requirements of the standards, but accessible only by non-conforming stairs or non-conforming key operated elevators. Several of the buildings surveyed had met all entrance acessibility requirements, but failed to provide any parking spaces within a reasonable walking distance to the entrances.

Compliance with the total spirit of the law is the ideal to be sought. The specific accessibility deficiencies are noted in the second section of this report, along with tabulation sheets. Major areas for concern seemed to be parking lots, rest rooms, water fountains, public telephones and provisions for those with sight handicaps.

The American Standards were generally judged to be good. It was the feeling of the review committee that accessible parking for the handicapped be required rather than recommended, that stairs meeting accessibility standards should be more closely defined, and that a total restudy of toilet room requirements—particularly toilet stall size and shape be initiated.

Some problems encountered related to manufacturing or industry standards. The hardware industry, if properly motivated, should be able to solve the problems encountered by the handicapped with difficult door closers. Modification of industry standards such as plumbing fixture mounting heights, control and switch heights, pay telephones, and elevator controls to conform to the accessibility standards would resolve the problems simply.

Several areas for improvement can be noted: Improve the standards, educate industry to meet their obligations, strengthen administration of the law. But, the most positive answer lies in education—an informed design professional, agency administrator, building owner, and general public will best assure that the needs of the handicapped are met. Although the scope of this survey is limited to buildings built under Federal Law P.L. 90–480, it is also a law in Iowa that all public buildings be accessible. It seems only logical that any building designed for public access and use should be equally accessible to the physically handicapped.

Fortunately, we are in a time when the potential and value of each human life is recognized. It is the fervent hope of the agencies' sponsoring this survey that it will serve as an example for similar projects across the country, that as a result there will be an ever increasing circle of awareness of what needs to be and should be done to provide buildings which recognize the independence and dignity of all handicapped persons.

THE MEDIA

Mr. GOLDWATER. Mr. President, much of the American press—in the opinion of most of the Nation has gone beyond the bounds of fairness in its determination to drive Nixon out of office.

I have known this for some time, as have other politicians and even commentators.

But it took a top editorial writer on a great newspaper to lay it out the way the situation really deserves.

My reference is to the Arizona Republic which, in a lead editorial in July 7 told the story the way it is. To quote the Republic, "the media is in hot water."

Mr. President, this condition rarely exists. Even more unusual is to have it pointed out by a segment of the media. This is fitting, however, because there is not a newspaper in the country which treated Watergate and related matters with more objectivity and fairness.

Even so, it is not often that one part of the media is moved to blow the whistle on one of its professional brethren.

The Republic's editorial points out that at a time when the press should be receiving plaudits for a job well done in the public interest it finds itself at a low point in public esteem.

The editorial said:

At its annual convention last spring, the prestigious American Society of Newspaper Editors took on some of the aspects of a wake with committee chairmen reporting gloomily on the public's attitude toward the press.

It went on to attribute the public's attitude to the media's failure to be fair with the President.

Mr. President, because of its extreme importance to the Members of Congress, I ask that the July 7 editorial of the Arizona Republic be printed in the RECORD.

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

THE PRESS IN HOT WATER

While the Rodino committee moves with glacial deliberateness toward a vote on impeachment, the press is examining its own role in bringing the Watergate scandals to public attention. Quite obviously the media is in hot water.

Time magazine's current issue contains an exhaustive six-page cover story headed "The Press: Fair or Foul." It is followed by a two-page essay titled: "Don't Love the Press, But Understand It."

Newsmen, not congressmen or court prosecutors, exposed the activities of Dean, Magruder, Colson, the Plumbers, Kleindienst, Mitchell, Stans and all the rest.

And yet, far from being hailed for cleansing the Augean stables, the press today finds itself at a low point in public esteem.

At its annual convention last spring, the prestigious American Society of Newspaper Editors took on some of the aspects of a wake with committee chairmen reporting gloomily on the public's attitude toward the press.

A recent Gallup poll found only half (52 per cent to be exact) of daily newspapers do a good job in presenting both sides of a controversial issue. Mervin Field's California

polls have shown a decline from 55 to 44 per cent in the number of people who consider the Watergate coverage as unbiased.

Perhap's because Time's reporting is often excellent but seldom unbiased, the thrust of the magazine's massive report is that attacks on the press, particularly over Watergate, have become "mindless and reflexive."

We're not at all sure that the present depressed state of confidence in the press can be so easily explained away. In simple point of fact, the Eastern Establishment press has carried out a nonstop assault on Richard Nixon such as no American president in this century has been exposed to.

Since Carl Bernstein and Bob Woodward sniffed the first breath of political corruption in the Watergate burglary. The Washington Post and its allies (Time, Newsweek, The New York Times, CBS, etc.) have shown all of the strengths but few of the restraints expected of the Fourth Estate.

That these attacks have performed a service for the country is crystal clear. That cannot, and should not, be gainsaid.

But they have frequently done so at the expense of law, tradition and good taste. The new Bernstein-Woodward book (which will earn the two young reporters a cool half-million dollars) tells how Bernstein, warned that a subpoena had been issued for him, called his managing editor at The Washington Post and told him to remove his (Bernstein's) files.

That may not be contempt of court, since the subpoena had not actually been served, but it certainly is obstruction of justice, and is just as reprehensible when newsmen do it as when government officials shred documents or when the President refuses to turn his memoranda and tapes over to a congressional committee.

In fact, it is more reprehensible unless you believe there is no such thing as executive privilege, and not even the Nixon-haters have made that claim.

How can a newspaper columnist (i.e. Jack Anderson) demand that the White House staff members obey the most minuscule provisions of the law, when he himself thinks nothing of violating the sanctity of the grand jury by publishing verbatim transcripts of grand jury testimony?

Much of the American press, in our estimation and probably in the opinion of most of the nation, has gone beyond the bounds of fairness in its determination to drive Nixon out of office.

It is failing in that goal, and if Congress can only be goaded into getting impeachment behind it, there is a chance that the government and the people will be able to find their way back to the sanity that has ruled most of America's 198-year-old history.

Then, and only then, will there be an end to what Time calls "an estrangement between the press and large numbers of Americans." We heartily concur in Time's opinion that such estrangment "is dangerous, not merely to the press but to the country." Where we differ from Time is fixing the blame for that estrangement.

NOT A LOSER IN THE CROWD

Mr. MOSS. Mr. President, the July/August issue of Astronautics and Aeronautics includes an article describing a recent Michigan symposium on Earth resources technology satellites. Similar symposiums have been held in Utah and in Oregon.

Because of the widespread interest in Earth resources technology satellites, which bring the benefits of our investments in space to State and local users, I ask unanimous consent that this article be printed in the RECORD for the benefit of my colleagues.

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

NOT A LOSER IN THE CROWD

(By Bruce Frisch)

(The ERTS in Michigan Symposium can serve as a model for other Sections to follow in their states:)

When Argentina bought an Earth Resources Technology Satellite (ERTS) ground station from Bendix, it conducted a ground truth survey of an agricultural area for the opening exercise in analyzing remotely sensed data. Government agents asked each farmer what he had planted where. Later, puzzled Bendix experts found their computerized crop classifications from ERTS data differed for many sections of land. Checking revealed that farmer had misled the government questioners in order to lower their taxes. The ground "truth" was wrong, ERTS right.

No doubt a number of Argentine farmers now believe in the accuracy of ERTS data. Last month the AIAA Michigan Section held a symposium to convince possible users in Michigan. "There's a great lack of communications between users and remote-sensing people," agreed Symposium speaker William Walsh of the Michigan Department of Natural Resources. "We tried to reach any level at which people are called on to write reports," explained William J. Pollard of Bendix Aerospace Div., co-chairman and spark-plug of the symposium. In the audience of around 100 sat many of just that sort of person.

In his keynote speech Rep. Marvin L. Esch, ranking Republican on the Subcommittee on Space Science and Applications of the House Science and Astronautics Committee, said he hoped "Michigan can move forward to become a model state showing other parts of the country what can be done to apply effectively the scientific knowledge which ERTS will afford us in the decade ahead." To put ERTS to use, said Esch, the Federal government must share the cost of application.

The speakers who followed quickly made clear that though 1000 mi. from the ocean Michigan has an overbearing concern for water. About 700 mi. of the state's Great Lakes shoreline are eroding quickly under the onslaught of recent high waters, pointed out Walsh. Around 300 mi. of that is developed, he said, as he showed houses slipping into the water.

On land, a shortage of information has contributed to the slowness in legislating land-use bills, said Albert Sellman of the Environmental Research Institute of Michigan (ERIM). "Proposed land-use bills deteriorate into critical-land use bills when government decides it's not ready to take on the whole job. . . . To control use, you must monitor." "There is a natural dislike in our society for organization and rationalization for planning, said Ray Guernsey of Johnson, Johnson and Roy, consultants. He hoped the information coming out of remote sensing could help overcome such antipathy.

Some problems ERTS cannot yet touch. It has too low resolution to help overcome what Donald D. Webster of DNR described as one of Michigan's biggest shortcomings, a lack of topographic maps of 7 ½-min quadrangles used in local planning. Michigan places 40th among the states in coverage and will not complete mapping following the present schedule until 2049. Although a rich state in a rich country, Michigan has the same underlying problem as poor, developing nations—limited money and manpower. Even for Michigan, Congressman Esch's proposal for cost sharing makes sense.

The smallest unit of ERTS resolution, the picture element or pixel, measures about 1.1 acre. The Michigan Dept. of State Highways and transportation uses an 8-pixel-square cell for its computer routing of new roads.

Laurence B. Istvan of ERIM squeezes information out of the ERTS data down to the individual pixel, since his interest lies in small lakes. When placed over a detailed topographic map, the stepped outlines of areas classified as water from ERTS data matched ponds and even islands in the ponds amazingly well. Altogether the program participants must have presented a score or more of actual uses of data from Skylab and ERTS spacecraft and KB-57, U-2 and lower flying aircraft.

The panel discussion at the end of the day brought out the reactions of some potential users to what they had seen. "This hocus-pocus stuff you were showing today" Nelson Thomas of the Environmental Protection Administration (EPA) called it. Nevertheless, he noted that EPA now times the sailing of its ships on the Great Lakes with ERTS overpasses.

"We're a nuts-and-bolts engineering outfit," said Charles Johnson of the Army Corps of Engineers. "We feel we're being beset by a bunch of salesmen who are selling us mysterious techniques that we're not too sure are useful. . . . They say try it, trust us, and let's do it. It would help a great deal if instead [of selling] you would concentrate on educating us as to exactly what each band means. Then we can go in and monitor contracts." Johnson's feelings suggest prefacing such a symposium with a short introduction to multispectral scanning and the forms of photography.

Don Lowe of ERIM partly agreed with Johnson. "Everyone thinks remote sensing was oversold to begin with," he said. "Now that we have the user's attention we have to produce."

However, Robert H. Johnson of Bendix throughout "the user wants information, and he could care less how we got it."

Thus by the end of the day the symposium reached a nice balance by getting feedback from the users.

In this and many other ways the Michigan symposium can serve as a model for other Sections in other states. Another Section will need another Willard Pollard—someone to supply the main push. But it probably should not rely so completely on one person. The excellent quality of the acquaintanceship of program chairman Robert H. Rogers of Bendix, himself an ERTS principal investigator. Pollard and Rogers limited those on the program to Michigan people which ensured their sticking to local interests.

On timing, Pollard found he needed reasonably firm plans about two months in advance in order to then send out letters inviting the most important personages. Be prepared for disappointment. Looking back, Pollard thinks it might have been wise to include in the letter to the governor the name of an acceptable alternative representative in case he could not make it, as he could not. Vice-President Ford sent a telegram read to the symposium wishing it success.

Watch for conflicts of dates. Top people in the Department of Natural Resources had to attend a meeting of the Commission which governs it and could not get to Ann Arbor.

The good cross section of attendees resulted from mailings to Section Members, the American Institute of Planners, 20 regional planning directors, the American Society of Photogrammetry, industry and business, and a list compiled by the NASA remote-sensing project at Michigan State Univ. of persons interested in remotely sensed imagery. Pollard got most lists simply by asking.

Philip Schaub at AIAA Headquarters wrote a press release and mailed it to his list of area media and will do the same for anyone else requesting it. The Sections's Larry Reed of Bendix called 10 of the most im-

portant local media individually. No release went out summarizing what the speakers would say, but Pollard now believes that papers and stations that did not attend might have found one useful. In any case, the symposium was not a media event; it aimed at informing the restricted group invited.

A key to the success of the symposium is that everyone involved felt he profited from the day. "There wasn't a loser in the crowd," says Pollard.

Bendix backing proved valuable. Pollard's request went from his boss, Earth-resources director Park Curry, up to Aerospace Div. general manager Robert Schaeffer. Schaeffer gave him an account number and $500 worth of man-hours to charge against. The symposium gained printing and other services, use of a meeting room, projectors and sound system, and an arrangement for attendees to eat in the company cafeteria. Pollard also then felt free to call on others in the company for odd jobs. He carefully avoided the hardsell of packing the program with company people. Only a panelist came from Bendix. No doubt Bendix has a strong vested interest, but others elsewhere do too and may welcome the opportunity to help.

At AIAA Headquarters Leonard Rosenberg worked closely with Pollard and stands ready to aid other Sections. ERTS benefits touch people's everyday lives like no other part of the space program. That is why, as Congressman Esch said, "No other space endeavor has received more unanimous and enthusiastic support from the Congress." Every state could use an ERTS symposium. One down, forty-nine to go.

HEARTBREAK OF THE HARD-OF-HEARING LEGITIMATE COMPLAINTS FALL ON DEAF EARS

Mr. PERCY. Mr. President, in previous remarks in the Senate I have pointed up serious problems with the present hearing aid delivery system. Study after study, as well as hundreds of consumer complaints from around this country—which I have now forwarded on to the Federal Trade Commission and the Food and Drug Administration—have attested to deficiencies in the treatment now afforded the Nation's hearing impaired. People within the industry have affirmed that changes are called for. In a significant letter to me, Tom Lantry, of Desert Hearing Aids in Palm Springs, Calif., wrote:

> Your statement about my industry the other day has many of them in an uproar. However, after working nearly 13 years in this business . . . I understand your attitude.
>
> Today, most of the so-called "hard sell" manufacturers and dealers do over 60% of their business by selling a new fitting to their present users. . . . I strongly doubt a true need of many present users for a new one every 2 to 3 years, and I criticize the industry's methods of inducing the second sale. I have done it, and I deeply regret it in many cases.

Mr. Lantry's constructive comments offer keen insight into a number of hearing aid-related problems. I will include his entire letter at the close of my remarks.

Recently, five newspaper articles, two from the Minneapolis Star and three from the Detroit Free Press, have come to my attention. The articles point out many of the problems so often associated with the sale of hearing aids. The Star articles appeared on November 13 and 14, 1972, and were written and carefully researched by Reporters Jim Shoop, David Nimmer, and Gordon Slovut. The articles from the Free Press ran in the February 11, 25, and 26, 1973, editions and were written by Trudy Lieberman after considerable investigative work.

The Star sent two researchers to 12 dealers in the Minneapolis area. One was a 69-year-old woman whose hearing was found to be "essentially normal" by an otologist. She required no hearing aid. The second was a 43-year-old man. This gentleman was diagnosed by the same otologist. He was found to have a substantial hearing loss in his left ear. The loss was due to a condition called otosclerosis—a microscopic growth of the bone which prevents the normal transmission of sound to the inner ear. The condition can be corrected by surgery.

The major findings were as follows:

Eight of twelve hearing aid dealers did not tell the 43-year old man to see a doctor before buying an aid.

Four dealers recommended that he buy two aids, one for each ear, with prices ranging from $500 to $800. But, the researcher suffered no hearing loss in his right ear. The practice of selling two aids has been seriously questioned by Consumer Reports magazine which stated in 1971 that—

> Objective tests have not as yet demonstrated a significant improvement in understanding speech when two aids are used instead of one.

Most dealers displayed plaques proclaiming them to be "certified hearing aid audiologists." Yet, this title was bestowed on them by their own trade association after completion of a 20-week correspondence course.

One salesman told the male researcher after a tone test that the cause of his problem who so "obvious" that he need not give him three other tests. However, he incorrectly diagnosed the gentleman's otosclerosis condition as a "sensorinearal type loss."

The Star article concludes:

> Before a person shops for a hearing aid, he should see a doctor to determine what has caused the hearing loss and whether it can be corrected by medicine or surgery.

The Detroit Free Press reports extensive lobbying efforts by dealers aimed at a price increase in aids procured by the State of Michigan. These hearing aids are supplied to indigent and crippled children. The Michigan Departments of Social Services and of Public Health now pay dealers the net cost of each hearing aid plus a $180 markup of the price paid by the public, whichever is less. The price increase was granted despite the fact that a soon-to-be-released State senate committee report strongly endorsed the existing price formula.

The Free Press also chronicles some particularly distressing examples of dealer misdiagnosis, to wit:

A 21-year-old girl visited an ear specialist after suffering intense pain caused by eardrops given her by a hearing aid dealer. She had been struck in the ear with an open hand and the blow caused a perforation of the eardrum. The dealer gave her eardrops and told her to come back. Said an audiologist:

> The last thing you want to do is put anything in the ear that can drip into the middle ear.

An older woman wore two hearing aids for 2 years. She had a chronic, runny infection in one ear. Yet, the dealer had sold her an aid for the diseased ear and never suggested that she see a medical practitioner.

The Free Press is critical of Michigan's licensing board for hearing aid dealerships. The board took no disciplinary action against any dealer during the first 6 years of its existence. No Michigan hearing aid dealer had his license suspended or revoked. However, the Star reported "numerous" consumer complaints against some dealers.

Courtney Osborn, head of the speech and hearing section of the department of public health, summed up:

> The board is analogous to putting a fox in the henhouse. . . . [It] has been far more interested in the promotion of dealers than consumers.

Inadequacies in the care afforded the hearing-impaired at the dealer level have been brought to public attention by a number of organizations and individuals. Most notably, Ralph Nader's Retired Professional Action Group, the Public Interest Research Groups in both New York and Michigan, and Consumers Union have all issued comprehensive reports.

I personally have written to both the Food and Drug Administration and the Federal Trade Commission urging the two agencies to pinpoint problems with the present hearing aid delivery system and promulgate regulations necessary to protect the consumer. In addition, members of my staff and I have met at considerable length with industry leaders.

With regret, I must report that I have been deeply disappointed with the industry's reaction to so many legitimate complaints on behalf of and by hearing-impaired consumers. Rather than addressing headon some of the serious problems involved in the sale, fitting, and pricing of hearing aids, the industry seems preocccupied with defensive-backbiting and empty challenges.

For instance, in a June 24, 1974, letter to me which I will append to my remarks, Mr. Marvin Pigg, president of the National Hearing Aid Society, expressed a most disturbing attitude of noncooperation, bordering on hostility. Mr. Pigg seems to be more interested in undermining efforts to improve treatment for the hearing-impaired than with taking action to eliminate dealer malpractices.

Similarly, I found interesting a memorandum sent to all Florida hearing aid dealers by the Florida Hearing Aid Society called upon dealers to "sit down today and write PERCY. Encourage your clients to send letters to PERCY and pull from your files as many favorable letters from your clients as you can find. Make photo copies and send these with your letter to PERCY. Keep the originals as

they will be valuable in the future. This man is attacking you and me and our livelihood. Make your letters strong . . . ." The memorandum goes on to state that the writein campaign was a "national" one organized by the Public Affairs Committee of the National Hearing Aid Society. I can only conclude that if the National Hearing Aid Society would expend the time, money, and effort to promote better care and service to the hearing-inpaired, instead of conducting writein campaigns, there might not be the need for a writein in the first place. Customer dissatisfaction could be significantly reduced.

I might add that to me, the truly significant letters received over the past few weeks have been the heartfelt outpourings of hundreds of hearing-impaired citizens from every area and region of the country complaining about consumer abuse, exorbitant prices, or other aspects of the present delivery system. I have transmitted these complaints to the FDA, the FTC, and to the National Hearing Aid Society in the hope that these grievances will be duly considered and corrective measures taken, both in the specific case and the future.

Mr. President, I ask unanimous consent that the several articles and documents I referred to earlier be appended to my remarks in the RECORD. They include a letter to me dated June 13, 1974, from Tom Lantry of Desert Hearing Aids, two articles from the November 13 and 14, 1972, editions of the Minneapolis Star, three articles dated February 11, 25, and 26, 1973, from the Detroit Free Press, a National Hearing Aid Society memorandum, dated June 17, 1974, the letter of June 24, 1974, from Mr. Pigg, and my response to him of June 26, 1974.

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

DESERT HEARING AIDS,
Palm Springs, Calif., June 13, 1974.

Hon. CHARLES PERCY,
U.S. Senator, Senate Office Building, Washington, D.C.

DEAR SENATOR: Your statement about my industry the other day has many of them in an uproar. However, after working nearly 15 years in this business, 10 of them for Beltone dealers, I understand your attitude.

All of my years in this field have been spent in rural and semi-rural areas, including eastern Washington, northern Idaho, western Montana, and Riverside County in California the last 8 years.

For the last 2½ years, I have been running a small business by myself, in Palm Springs. I really mean "by myself". I have no employees, get occasional help from my wife, who also works.

There is a world of difference between my operation, and that of a large so-called "manpower" dealer. It is this difference which concerns me. This type of dealer probably trained most of the people presently working in my field. The degree of technical skill and knowledge is highly various, yet the delivery system which has evolved over the last 50 years, at least in my area, seems to work fairly well. One reason is that, in California, welfare recipients must see a licensed physician in order to get an aid paid for by the state. As to the 75% or more of our customers *not* on welfare, in my experience, lack of money is definitely *not* the reason 6 or 7 out of every 8 people who might benefit from wearing an aid do not do so. As the user of a hearing aid, you should know what the real reasons are. They relate to the affected person's delay in seeking help, for all the many reasons for that delay. I still insist, however, that lack of money is *not* one of those reasons.

Between your recently expressed view, and that of the large manufacturers who appear at Congressional hearings, there must be, it seems to me, a middle ground.

I am concerned about that middle ground for one reason only: since I sold my first Beltone aid, in 1962, near Spokane, Washington, my home town, I have always felt, and still do, that much of what my customer was buying from me, me personally, was as many years of free service on the aid as I could supply, and as they needed. In my present area, this can be considerable, because of the high mean temperatures in which we live here. Of course, I know as well or possibly even better than you, the unusual willingness of any dealer who fitted you, to provide you, personally, with any possible service he could perform, even if it meant a trip to your home to do so. Well, sir, I happen to believe that the little old black lady, in the nursing home in Blythe, Cal., 125 miles from my office, is entitled to just as good and frequent service on her aid, paid for by the state or not, as the wealthiest user I have here in Palm Springs, where I live. And, I firmly believe, anyone in my work, dealer or outside salesman, who does *not* believe this, is cheating his client, at the time of sale, whether or not the buyer knows it.

This, it seems to me is the heart of the whole debate. If the medical or audiological profession takes over my business, who is going to perform pure *service* work, where, and at what cost to existing users? Can the answer to this question be legislated? I am not at all sure of the answer. Like race relations, maybe the answer lies in the hearts of men, as Ike Eisenhower once said. If the small numbers of audiologists in this country, who appear to wish to do so, take my sales incentive away from me, how will those who do not live physically close to their offices get an ear mold re-tubed? Who will use the pipe cleaners and alcohol, or freon lube, to keep the battery tray and volume control clean and loose? Maybe this has never occurred to a non-user, but it must be somewhat evident to you, if you have worn an aid for more than 2 years. These and dozens of other questions had better be answered, I believe, before the present delivery system is even partially destroyed.

As much as the industry feared it, I believe that recent licensing laws, introduced and effective in the majority of the states, are a step in the right direction. All of us had to go back to the textbooks, and prove we had at least some basic information, to get a license. The test in California was tough, as proved by the people with over 20 years' experience who failed it the first time around.

But, even licensing laws, good or bad, still skirt, I believe, the real issue. What is a fair price for a hearing aid? Senator, may I ask, what is a fair price for a pair of bi-focal eyeglasses, for a tonsillectomy, for a stapedectomy, for a 12 cu. ft. plain refrigerator? In the majority of our world, competition has been the main deciding factor. This is even true in the medical profession, in my experience. 15 years ago, a stapedectomy in a famous office in Los Angeles cost nearly $2,000.00. 5 years ago, it got down to about $650.000 in this area, is now nearly $900,00, the last change due to inflation, I believe. The nub of the question then becomes, if I read you correctly the other day, should government now decide the price, who can sell, who can fit, who will service, who will manufacture, and so on.

I readily admit, I have few answers. I agree that it is your function, as a Senator, to question. My only request is that you make as certain as you can that, in your questioning, you find out 2 answers: first, what is best for those who now *wear* a hearing aid, and, second, and far more important, in my view, what can be done to get the huge majority of the hearing impaired who might benefit from an aid, or 2 aids, who now go unaided, to at least look into their problem, from some reliable source.

In my telephone book advertising, a year ago, I urged those reading my ad to *not* contact me, but their family doctor or a specialist, I have never had one person comment to me about that ad. That tells me something, I'm not positive just what, but it means something.

Once a process is begun which noticeably changes how the present manufacturers advertise, price, and distribute their goods, there may be no way back, if the changes hurt the public. Today, most of the so-called "hard sell" manufacturers and dealers do over 60% of their business by selling a new fitting to the present user. Just as you must feel, I strongly doubt a true *need* of many present users for a new one every 2 to 3 years, and I criticize the industrys' methods of inducing the "second sale". I have done it, and I deeply regret it, in many cases. Now that I am my own "boss", I do exactly the opposite, as my present repair business volume can prove. I hope, some day, to see some method found which will put a stop to this practice.

But, if steady sales volume is a necessity for most business, then what can the industry do to maintain sales, if the great majority of their prospects won't go near them, are not even identified right now? The answer is what they are now doing.

Specifically, how much good can be done by the new directional microphone, the new electret microphone, the limiting circuits now available, for the typical user, who is over 70 years of age, may have poor discrimination, other health problems, etc.? These are hard questions, in my own office, with the majority of old people who come to me, most of them by referral from local doctors. My most difficult task is to convince them, *really* convince them, that my fitting is not going to work a miracle, give them back their youth in the hearing dept. Most of them don't want the truth, but I make them face it, anyway. They *must* face it, or they will buy an aid, and, within 30 days, take it off for the last time, and never wear it again. Then, another tragedy is immediately in the making. They will respond to someone else's advertising, still looking for "the Golden Fleece." And, sure enough, they will be contacted, at home probably, by a nice, smiling guy who will convince them he has it for sale. I know. I have a nice smile, and I did it, for 10 years. I'm not ashamed of *most* of the sales I made, but certainly, some.

Finally, I doubt that you, yourself, Senator, will ever read this letter. I hope that whichever of your aides *may* read it will see what I am driving at. It is the gist of over a decade of experience, doing something I have come to love doing. My wife thinks I am something comparable to Ghandi, Jesus Christ, and Ralph Nader, in my work. I smile, but I'm glad she feels that way.

Incidentally, and lastly, as a life-long Democrat, I am extremely interested in who gets your party's nomination in 1976. I may have to vote for your candidate. Last time, I had to pass completely, a judgment recently vindicated. Good luck, God willing, I hope you make it.

Sincerely,

TOM R. LANTRY,
Licensed Hearing Aid Designer (and proud of it).

[From the Minneapolis Star, Nov. 13, 1972]

NEED A HEARING AID? SEE A DOCTOR

(NOTE.—This is another of The Minneapolis Star's articles dealing with consumer-related subjects. It was compiled and written by The Star's consumer team of Jim Shoop and David Nimmer, and medical and science writer, Gordon Slovut. A related article will appear in tomorrow's Star.)

A white-haired 69-year-old woman walks into the Beltone Hearing Aid Center at 512 Nicollet Mall and says she'd like her hearing tested.

"I don't have an aid," she says, "and I hope I don't have a problem. I've been having a little trouble hearing and I thought the best thing I could do is come in and have it checked."

She is led into a small room by a woman in a pantsuit who begins what is known in the trade as a hearing evaluation, in which her responses to a series of tones transmitted through headphones by an electronic device, called an audiometer, are tested.

When the test is over, the woman in the pantsuit says, "You have a slight hearing loss in both your ears and your left ear is a little bit worse than your right.

"You have trouble with children, you have trouble with radio, and you don't always get the punch line of jokes," she says. "Am I right? You wouldn't be able to hear fire and we do hear fire. The crackle. So it is a safety problem on top of being a physical problem. I would definitely fit that left ear."

Earlier she had remarked that while a hearing aid can sometimes bring faulty hearing "back up, we couldn't restore your hearing, you understand that."

She recommends a model priced at $379 and tells the customer that if worn regularly, it will help "stimulate" damaged nerve ends in her ear that are "withering and dying."

Later the 69-year-old woman was examined by a leading Minneapolis otologist, a medical doctor specializing in ear problems. He said her hearing was "essentially normal" and didn't require a hearing aid.

"She has a very slight high-tone loss in her left ear but certainly not enough to cause any problems. Her hearing is so darn good she certainly doesn't need amplification (a hearing aid)," he said.

What about stimulating damaged nerve ends?

"Nonsense," the doctor said. "That's quackery, pure and simple."

The elderly woman was not an ordinary hearing aid customer but one of two persons we sent to 12 Minneapolis-area hearing-aid dealers to find out what kind of services they offer and how well they perform them. All offered free hearing evaluations.

The second person was a 43-year-old man who was also tested by the same doctor and found to have a substantial hearing loss in his left ear. His condition is called otosclerosis, an abnormal, microscopic growth of bone which prevents the normal transmission of sound to the inner ear.

The condition can be corrected by an operation which our specialist said has up to a 98-percent success record. A hearing aid might also help a person with the disease, he said, but most people prefer natural hearing to the inconvenience and somewhat tinny sound of a hearing aid.

Medical doctors generally agree that before a person shops for a hearing aid, he should see a doctor to determine what has caused the hearing loss and whether it can be corrected by medicine or surgery.

Bert Dunlap, president of the Minnesota Hearing Aid Society, the industry trade association, and Robert Tischbein, secretary, said in an interview that every ethical dealer, when he suspects a medical problem, will send a customer to a doctor.

"There may be a brain tumor. There may be other things that I'm not qualified to evaluate," Tischbein said. "This is the best way to protect the public, and me, frankly."

Here's what we found in our survey:

Eight of the 12 hearing-aid dealers didn't tell our 43-year-old man to see a doctor before buying an aid.

Three dealers recommended one aid for his bad left ear, quoting prices from $235 to $375.

Four recommended that he buy two aids, one for each ear, at prices ranging from $500 to $800.

One, Dayton's Optical and Hearing Aid department in downtown Minneapolis, said his hearing loss wasn't serious and that a hearing aid might confuse him more than it would do him any good.

Tischbein, manager of Dahlberg Hearing Aid Center, 831 Marquette Av., was the only dealer to tell both of our subjects to see a doctor before he would administer a test or sell them a hearing aid.

Nine of the 12 dealers correctly told our 69-year-old woman that her hearing was good and didn't require an aid.

Two—Beltone and the Sears Brookdale store—suggested she buy a low-power aid for her left ear. The Sears salesman said the regular price was $219 but it was being offered as a sales item for $169.

On the other hand, the same Sears salesman was one of the four dealers to tell our 43-year-old man to see a doctor before buying an aid.

The variation in our results lends support to the view that a doctor is in a better position than a hearing-aid dealer to determine whether you have a medical problem.

There are many causes of hearing loss. Some, such as impacted ear wax, can be eliminated easily. Others, such as chronic infections of the sinuses, tonsils and adenoids, or fluid in the middle ear, can be treated by medicine or surgery.

An otologist (ear specialist) can also tell whether hearing loss is caused by damaged nerve centers in the inner ear, a problem which cannot be cured but may be helped by a hearing aid.

Should that be the case, he may refer you to a clinical audiologist, who is not a doctor but is professionally trained in methods of evaluating hearing problems and in prescribing which hearing aid is best for you.

He must have a certificate of competence from the American Speech and Hearing Association, the professional body governing the field audiology.

To get it, the audiologist must have a master's degree or the equivalent of 60 semester hours of postgraduate study, 275 hours of clinical experience while in college, and nine months of full-time employment in a hearing clinic after his postgraduate study.

Hearing-aid dealers have no medical school training, but some of the terminology and apparatus they use lend a kind of medical mystique to the business.

Most dealers display plaques proclaiming them to be "certified hearing aid audiologists," a title bestowed by the National Hearing Aid Society, the industry trade association.

To qualify, a dealer must take the Society's 20-week correspondence course, pass a four-hour examination and have two years' experience.

Dunlap, head of the St. Paul Beltone office, said he runs an additional three-month training program of his own and his employees attend company courses ranging from three days to a week.

There are no training or licensing requirements under Minnesota law. Thirty states do have licensing laws.

Most dealers are careful to say they are not doctors and cannot diagnose. But some in our survey made a stab at it anyway and turned out to be wrong.

A salesman at Telex Hearing Aid Center, 1127 Nicollet Av., told our 43-year-old man after a tone test that the cause of his problem was so "obvious" he didn't need to give three other tests.

"It's a sensorineural-type loss. It's a nerve deafness," the salesman said. The real cause, according to our doctor, is otosclerosis which can be cured by an operation.

A few hearing-aid dealers did ask if he had seen a doctor, but when he said no, they didn't suggest that he see one and proceeded to try to sell him a hearing aid.

The saleswoman at Beltone, for example, asked if he had been to a doctor and said her tests indicated he might have a conductive loss, the kind that can sometimes be cured with an operation.

Instead of suggesting a doctor's visit first, she recommended a hearing aid for each ear, called a binaural fitting, and estimated the cost at $800 or $850.

Our consulting audiologist recommended an aid only for his left ear to start with because the man hasn't had his hearing amplified before.

Whether a person may eventually benefit from two hearing aids depends on the individual. Some will, others won't, our consulant said. In any case, even with a single aid, a 30-day trial period is recommended to make sure a person can adapt to wearing an aid.

Consumers Union, a nationally recognized product-testing organization, said in a 1971 issue of its Consumer Reports magazine that "objective tests have not as yet demonstrated a significant improvement in understanding speech when two aids are used instead of one."

A lawsuit filed by the Minnesota attorney general's office accuses one of the dealers in our survey, Minnesota Hearing Aid Center Inc., Minneapolis, of fraud, false pretense and misrepresentation in its sales practices.

The suit alleges, in part, that the firm has "represented a need for and sold two hearing-aid devices ranging in price from $600 to $1,200 to persons for whom only one such device was needed" or none was needed.

In its contract with hearing-aid dealers, the Hennepin County Welfare Board prohibits the sale of two aids to a client unless a doctor or clinical audiologist specifically recommends them.

The county also restricts the dealer from selling any aid until the client has first been to a doctor or audiologist and has a prescription, accompanied by the results of the hearing tests.

Critics also have cited the unusually high cost of hearing aids, which, in technical complexity, are not essentially different from a transistor radio.

Hennepin County sets a maximum allowable limit of $275 on the amount it will pay for a standard single aid. The county pays less than that for most aids it buys.

Seven of the 12 prices quoted to us in our survey exceeded that amount. Two firms quoted prices ranging from $259 to $400. Three others gave prices of $169, $235 and $250.

Consumers Union quoted one manufacturer as saying the components of his aid cost approximately $30. The magazine then estimated the cost of labor, advertising and promotion at an additional $45, for a total of $75.

According to recent complaints filed by the Federal Trade Commission against several hearing-aid manufacturers, including Beltone and Dahlberg, the average price of a hearing aid to a dealer is about $100. The average retail price is about $350, the complaints said.

Dunlap and Tischbein don't disagree with such figures, but contend there are additional

costs to be taken into account, such as the dealer's time and his office and equipment expenses.

[From the Minneapolis Star, Nov. 14, 1972]

SEE AN EAR MAN; IT MIGHT BE WAX

Some types of hearing loss can be cured—or lessened—with medicine or surgery.

Some types can be helped only with a hearing aid.

For some types, lipreading is the best hope.

Where should you go if you think you have a hearing problem?

"Straight to an ear man," says Dr. A. B. Rosenfield, director of special services for the Minnesota Health Department.

By "ear man" he means a physician who specializes in problems of the ear, usually called an otologist or otolaryngologist.

Why a specialist?

"Because he can find out the cause of your hearing loss," Dr. Rosenfield said. "It could simply be wax impacted in your ear, an infection, chronic otitis, nerve disease, a tumor, otosclerosis, any of many possible causes."

Your family doctor can refer you to an ear specialist, Rosenfield said.

For people who want to start directly with an ear specialist, there is the referral service of the Hennepin County Medical Society.

Thomas Hoban, executive director of the society, said callers are given the names of three ear specialists.

Why not start with a hearing-aid dealer? They advertise free hearing checkups.

Said Dr. John Lawrow, a Minneapolis specialist in internal medicine:

"Some types of hearing loss can be corrected by means other than a hearing aid. All a hearing aid dealer can do is sell you equipment which can amplify sound.

"Starting with a hearing-aid dealer is like going to a muffler dealer for a noise in the bottom of your car.

"You're almost certain to drive out with a new muffler. You may be surprised in a couple of days when one of your wheels goes rolling down the street.

"If you go first to a hearing-aid dealer for your hearing problem, you're likely to walk out with a hearing aid. He (the salesman) could very well miss a diagnosis—they aren't trained to diagnose anyway."

In his own practice, Lawrow said, he refers patients with hearing problems directly to an ear specialist.

Hoban, whose language is less colorful than Lawrow's, makes a similar point: "It's important to separate the person selling the equipment from the actual evaluation of the need for a hearing aid or the decision about the specific type of aid needed."

One of Hoban's relatives had a hearing problem. She began with an otologist, who said a hearing aid might help, and referred her to the Minnesota Regional Hearing Center, 2525 E. Franklin Av., an operation supervised by the otolaryngology department of the University of Minnesota.

An audiologist—a person with graduate training (in this case a doctorate) and experience in checking hearing problems evaluated Hoban's relative's hearing loss, tried a number of hearing aids on her and then gave her a written recommendation of the aids he considered to be best suited for her.

The recommendation doesn't have the weight of a drug prescription, but it can be used in dealing with a hearing-aid dealer. Inclusion of more than one recommendation gives a person a way of shopping for price.

A complete workup at the Minnesota Regional Hearing Center costs less than $40. That's a fraction of the charge for a hearing aid. The so-called audiogram—a check of how a person hears various tones—is only a small part of the audiological workup.

Ear specialists can help some hearing problems without ever referring a patient to an audiologist, most of whom work closely with doctors. Some work in the offices of otologists.

In the case of the 43-year-old man The Star sent to hearing-aid dealers, the medical specialist suggested surgery. The man has otosclerosis, a stiffening of the stapes, a bone in the middle ear. That affliction, fairly common among adults in their 30s and 40s, partially stops the transmission of sound to the inner ear and the brain.

The operation to correct the problem is called a stapedectomy. The surgeon, working with intense magnification, removes the stapes and the overgrowth of bone which blocks transmission of sound. He replaces the stapes with a stainless steel or synthetic artificial stapes.

Cost of the operation, if no complications develop, ranges from $450 to $600 in the Twin Cities area, according to a survey.

Hospitalization normally lasts two or three days.

The 43-year-old man has a group Blue Cross-MII policy. A spokesman for Blue Cross said that in this case the man would have no out-of-pocket costs if the surgical charge were $500.

"At most," the Blue Cross spokesman said, "we think he'd have to pay $40. The rest would be covered—doctor, hospital, the works."

There is no guarantee, of course, that surgery would be successful. Medical literature, however, cites success rates for stapedectomies in properly selected patients at 90 percent or higher.

Some of the other operations which help people who are hard of hearing:

Fenestration—opening of a window through the bony wall of the middle ear to the inner ear to let sound vibrations reach the hearing organ.

Myingoplasty—replacement of a punctured ear drum with a flap of skin.

Removal of infected tonsils and adenoids, or surgical treatment of sinusitis or mastoiditis.

The major types of hearing loss are:

Conduction deafness, which may be inherited (as in otosclerosis) or caused by chronic infections of the sinuses, tonsils and adenoids, infection or fluid in the middle ear, inflammation of the eustachian tube connecting the throat and middle ear, a perforated eardrum or chronic mastoiditis. In conduction deafness, the nerve endings may be in good condition but sound can't get to them because the problems prevent sound waves from getting through the middle ear to the inner ear. Aids usually are effective.

Nerve deafness, in which the sound is transmitted intact to the hearing nerve but there is degeneration of the organ of hearing, the nerve that transmits impulses to the brain, or of the brain itself. Sometimes aids help, sometimes they don't.

Mixed deafness, which is a combination of conductive and nerve deafness.

A legislative proposal by the Minnesota Speech and Hearing Association, the organization of audiologists (certified after graduate training and a sort of paid internship) and speech pathologists, might affect hearing aid salesmen's activities even though it wouldn't regulate them.

Eleanor Swanson, legislative chairman of the association, said the proposal is to enact strict requirements for qualification as an audiologist and to define exactly what an audiologist can do.

If an unqualified person were to perform the tasks of an audiologist, she said, "that person could be prosecuted."

There would be no requirement in the proposed law, as it now stands, to require that hearing-aid dealers use audiologists, she added.

In fact, she said, the present code of the association prevents audiologists from selling hearing aids.

How many persons are hard of hearing is uncertain. Estimates range from 10 to 20 percent of all Americans.

As the proportion of elderly persons in the United States increases, the number of persons with hearing problems is expected to increase.

[From the Detroit Free Press, Feb. 11, 1973]

STATE WILL PAY MORE FOR HEARING AIDS

(By Trudy Lieberman)

The State of Michigan will pay more for hearing aids for the indigent and crippled children, mostly because of the lobbying efforts by hearing aid dealers.

The Department of Social Services and the Department of Public Health will soon pay Michigan dealers the net cost of each hearing and plus a $180 markup or else the price paid by the public, whichever is less.

The vocational rehabilitation division of the Department of Education is expected to follow suit.

Until last May the Department of Public Health, which buys about 700 hearing aids each year, had been paying the market price minus a discount. Since May it has paid the net cost plus $125—a figure many dealers thought was too little. Hearing aids have cost the department about $200,000 a year.

Gottlieb Bieri, a Saginaw hearing aid dealer who is president of the Michigan Hearing Aid Society, declined to discuss the matter on the telephone with the Free Press.

The society is a group of 114 licensed dealers and salesmen.

In May, when the new cost formula took effect, the society encouraged its members not to participate in the state program.

Only 52 of the 183 licensed dealers provide hearing aids to the crippled children's program in the Public Health Department and in some parts of the state, such as Ingham and Saginaw counties, there are no providers.

The hearing aid dealers hired Emil Lockwood, a former state Senate Republican leader and now a powerful Lansing lobbyist, to work for them to get more money from the state.

Sheldon Segal, a Detroit area hearing aid dealer, said: "A great majority (of the money collected by hearing aid dealers for their political activities) has been used for the crippled children's controversy. It has paid off or seems to be paying off."

The Department of Public Health resisted attempts to pay more for aids but the Department of Social Services apparently has not.

Social Services will soon begin buying hearing aids under the medicaid program. Because the payment mechanisms for medicaid and crippled children's services are the same, both Social Services and Public Health must use the same formula for reimbursing dealers.

Social Services Director Bernard Houston wrote to the Public Health Department in late January saying that his department had decided to pay for hearing aids on the basis of cost plus $180 or the normal charge to the public.

Carbon copies of Houston's letter were sent to Lockwood and to Sen. Charles Zollar, R-Benton Harbor, chairman of the Senate Appropriations Committee, and Sen. Jerome Hart, D-Saginaw, a committee member.

Public Health Director Maurice Reizen said: "We acquiesced."

Houston's letter culminated a series of meetings between state departments, members of the Legislature and hearing aid dealers. Some of the meetings were held in the offices of Hart and Zollar.

"The pressure this office has been under has been unbelievable," said an official of the Public Health Department. "When Lockwood pulled us into Zollar's office, the message was clear."

In May, 1971, the Senate formed a special committee to investigate prices paid by the

state for hearing aids. The committee, headed by Sen. Charles Youngblood, D-Detroit, has not released its report.

The Free Press learned, however, that the committee is recommending that the system currently used by Public Health "be continued and adopted by all state departments and agencies involved in purchasing hearing aids for residents of the state."

The committee's draft report says that "the information contained in the hearing aid dealer cost study prepared by the office of the auditor general indicates such a formula is equitable."

[From the Detroit Free Press, Feb. 25, 1973]

HEARING AID SALES STILL UNCONTROLLED DESPITE STATE LAW

(By Trudy Lieberman)

(Thousands of Michigan residents with hearing problems turn for help every year to hearing aid dealers. Unfortunately, some dealers are ill equipped to help the aurally handicapped and untrained to make decisions that border on medicine. Free Press reporter Trudy Lieberman, in the first of two articles, examines complaints made about some dealers by state consumers.)

In 1966 the Michigan Legislature passed a law licensing hearing aid dealers in order to protect the public from deceptive, incompetent and high pressure practices.

But seven years later, it is still possible for a dealer to:

Engage in misleading and untruthful advertising.

Obtain leads for hearing aid sales by circumventing the licensing act provisions that prohibit door-to-door canvassing.

Imply that he is associated with the medical profession.

Sell hearing aids to persons who should be medically treated, who don't need them or can't use them.

And it is still possible for people to buy hearing aids through the mail with no recourse if the transaction goes sour.

"They (the dealers) are doing the same things they were before except that they are legal now," asserts Larry Paul, an audiologist in private practice with a group of physicians.

Dealers, many of whom oppose licensing, believe the law has been good to them, giving them a professional and legal status that is recognized by the state.

"The dealers association has taken legislation and turned it into professionalizing legislation. Dealers are professionals because of legislation, not because of training," says Courtney Osborn, chief of the hearing and speech section of the state Department of Health.

It is the matter of training and professionalism that is under question. Although there are many dealers who consider the interests of their customers, there is enough evidence to suggest that many people are being fitted with aids without having seen a doctor first or when they didn't need them.

Consider these documented cases, related by visits to a Detroit hearing clinic.

A 21-year-old girl recently visited an ear specialist after suffering intense pain caused by ear drops given her by a hearing aid dealer. She had been struck in the ear with an open hand and the blow caused a perforation of the ear drum and a small hearing loss. The dealer gave her ear drops and told her to come back.

"The last thing you want to do is put anything in the ear that can drip into the middle ear (the middle part of the hearing mechanism)," says an audiologist associated with the ear specialist who examined the girl

An older woman had been wearing two hearing aids for two ears although she had a chronic, runny infection in one ear. The dealer had put an aid into a diseased ear and never suggested to the woman she have the ear examined.

An older woman was wearing two aids after being told by a dealer she had a 20 percent loss in both ears and two aids would prevent her loss from becoming worse.

Complaining that the aids were too noisy, she visited a hearing clinic where the audiologist found she had a mild, high frequency loss outside the normal speech range. Her hearing otherwise was normal. She was told the aids were not necessary and in fact could be detrimental because they were bringing in excessive noises over long periods.

A 66-year-old man had been told by a hearing aid salesman he needed two aids costing $683. The man went to a hearing clinic for a second opinion and was told he had a moderate hearing loss in one ear and no measurable hearing in the other ear.

He was referred to a doctor who cleared up an infection in one of his ears. A hearing aid on a useless ear would have been a waste of money and an aid in the other ear would have compounded his medical problem.

To become a hearing aid dealer, a person must be at least 18 years old, a high school graduate, maintain a place of business in the state, pass a written examination administered by the state board of hearing aid dealers and serve two years as a licensed salesman under the supervision of a licensed dealer.

Of the 182 dealers in the state, 150 received licenses under the "grandfather clause" of the licensing act. This means that they did not have to pass any state examination to get a license.

Recent changes in the licensing law give the licensing board authority to accept the successful completion of a home study course instead of a written examination. The study course is conducted by the National Hearing Aid Society, a trade organization of dealers.

Says Horace Bradshaw, deputy director of the Michigan Department of Licensing and Regulation, under whose jurisdiction hearing aid dealers fall: "I support the concept of a correspondence course. It gives everyone a chance to qualify for licensing. It does prepare an individual to enter the field but it doesn't mean he's the best qualified.

"There are those licensed dealers who can give a competent examination and those who can't."

The Michigan Department of Licensing and Regulation reports that the bulk of the complaints it receives against hearing aid dealers are from people who say the aid they bought isn't doing the job they thought it would do.

"I think there are people who are fitted with aids who shouldn't have them. Many times the dealer has tried to adjust the aid and this hasn't done the job," Bradshaw said. Dealers say that sometimes people just don't learn to operate their aids properly.

Says Joe Swearingen, a Detroit hearing aid dealer: "They (dealers) are a very competent and dedicated group of people."

Some dealers, however, appeared to be defensive when contacted by the Free Press and some insisted on taping interviews. The president of the Michigan Hearing Aid Society, Gottlieb Bieri of Saginaw, declined to answer questions on the telephone.

Said Sheldon Segal, owner of Nu-Phonics Inc.: "We try to make people feel psychologically sound. We try to tell them it's not a shame to wear an aid. The dealer does this better than anyone."

Dealers point out that many of them have degrees in such fields as education and engineering and that they keep up with the hearing field by reading trade journals and attending meetings and workshops sponsored by trade associations and manufacturers.

They point to their certification program as another way of learning about the field.

"Our certification program is designed to encourage dealers to achieve a certain level of competency," says Lila Johnson, administrative assistant for the National Hearing Aid Society. "We are careful who we certify in the first place so it will not be necessary to withdraw it later."

Hearing aid dealers do not like to call themselves dealers and salesmen, although that is how they are licensed. They avoid those terms by using a variety of names such as state licensed consultant, hearing aid consultant, hearing specialist, certified audiologist or certified hearing aid audiologist, a term which means they have passed the basic requirements for certification by the National Hearing Aid Society.

"I am not a dealer," says Segal. "It (the word) has the connotation of a used car dealer. I am not a doctor and I am not a dealer with just a product. I am selling him (the customer) a service until he buys an aid."

The variety of names used by dealers plus a tendency for some dealers and their receptionists to wear white uniforms, often associated by many people with the medical profession, has caused some confusion among consumers.

"We ask people we see if they've seen a specialist and they say 'yes'. We ask further and it turns out the specialist was their friendly hearing aid dealer," says Isabelle Nichols, associate director of the Michigan Association for Better Hearing and Speech, a statewide United Fund organization.

While some dealers say that a person should see a doctor before visiting a dealer, such recommendations aren't always made to the hearing aid customer, who answers an ad or who walks in off the street.

Consider the case of Len Shafer, a 25-year-old who has normal hearing in one ear and a mild conductive hearing loss in the other. A conductive loss is one in which the sound has difficulty reaching the hearing mechanism of the inner ear. Shafer is under a doctor's care and is not a candidate for a hearing aid, according to the audiologist at Wayne State University who examined him.

Yet when he visited a Dearborn hearing aid dealer, the dealer performed only one of four recommended tests, told Shafer he had a mild hearing loss and tried to sell him an aid for $322.

The dealer urged him to have an earmold impression taken for both ears so that he could shift the aid from ear to ear. The dealer said wearing an aid on both ears from time to time would stimulate the nerve endings so they would be properly exercised. He was not told to see a doctor.

Another dealer Shafer visited performed the proper tests that revealed a potential medical problem but did not recommend he see a physician. Instead, the dealer told him to wear a hat in winter to keep the blood vesels around his ear warm.

The case of Helen Brown is similar. Mrs. Brown has a severe hearing loss in one ear and reasonably good hearing in the other. She has had four operations in the bad ear.

The salesman she visited in a Detroit dealership performed only one hearing test on her and told her she had a "damp" ear. The salesman tried to sell her a $452 aid and tell her about the financial arrangements she could make.

Mrs. Brown was not told to see a doctor and she reported most of the discussion was about financing.

"Most dealers know the basic tests," says Edward Hardick, an associate professor of audiology at Wayne State University. "Whether or not they do them depends on their motivation at the time. If they want to sell an aid, they forget all that stuff."

Critics of hearing aid dealers say that pressure to sell an aid often conflicts with the best interests of the hard-of-hearing person. According to a Federal Trade Commission attorney, some dealers have a quota of aids

to sell and are put on notice if they aren't selling enough. "Salesmen will hang an aid on anybody whether they need one or not to make a quota," the FTC attorney said.

R. H. Brenaman of Beltone Detroit says: "We do have a quota but it's not mandatory. We made 100 percent of our quota last year. Detroit's a good town."

Although some dealers get customers referred from hearing and speech centers, they still use a variety of methods to obtain sales leads. Some are legal, and some just skirt the edge of legality.

One dealer pays customers $10 for each prospect who buys an aid.

Other dealers may give away batteries to customers if they refer prospects to the dealer.

The hearings aid dealers' licensing law prohibits door-to-door canvassing for prospects but there appear to be ways to get around this prohibition.

One woman reported that a salesman called her saying he was the Tri-County Social Services bureau and was taking a survey. He wanted to know if there were any hard-of-hearing people in her family. She later learned she had referred a friend to a hearing aid dealer.

Another woman said she was contacted by a dealer after she filled out a coupon for a non-working model of an aid to be worn in the privacy of her own home. She found that the dealer had already set up an appointment for her to have her hearing tested.

"Almost all ads have a coupon gimmick to get a name," says Joe Blanton of the Public Health Department's hearing and speech section.

There have also been reports of salesmen contacting people who have had ear surgery and trying to sell them aids a few weeks after their surgery.

"That's becoming a very common problem," says Larry Paul, an audiologist in private practice. "It's more common than we had realized. They are buying off someone on the hospital staff."

[From the Detroit Free Press, Feb. 26, 1973]

STATE BOARD FAVORING HEARING AID DEALERS—CONSUMER COMPLAINTS SHRUGGED OFF

(By Trudy Lieberman)

("Just because you have a licensing act doesn't mean you're going to get rid of the scoundrels in a hurry.")

No Michigan hearing aid dealer has ever lost his license for engaging in unethical conduct or unfair sales practices. No dealer has even had his license suspended.

And yet there have been numerous consumer complaints of questionable sales methods on the part of some dealers.

Why hasn't the regulatory board created by the 1966 licensing act for hearing aid dealers acted on the complaints?

"That board is analogous to putting a fox in the henhouse," said Courtney Osborn, head of the speech and hearing section of the Department of Public Health. "The board has been far more interested in promoting dealers than consumers."

The seven-man regulatory board is appointed by the governor. There are no dealers on it because the Michigan Constitution says that state licensing boards must not be composed of the people licensed.

There is an advisory group to the board made up of audiologists and medical doctors but they don't come to its meetings very often.

"Just because you have a licensing act doesn't mean you're going to get rid of the scoundrels in a hurry," said Horace Bradshaw, deputy director of the Department of Licensing and Regulation, under whose jurisdiction the board falls. "It takes time to set up rules and write examinations."

The board has been meeting since December, 1967.

A state official who is familiar with the licensing boards said that most boards are concerned with their profession first and consumers second and the newer boards are less concerned with the consumer. The hearing aid board is one of the newer boards, he said.

The Department of Licensing and Regulation has taken little initiative in investigating the practices of hearing aid dealers.

"You hear a lot of things (about sales practices) but I'm not involved," Bradshaw said. Bradshaw is deputy director for licensing.

Asked why he shouldn't be involved, Bradshaw said: "That's a good question, I could get out of that one by saying talk to the deputy director for regulation. Yes, I guess I should be aware of sales techniques.

"We do not investigate on our own," he said. "Most of the time we react (to complaints). We don't have the horses to go out and look for problems. We don't create trouble. We try to work with all people."

Although Bradshaw admitted that hearing aids "aren't my cup of tea," he will be assuming more control of the regulation of hearing aid dealers. An attorney general's opinion has relegated the licensing board to advisory status, meaning it can only recommend and suggest. The director of the department or a deputy will have direct control over the dealers.

Since the board has been in operation, there have been about 100 complaints from consumers and dealers. The board itself has initiated only seven.

It is difficult to learn what happened to these complaints because the files are secret. Neither the press nor the public can find out how the complaints were investigated or disposed of.

Licensing officials say that about half of the complaints were resolved in informal conferences between the board and the dealers.

"I would say we've been pretty effective," said licensing board president Fred Heinemann, "particularly in the minor infraction area."

When asked specifically which minor infractions, he said: "I can't think of any right now." Later Heinemann recalled that the board had found some dealers using the wrong audiometric equipment but said this problem had been corrected.

However, both Heinemann and board member Joe Swearingen said the board has not been effective in dealing with misleading and deceptive advertising and they blame this ineffectiveness on the attorney general's office, which acts as legal counsel for the board.

Heinemann estimated that there may have been 150 to 200 unethical ads turned over to the attorney general's office. "We were told there was little that could be done unless an aid was sold (as a result of the ad). We reached the point where it became useless to turn in advertising we considered unethical."

Swearingen said: "We have not received co-operation from the attorney general's office. We have been grossly mistreated as far as the attorney general is concerned."

An assistant attorney general had interpreted the licensing law to mean that the licensing department had to submit proof that an aid was sold as the result of a misleading ad before building a case against a dealer. However, the department has apparently done little to secure this proof or follow the advice of the attorney general's office.

For instance:

In May, 1971, the misleading advertising of a dealer came to the attention of the licensing board. Nearly a year later, in February, 1972, the board requested the dealer to appear at an informal hearing. Correspondence between the dealer's attorney and the board's ethics committee followed and no hearing was held.

In May, 1972, the board asked the attorney general's office what courses of action were open. In a memo to deputy licensing director Bradshaw, an assistant attorney general said that an investigator could try to buy an aid from the dealer based on his ad or the board could request the attorney general to issue a cease and desist order under the deceptive advertising statute under which it is not necessary to prove an aid was sold.

There was no response from the board. In July, the attorney general's office sent another memo asking what the board had decided to do. Again no response.

However, an entry in the meeting minutes of the licensing board reveals that the board closed the complaint based on the memos from the attorney general's office.

In another case where the attorney general's office told the board it could request a cease and desist order, the board failed to act. Instead, four months later the board called in the dealer for an informal conference. The dealer didn't come to the conference so the board scheduled no further meetings with him. The complaint was made part of his file.

Board president Heinemann said if the board could have used the deceptive advertising law, he did not recall being told this. The law has never been used against hearing aid advertising although it has been on the books since 1966.

"We're not getting sufficient information to support a violation," said Mrs. Gay Hardy, an assistant attorney general assigned to the Department of Licensing and Regulation. "Maybe we hear from them in four to six months from the time we request more information."

In one case, the board sent to the attorney general a memo requesting action on the license of a dealer who had taken money from consumers without delivering the aids.

"All I got was a memo saying that the dealer had left the country," said the assistant attorney general in charge of the case. "I got no statements from people the dealer took money from, no contracts, checks or any proof they gave him money."

The requests for additional information caused a three-month delay.

Another time the correspondence between the board, the investigatory staff and the attorney general dragged on so long that the hearing aid dealer died before a resolution of the case could be made.

[From the Detroit Free Press, Feb. 26, 1973]

IF YOU HAVE A PROBLEM

Here's what to do if you suspect you have a hearing problem:

Visit a doctor specializing in ear disorders. He will determine whether the disorder should be corrected by surgery or medicine.

Go to a hearing or audiological clinic. A professional there, with a master's degree in hearing and speech pathology, will decide whether you should be wearing an aid. Such an examination is mandatory for children under 16 before they can be fitted with an aid.

If you do purchase an aid without professional advice, try to obtain it on a one-month trial basis.

Don't buy an aid through the mail without first having your hearing tested.

If you sign a contract in your home for an aid, you have three business days in which to cancel the contract if you find that the aid is unsatisfactory.

FLORIDA HEARING AID SOCIETY,
Tampa, Fla., June 17, 1974.

DEAR FLORIDA HEARING AID SPECIALIST: You have no doubt read or heard about U.S. Sen-

ator Percy's (R. Ill.) attack on hearing aid dealers and specialists. Please read the full text of his June 10 news release, enclosed. Also the release the same day by the President of the National Hearing Aid Society.

After reading Percy's attack you will want to do something about it—and you can!

Please sit down today and write Percy. Tell him exactly how you feel. Send copies to your Senators Gurney and Chiles and your Congressman. All three Senators can be addressed—New Senate Office Bldg., Washington, D.C. 20510.

Here are some suggested points to make in your letter to Percy. However, please write whatever you wish.

1. Excellent, convenient service (including home service) provided now.

2. High degree of competency required by certification and licensing.

3. Total value received. Since price gouging is charged, total value to the consumer should be stressed in terms of original cost and total services and investment of dealer.

4. Programs by dealers to encourage hearing-impaired to seek assistance.

5. State legislative bodies are more responsive and are more competent to deal with this situation without resorting to the vast bureaucracies of the Federal Trade Commission and the Federal Drug Administration. Through licensing and their own agencies States are fully able to cope with any problems that may arise.

6. The attack by Senator Percy has the effect of attacking the entire hearing aid retail industry although, abuses, if any, are attributable to only a small number.

Important: Encourage your clients to send letters to Percy and cull from your office files as many favorable letters from your clients as you can find. Make photo copies and send these with your letter to Percy. Keep the originals as they will be very valuable in the future.

This write-in campaign is a National one. It is organized and directed by the Public Affairs Committee (PAC) of the National Hearing Aid Society.

Whether or not you are a member of the Florida Hearing Aid Society makes no difference. This man is attacking you and me and our livelihood. I urge you to write your letter *today*. Make it strong and tell him exactly how you feel about his unfair attack. The longer you wait the less effective our campaign will be. Please *do it now*.

Sincerely,

FLOYD C. SMITH.

NATIONAL HEARING AID SOCIETY,
Detroit, Mich., June 24, 1974.

Hon. CHARLES H. PERCY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PERCY: It is difficult to assess the total damage that has been sustained by the millions of hearing-impaired and by the thousands of dedicated and reputable hearing aid specialists from your attacks on the industry in public comments, news releases, and Congressional Record remarks.

You did acknowledge in your letter of June 13, 1974, to our National Executive Secretary Anthony DiRocco that you had "no intent to disrupt the present delivery system . . . nor castigate the vast majority of hearing aid dealers." But such comments are lost when compared with earlier broad statements about "files bulging with correspondence from Americans who have been badly served."

You also state in your letter to our Society that we share the primary objectives of improved care for the hard of hearing and eliminating consumer abuse on the part of the minority. As you, yourself, commented in hearings before the Subcommittee on Consumer Interests of the Elderly, "People procrastinate and delay for days, weeks, months, years in buying hearing aids." Yet the national headlines you achieved destroys the confidence of hearing aid users in their instruments and in their dealers, and it gives many foot-dragging potential hearing aid candidates yet another excuse for delay.

There is not an industry in the country that is without some consumer complaints, and ours is no exception. If you really want to do something about problems in the retail hearing aid industry, we invite you to begin by working with us. Then, if you find we can't do the job to your satisfaction, we will agree that you will be justified in attacking us in the press, urging FTC and FDA action, and passing legislation.

Therefore, we now challenge you to produce those files "building with correspondence" about hearing aids you claim to have received from dissatisfied users. We are particularly interested in the complaints you received prior to June 10 that inspired you to launch your attack.

You actually have complaints "bulging" from your files, we want to get them resolved as soon as possible. This has been our national policy for more than 10 years, and it will continue to be our policy. We believe this is the one true solution to the many questions you raise. After all, if a consumer is dissatisfied and seeks your help, it is a disservice to him to hold his letter exclusively for "evidence" rather than turning it over to an agency or organization that can help him gain satisfaction.

Based on our experience, we doubt that your "bulging" files contain many valid complaints that cannot be resolved. Nor can we find evidence of unresolvable complaints "bulging" at other government agencies. For example, a recent count of consumer complaints received by the Office of Consumer Affairs, HEW, shows that of 4,914 complaints, only 16 involved hearing aids. (Cameras, films and projectors were the topic of 28 complaints.)

We have dealer organizations in nearly every state that have been very successful in resolving complaints to the customer's satisfaction. In the few instances where a complaint cannot be resolved, the consumer is urged to turn his problem over to his state licensing board. The licensing board may then hold hearings and—if necessary—punish a recalcitrant dealer by withdrawing his business license.

Of course, your home state of Illinois is one of only 11 states which have no hearing aid specialist licensing law. Therefore, we can assume that any complaints you have from your constituents are from frustrated hearing aid users who have no legal recourse through a state agency.

For this reason, we urge you to let the National Hearing Aid Society work on these letters of complaint from your Illinois constituents through the Illinois Hearing Aid Dealers Association.

We pledge that we will look into each complaint conscientiously, make every effort to resolve the problem, and will give you a written report on each. We believe this can be of great service to everyone involved.

If you are truly interested in helping the hearing-impaired, as we are, you can help best by providing us with the complaints in your files so that we can resolve them. Just call Richard F. Fralick, our Washington representative, at 528-0362. He'll pick up whatever you have, and we'll do the rest.

Sincerely yours,

MARVIN H. PIGG, *President.*

U.S. SENATE,
WASHINGTON, D.C., *June 26, 1974.*

Mr. MARVIN H. PIGG,
President, National Hearing Aid Society,
Colorado Springs, Colo.

DEAR MR. PIGG: I have your letter of June 24, 1974, which I find personally disturbing because of the hostile and uncooperative attitude which you express, on behalf of the National Hearing Aid Society. I believe that you and your trade association would better serve the estimated 20 million hearing-impaired people in this country if instead of issuing empty challenges, you were to address yourself head-on to some of the serious problems involved in the sale, fitting, and pricing of hearing aids to persons who are in such dire need of the vital benefits which they can and do offer.

If the National Hearing Aid Society is truly interested in working toward that end, then I would suggest you begin to deal concretely with some of the very legitimate and agonizing concerns that are expressed in the several hundred letters which I have received, and which I am attaching herewith, as you requested. I urge that you also proceed to obtain directly, as I did, the many grievance letters from users and former users of aids presently in the files of the Food and Drug Administration, Federal Trade Commission, Virginia Knauer's Office of Consumer Affairs, and other government units, and consider those along with the complaints I am attaching. The letters to me indicate that the abuses in this area are even more aggravated than I first thought. There is clearly an undercurrent of dissatisfaction on the part of many present and former users of hearing aids which remains unattended to by the industry to the detriment of the industry and the very persons who are in most need of help.

I am also forwarding copies of these complaints to the Food and Drug Administration and the Federal Trade Commission, both agencies having jurisdiction in this area, so they can be aware of the kinds of deeply-felt grievances being expressed by hard of hearing citizens all around the country, including users in those states which have licensing boards.

It is my hope that, upon receipt of these complaints, the National Hearing Aid Society will reassess its intransigence and move from a position of defensive backbiting to one of positive and mutual cooperation with the government agencies concerned. And too, with critics of the status quo whose honest intent is to improve conditions in the industry in a manner which will inspire confidence on the part of the great number of hearing-impaired Americans who need assistance but will not seek help for fear of being ripped off.

I further believe that there needs to be a cooperative effort on the part of all of us in order to secure and redirect funds, resources, and expertise available within the federal establishment toward basic research into the problems of the inner ear which underlie acute hearing loss.

Sincerely,

CHARLES H. PERCY,
U.S. Senator.

CONGRESSIONAL PAY

Mr. McGEE. Mr. President, lest any Senator believes that public sentiment all around the country is decidedly against any equitable increases in the salaries of the Government's higher ranking officers, including Members of Congress, I would like to call attention to an editorial which was published this past spring in the San Antonio Express of San Antonio, Tex.

The editor of the Express recognizes full well that what he called timing and controls put Congress into an intolerable position on the latest pay proposal to come before it from the President. But he also recognizes that periodic salary adjustments, particularly in a time of raging inflation, are merited. I ask unan-

imous consent that the editorial titled "Congressional Pay Tiff Suggests a Better System Ought To Be Tried" be printed in the RECORD.

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

[From the San Antonio Express, Mar. 4, 1974]

CONGRESSIONAL PAY TIFF SUGGESTS A BETTER SYSTEM OUGHT TO BE TRIED

Timing and controls put the Congress into a politically intolerable position on the latest pay raise round.

The Congress had passed a law several years ago whereby each four years the President would review salaries of members of Congress, federal judges and agency officials. The law was designed to provide a way, without a lot of log-rolling, to review the pay scales, as all well-regulated businesses do.

President Nixon had been tardy in making his review. When it finally came, the wage-price guidelines were fixed at 5.5 per cent annually, inflation was raging and an election was coming.

The law required congressional veto of the raises to keep them from being automatic. And the opponents of raises started their campaign.

Congress and legislatures are placed in the position of having to deal with political sharp-shooters on the issue. That shouldn't be. Perhaps the proposal for Texas' new constitution would be better: a salary commission free of legislative dependency should set the salaries.

Legislators at all levels, who are forced to set their own salaries, are abused under the system. They are expected to be on call around the clock, keep their hands out of the treasury, do all kinds of special favors for constituents, protect the public interest and serve in a gold fish bowl job for small fees.

True, members of Congress earn more than most of us but in terms of top jobs in private business, they work for quite modest sums. The misdeeds of a few tarnish the deeds of those who really try to do the country a decent job. It's probably too idealistic to hope for, but politicians ought to be honored—and to deserve it. A salary review every four years is a reasonable plan.

THE PROBLEM OF FINANCIAL REFORM

Mr. TOWER. Mr. President, I was very much impressed by the remarks today by the distinguished Senator from New Hampshire, Mr. MCINTYRE, to the American Bankers Association's National Governmental Affairs Conference.

As ranking minority member of the Senate Banking Committee, I am pleased with the type of bipartisan leadership which Senator MCINTYRE has assumed as chairman of the Senate Subcommittee on Financial Institutions to press for orderly, constructive, and comprehensive reform. His remarks today summarize well the concerns which prompt an ever greater need to address the problem of financial reform in an expeditious manner.

Mr. President, I ask unanimous consent that these remarks be printed in the RECORD.

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

REMARKS BY U.S. SENATOR THOMAS J. MCINTYRE AT THE AMERICAN BANKERS ASSOCIATION NATIONAL GOVERNMENTAL AFFAIRS CONFERENCE/SYMPOSIUM ON INFLATION, WASHINGTON, D.C., JULY 17, 1974

This morning I'd like to concentrate my remarks on the crisis in confidence in our financial institutions, and to point up what I consider a most important first step toward resolving that crisis.

First of all, it should be obvious to everyone that the ravages of double digit inflation and a 12 percent prime rate have created a most difficult climate for the orderly operations of financial institutions.

While I don't intend to recite the litany of concerns about the general economy, I would like to recite a passage from a recent editorial in the New York Times. I quote—"As a result of the worst inflation this country has ever experienced in peacetime—and of the almost exclusive reliance on restrictive monetary policy to check that inflation—interest rates have gone through the roof and the *financial solvency of many institutions, both private and public, is now threatened.*"

Every day I come across reports like this about the crisis of confidence which surrounds the financial system in this country.

As Chairman of the Senate Subcommittee on Financial Institutions, I can tell you I am deeply concerned.

What is to be done to prevent the spreading crisis of consumer confidence from spilling over into concern about the continuing strength and viability of our financial institutions?

For the past year and a half, I have been advocating that the only way out of the recurring crises which threaten the stability of our financial institutions is through a comprehensive package of structural reform. Sometimes I get the feeling that I'm the only one left committed to this principle, but has it ever been more apparent than right now that financial reform is needed, much less inevitable?

Banking laws and regulations passed primarily to bring this country out of the Depression no longer provide a reasonable framework to deal with the problems of today. New economic forces are coming into play all the time.

And, as witnessed in so many areas today, events have a way of accelerating, almost overnight . . . accelerating to the point of threatening or even overturning long-established trends, traditions, and institutions.

In the financial community we have seen, within a relatively short period of time, a number of developments which, when taken together, have serious ramifications in their potential impact on consumer confidence.

All one has to do is catalogue what is being reported daily in the press—bank stocks on a sharp decline; municipal bond offerings being cancelled; a bone-dry mortgage market, at least at affordable interest rates; and questionable bank management practices in an atmosphere of inordinately tight financial pressures.

And what about new developments to which the financial system must yet respond? What, for example, will be the impact on our financial structure as billions and billions of petrodollars reflow to this country, for the most part into short term obligations callable on very short notice?

What will be the impact of continuing and increasing activity of banks and bank holding companies in non-bank-related areas? What about the prospect of increased competition from foreign banks seeking to gain a foothold in the United States?

I submit that I do not know all the answers, but I also submit that there are a lot of others in the same boat.

With all the Federal regulatory apparatus available to oversee the safety, soundness, and stability of our financial system, why do we seem to be finding new chinks in our armor every day? In this regard, believe me, I am very much aware of the fact that Congress is, in the truest sense, the Federal financial regulator of last resort.

Yet, since 1965, Congress has been dealing with the problems of the financial community on a piecemeal, issue-by-issue basis. Our legislative efforts are very analogous to the see-saw we used to play on as kids. If the weight on one side outbalanced that on the other, something had to be done to restore equilibrium. Quite frankly, the Federal government, for the past ten years, has been doing much the same with financial structure and regulation.

Year after year, one segment of our financial system would come to Congress and point out an imbalance in the competitive structure of the industry. Through legislation, Congress would then attempt to restore equilibrium. But no sooner would we act than another group within the industry would come along and point out that the action just taken, rather than restoring equilibrium, had provided yet another unforeseen imbalance.

So what we have had in recent years is a continuing reaction to correct one imbalance, both of which were caused by changing economic conditions.

The danger in continuing this piecemeal approach is obvious. The financial industry has become and will continue to be so completely controlled by government regulation that inefficient and outmoded practices are perpetuated without any recognition of the value of innovation and competition to the strength of the industry and to the benefit of the public at large.

Now we're confronted with yet another type of imbalance. This time it isn't the competitive structure of financial institutions themselves which we are being called upon to consider. Now the alarms are sounding on the external threat of disintermediation to financial institutions under Regulation Q, particularly thrift institutions, from the intense competition for funds by borrowers in the capital markets.

In the eight years that Regulation Q has been in effect industrywide, it has become increasingly obvious that, even among financial institutions themselves, Reg Q has not eliminated disintermediation but has, in and of itself, become a major contributing factor toward this phenomenon.

It has also become clear that a principal result of Regulation Q is that small consumer savers are not afforded a competitive rate of return on their investment. So our piecemeal legislative approach has resulted in substantial subsidy from small savers to large borrowers.

As a matter of public policy, this country must insure an adequate supply of money for housing at a reasonable price. At the same time, the small consumer saver deserves, at the very least, not to be discriminated against on the return he can get for his savings.

Nobody takes issue with either of these objectives. It is just that, for the moment, we are told, one must give way to the other lest the survival of a substantial number of savings institutions be seriously threatened.

We are witnessing, then, yet another precipitous assault on the stability of a substantial segment of our financial structure.

In the past, each segment of the financial community has been engaged in defending its own special interests with little recognition for orderly, constructive, comprehensive reform. Is it possible that we now have the force of events which will compel such recognition?

Financial reform is inevitable. I submit that it may already be underway. The only

question in my mind is how we shall have it. Will we be out in front? . . . or chasing frantically behind to keep as few pieces from falling by the wayside as possible?

I just don't want to see any more band-aid, ad hoc, knee-jerk, pressure-packed approaches. We've had enough sloppiness already.

But to end as I began, there is more at stake now than just a rational approach to the problem. Given the present warnings, public confidence is in the balance. I think it should be readily apparent that, in the eyes of the public, there is a substantial difference between the safety, soundness and stability of corporate America versus the safety, soundness and stability of financial America.

Having already spent a great deal of time and effort on financial reform, I have been given a lot of advice: be practical, do what is feasible, reap the benefits of the educational process, but forget about coming up with anything very substantial in a comprehensive form.

Ladies and Gentlemen, the choice may not be mine. And if there is any doubt about my own commitment to seeing this process through in a responsible manner, then let me lay that doubt to rest today.

Thank you very much.

BUDGET CUT OF $10 BILLION RECOMMENDED BY BURNS

Mr. McGOVERN. Mr. President, the Chairman of the Federal Reserve Board, Mr. Arthur F. Burns, has called on President Nixon and Congress to cut Federal spending by $10 billion as a means of reducing inflation. I agree with this analysis. Indeed, I have long argued for a $10 billion cut in excessive military spending—the largest cost in the Federal budget.

The budget for fiscal year 1975 is presently estimated to be $305 billion, and some administration officials had previously shown some willingness to reduce this by $5 billion, to $300 billion. Mr. Burns has now upped the ante.

Unfortunately, some members of the administration do not go along with this "new" talk of budget cutting. Budget Director Roy Ash said talk of budget cuts in 1975 was like "baying at the moon." Treasury Secretary Simon is more optimistic about a balanced budget in 1976, but he also feels that there is some "controllable spending" which could be cut now. He has mentioned "overfunded" programs such as school lunch, school milk, and the food stamp program.

While I am in complete agreement with the necessity to reduce Federal spending, it is inconceivable to me that programs which are directly offsetting some of the effects of this ruinous inflation for some of our most affected groups would be singled out as candidates for reduction or elimination.

I also take sharp exception to the statement by Mr. Burns that the economy "is not being starved for money and credit." One need only examine the depression condition in the housing industry to realize that this sector of the economy is particularly hard hit by record high interest rates. And we have learned in the process—as Mr. Burns admits—that high interest rates are no answer to today's inflation. Indeed, they make it worse.

Finally, Mr. Simon suggests that "we are still paying for many of the bold new initiatives that have been proposed over the last 20 or 30 years." I agree with Mr. Simon, and I urge him to examine just a few of the extravagant military programs. The $10 billion budget cut which Mr. Burns is looking for is there—and much more.

Mr. President, I ask unanimous consent that an article on this subject by Peter Milius in the July 16, 1974 issue of the Washington Post 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 16, 1974]

TEN BILLION DOLLAR BUDGET CUT RECOMMENDED BY BURNS

(By Peter Milius)

Federal Reserve Board Chairman Arthur F. Burns called on President Nixon and Congress yesterday to cut federal spending $10 billion this fiscal year as a means of holding down inflation.

Even then, Burns warned the House Ways and Means Committee, he could not promise his board would ease up on its tight money policy—restricting the growth of the money supply to drive up interest rates in an effort to discourage borrowing, dampen demand and drive down prices.

Tight money and a tight budget together mean slower economic growth, Burns freely conceded, and these in turn mean that unemployment will be higher than otherwise, and family incomes lower.

But continuing inflation would be even worse, he said. "A period of slow growth is needed," he told the committee, which is considering changes in the tax laws.

Burns said the economy's present sluggishness probably will continue for some months. Actual output of goods and services—known as "real" gross national product—probably rose somewhat in the second quarter from the depressed level of the first, he said, but no vibrant recovery is near. The Commerce Department will publish preliminary GNP totals Thursday.

The Federal Reserve Board reported yesterday that industrial production in June remained unchanged from the May level. It rose at annual rate of 1.3 per cent in the second quarter, but declined at a 6.6 per cent rate in the first, and is 0.1 per cent below its level of a year ago.

The board's industrial production index covers about a third of the GNP.

Burns and the White House have been warning for months that the only way to deal with inflation is to put the economy through the wringer of tight money slowdown. Burns' testimony yesterday was a reaffirmation of his determination to see that policy through.

Burns, however, has felt that not enough is being done to hold down spending, and that the reserve board is thus having to do more than it should on the monetary side.

The $10 billion he wants cut from the budget is twice what the White House has set as a goal. The recommended spending total for fiscal 1975, which began July 1, is about $305 billion, with a projected deficit of $11.4 billion.

The President has said he hopes to lower the recommended spending total to $300 billion. That would still leave a deficit of about $6 billion, however, and Burns said yesterday that with inflation as high as it is the government ought to be running a surplus instead.

Director Roy L. Ash of the Office of Management and Budget has said he is not sure the $300 billion target can be reached, nor that reducing spending $5 billion will have much effect on the inflation rate.

In San Clemente, Calif., White House press secretary Ronald L. Ziegler said yesterday that the deficit in fiscal 1975 might turn out to be only about $5 billion even if spending is not cut, because revenues are rising beyond earlier projections.

The increased revenues are in part caused by inflation. As it bloats wages and profits, it also bloats taxes.

Burns, while deploring the damage done by high interest rates, also said the economy "is not being starved for money and credit," and that the money supply still is growing faster than the reserve board would like.

He said that most of the "special factors" that helped produce the inflation of the last two years are subsiding now—the worldwide boom, devaluation of the dollar, last winter's lifting of oil prices—but noted that wages are now rising sharply and may take their place in putting upward pressure on prices.

LAKE SUPERIOR: A PRIVATE DUMP?

Mr. PERCY. Mr. President, for over 2 years I have been following with interest the case of the United States and the States of Minnesota, Wisconsin, and Michigan against Reserve Mining Co. It is of great concern to me and to the people of the Great Lakes States that Reserve Mining's plant at Silver Bay, Minn., has continued to dump 67,000 tons of asbestos-polluting taconite waste every day into the formerly clear waters of Lake Superior.

Throughout the progress of the lawsuit and trial, the company has never seen fit to voluntarily cease the dumping. Apparently it has not occurred to Reserve that the sight of the ghastly taconite waste pouring into the beautiful waters of the "Big Lake" is an outrageous affront to environmental decency.

Nor has it seemingly disturbed Reserve that asbestos fibers, a known source of cancer in humans, are present in both the water and the air surrounding the plant and have been traced to the taconite dumping. In the face of evidence of a serious potential hazard to the shoreline communities which draw their drinking water from the lake, it is impossible for me to support the company's insistence on continuing the dumping without voluntarily developing an alternate procedure more in the public interest.

The district court judge in the case found that the discharge into the air and water "substantially endangers the health" of the residents of lakeside communities including the cities of Duluth, Minn., and Superior, Wis., and ordered a suspension of the plant's operations.

The district court stated in its findings that:

Defendants have the economic and engineering capability to carry out an on land disposal system that satisfies the health and environmental considerations raised. For reasons unknown to this Court they have chosen not to implement such a plan.

Subsequently, the Eighth Circuit Court of Appeals stayed the lower court's suspension order and required Reserve to produce within 70 days a plan for on-

land disposal of the taconite waste. Meanwhile, the dumping goes on, and if the appeals court permits it, Reserve intends to keep on dumping all during the 3 to 5 years required for construction of an on-land disposal system.

The court of appeals acted only to stay the district court order to immediately shut down the plant, and did not rule on the "merits" of the case. However, in summarizing its findings, the appeals court opined that on appeal the Government is likely to prevail on the environmental question, while Reserve is likely to prevail on the health risk question.

The States of Minnesota, Wisconsin, and Michigan asked the Supreme Court to lift the stay, while the Federal Government decided not to go to the Supreme Court over this issue. I understand that this was a tactical decision on the part of the Justice Department, and that a later appeal on the merits of the case is not precluded. The decision seems wise in retrospect since the Supreme Court on July 10 declined to reinstate the district court order.

On the question of the possible hazard to human health, the distinct philosophies have emerged. The philosophy of the district court is that even the possibility that thousands of cases of cancer in humans may appear after 20 to 30 years of exposure to asbestos fibers in the air and drinking water is far too great a risk for society to bear. In contrast, the philosophy of the appeals court is that shutting down a plant is too serious a step to take without proof positive that the asbestos fibers in and around Lake Superior are indeed causing cancer.

I can only say that as between the two, many Americans subscribe to the Federal district court's philosophy. The potential hazard to the health of those upper Midwest residents in their judgment is far too dangerous to trifle with.

Even if the health issue could be disregarded, the obvious degradation of the environment from this noxious discharge would be enough to warrant its cessation.

I believe that the Federal district court's findings and conclusions represent an excellent summary of this case. If any of his basic findings on the merits of the case are overturned at the appeals court level, then I would certainly urge the Attorney General to appeal to the Supreme Court. This is one of the clearest tests I know of whether our antipollution laws are adequate to protect the public health and environment.

The decision of the Federal district court was printed in the RECORD of May 6, 1974, on page 13331, at the request of my distinguished colleague from Michigan, Senator GRIFFIN.

Mr. President, I ask that a New York Times editorial of July 7, 1974, and two Washington Post articles dated July 6, and July 8, 1974, on the Reserve Mining case be printed in the RECORD.

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

[From the New York Times, July 7, 1974]

SUPERIOR, PRIVATE DUMP?

Federal District Court Judge Miles W. Lord continues to set an example of social conscience in the case of the Reserve Mining Company—while the company, in contrast, continues to put profits above the public health and the environment of three states.

After five and a half years of fierce obstructionism, Reserve Mining, which is jointly owned by Republic Steel Corporation and Armco Steel Corporation, at last faces a flat ban on its use of Lake Superior as a private dump for its iron ore wastes. Scientific experts, the Environmental Protection Agency and the states of Minnesota, Michigan and Wisconsin have pressed for such a ban partly on the ground that the 67,000 tons of tailings discharged daily into the lake contain asbestos fibers which some medical authorities believe capable of causing cancer and other diseases.

Appealing Judge Lord's injunction to close the plant last April, Reserve Mining was granted a stay by the Eighth Circuit Court on condition that the contending parties return to the District Court to work out a plan for ending "as quickly as feasible" the pollution of what was the purest freshwater lake in the world. While the higher court questioned the certainty of the health hazard, it affirmed that the original permission for the discharge had been "a monumental environmental mistake."

In the face of a judicial record like that, it is appalling that the company should want—much less be allowed—to continue its depredations even temporarily. Yet its lawyers' first line of argument at the new hearings was that the unsatisfactory compromise it proposed in place of the state's more stringent plan would cost less money. It is to the credit of Judge Lord that he brought them back to the issue. That issue, he said, was ecology, not economics. It is only regrettable that it should have taken nearly six years for the point to be driven home.

THREE STATES ASK COURT TO CLOSE MINING FIRM

(By George C. Wilson)

Minnesota and two other states asked the Supreme Court yesterday to shut down the Reserve Mining Co. which is now dumping 67,000 tons of waste into Lake Superior every day.

The petition—written by Minnesota state attorneys and signed by their Michigan and Wisconsin counterparts along with a lawyer for private environmental groups—was filed with Associate Justice Harry A. Blackmun.

Blackmun, a Minnesotan, oversees legal matters in the Eighth Judicial Circuit where an appeals court on April 22 lifted a shutdown order against Reserve issued by U.S. District Court Judge Miles W. Lord.

The Justice Department which filed the suit in the first place, rejected the requests of the Environmental Protection Agency and the Council on Environmental Quality to appeal the case to the Supreme Court.

In lifting the District Court order, the Eighth U.S. Circuit Court of Appeals went beyond the narrow question of whether Reserve could keep dumping waste into Lake Superior until the appeals court held a full-dress hearing on Lord's decision.

A three-member panel from the appeals court, in deciding to let Reserve resume operations, expressed itelf on what constitutes a health risk in terms that have alarmed environmental lawyers.

"Although Reserve's discharges represent a possible medical danger," the panel wrote, "they have not in this case been proved to amount to a health hazard" and thus the plant should be allowed to keep dumping into Lake Superior.

In yesterday's petition to the Supreme Court, Minnesota said that Reserve discharges into Lake Superior "large quantities of asbestos fibers which are a known human carcinogen." Judge Lord had found the discharge to be an unacceptable health risk.

"The issue involved in this case is one of unique and exceptional importance," said the Minnesota petition, "and the consequences of continuing the stay could well be disastrous. What is being threatened by the stay order is human life.

"Perhaps the most fundamental and important error of the court of appeals," continued the petition, "is that it seriously misconstrued the law when it forecast that appellees would not prevail on the merits of the health issue.

"This prediction reflects a basic misconception of what type of proof is necessary in order to prove the existence of a hazard to public health sufficient to warrant an injunctive remedy," the states argued.

The appeals court standard of requiring proof that "people are going to die" before a polluter is stopped "conflicts directly with long-standing public policy," the petition said.

Rather than let such appeals court interpretations stand, the states asked Blackmun to impose Lord's shutdown order until the case has been argued on its merits before the appeals court.

At the moment, Minnesota and Reserve are arguing over where the waste should be dumped on land if discharge into the lake is stopped. The next hearing on this question is Wednesday in St. Paul before Lord, who has been directed by the appeals court to help work out a settlement.

[From Washington Post, July 8, 1974]

ENVIRONMENTAL BACKFIRE

WINNERS SEEN LOSERS IN MINING CASE

(By George C. Wilson)

ST. PAUL, MINN.—The environmental movement now stands to be the loser when it "wins" the biggest pollution suit ever filed by the federal government.

Adding to this irony, the congressman who authorized one of the nation's first clean water acts has cleared the way for the public to pay for filtering out the waste the polluter being sued has been dumping into Lake Superior for the last 17 years.

And, as far as state officials here can divine, the federal government has no intention of interfering with this course of events—leaving the states to take over the last stages of the battle.

These are the new developments in United States of America vs. Reserve Mining Co.—a suit the Justice Department filed with trepidation on Feb. 17, 1972. The trial itself will mark its first anniversary Aug. 1—a year-long, often uncomfortable confrontation between the Nixon administration and some of its political friends in the steel industry.

Reserve is owned by the Armco and Republic steel companies. The Reserve plant, on the edge of Lake Superior at Silver Bay, Minn., grinds up iron ore for those two companies and flushes the waste sand and gravel out the back door and into the lake.

The daily load of waste—called taconite tailings—is 67,000 tons. Besides polluting this cleanest of the Great Lakes, the Environmental Protection Agency discovered after the suit was filed that there were fibers in the lake and air which witnesses linked to Reserve's discharges. Worse than anything, medical witnesses testified that these fibers were the same kind that caused cancer and thus endangered the 200,000 people who drink water from the lake and breathe air polluted by the plant.

As the first anniversary of the trial approaches, it appears that state and federal officials will indeed reach their original goal of stopping Reserve from dumping tons of tailings into Lake Superior.

But, in getting there—as one attorney deeply involved in the case against Reserve put it—public health law has been made that, if left uncontradicted, "will be a far greater environmental disaster for the country than all this polluting of Lake Superior over the years."

The states of Minnesota, Michigan and

Wisconsin agree they face a Pyrrhic victory after all their work against Reserve. That is why they went to the Supreme Court last Friday. They do not want the Eighth Circuit Court of Appeals interpretation of what constitutes a public health risk to go into the lawbooks as the last word in this hallmark case. This would handicap other antipollution efforts throughout the United States, they agree.

Last month, the Justice Department refused to take the case to the Supreme Court—rebuffing the states and the federal Council on Environmental Quality and Environmental Protection Agency which recommended an appeal.

Byron E. Starns and James M. Schoessler of the Minnesota attorney general's office wrote for the three states and allied environmental groups last Friday's petition to Associate Justice Harry A. Blackmun of the Supreme Court. Said their petition:

"The legal issue involved in the determination of the amount of proof required to establish the existence of a health hazard is one of great importance to the future of nuisance and abatement cases . . .

"Perhaps the most fundamental and important error of the court of appeals is that it seriously misconstrued the law when it forecast" that those suing Reserve would not be able to prove the health hazard of the company's waste was dangerous enough to justify shutting down the plant.

"The court of appeals has put itself into the position of saying that unless it can be documented to a scientific certainty that people are going to die in the future, or unless actual deaths have already occurred, law and equity will not grant relief from a health hazard."

Instead of looking at pollution of the air and water from the viewpoint of "when in doubt cut it out," critics contend the appeals court had opted for requiring a corpse. This, they contend, is not the rightful standard for civil cases where "probability" of violation, not the "beyond a reasonable doubt" of criminal law, applies.

State and federal officials who have been fighting Reserve said in interviews that local, state and federal officials everywhere will be hard pressed under that interpretation to control potentially dangerous industrial wastes going tnto the air and water.

Despite those consequences, these same lawyers are pessimistic about the Supreme Court ruling before the Reserve case is settled under an agreement fostered by that same appeals court that wrote the controversial public health language.

That appeals court, in an order issued June 5, directed Reserve and the parties suing the company to go back to U.S. District Court and work out within 70 days an agreement for dumping the waste on land instead of into the lake as quickly as feasible.

Reserve has offered to dump on land. The remaining issues are how soon the company stops flushing the 67,000 tons of discarded sand and gravel into the lake every day and where on land it will deposit this waste.

Thus, it looks like this most costly and longest environmental case will be settled under something akin to a consent decree by mid-August unless the Supreme Court does the unexpected and steps in.

The case, despite 20,000 pages of testimony, leaves a mysterious trail of politics and unanswered questions dating back to 1972 when the Environmental Protection Agency asked the Justice Department to take on the steel industry.

Uncomfortable for the Nixon administration back in 1972, the industry had powerful contributors working for the Republican Party including C. William Verity Jr., head of Armco, and chairman of the Ohio campaign committee. It raised—according to Verity—between $50,000 and $55,000 for GOP candidates in the state.

It was also Verity whom Chairman Henry S. Reuss (D-Wis.) of the House Conservation Subcommittee had assailed earlier for "seeking and apparently obtaining White House intervention" in a federal court order issued in 1971 to stop Armco waste dumping in the Houston ship channel.

John N. Mitchell, as Attorney General in 1972, had to decide whether to name Armco and Republic as defendants in the pollution suit urged upon the Justice Department by the Environmental Protection Agency.

Thomas H. Truitt, who in 1972 was director of EPA's legal support services, recalled the administration's faint-heartedness.

There was "no question" about EPA's interest in getting Armco and Republic named as defendants along with Reserve, Truitt said in a telephone interview last week. "I know," said the former EPA legal officer, "because I was doing the lobbying for it. I was told the recommendation was on Mitchell's desk."

Mitchell, who later in 1972 left the Justice Department to temporarily head the President's re-election committee, rejected EPA's recommendation. Only Reserve Mining Co. was named as the polluter in the Justice Department suit filed on Feb. 17, 1972.

Armco and Republic tried to stay in the background after the trial started last Aug. 1, but a feisty federal judge—the John J. Sirica of this hallmark pollution case—decided to pull them in as defendants.

In explaining why he did so, 54-year-old Judge Miles W. Lord—a former Golden Gloves boxer—pulled no punches. Said Lord in a memo dated May 11, 1974:

"Armco and Republic each own 50 per cent of the outstanding stock of Reserve. The policy making body of Reserve, its board of directors, is made up of 11 individuals; five from Armco, five from Republic and one from Reserve. The Reserve board in reality makes no decisions. Armco and Republic jointly agree on policy decisions which are then rubber-stamped by the Reserve board . . .

"If the Reserve corporate entity were respected," Lord continued, "Armco and Republic would be free to take the benefits of these violations without being accountable for any fines, penalties or liabilities that attach to such conduct . . . It is quite clear to this court that Reserve is a mere instrumentality or agent of Armco and Republic which is being used to shield the parent companies from the consequences of the pollution of Lake Superior and the ambient air . . ."

So, under Lord's ruling the federal government took on the steel industry.

One court exhibit showed that Reserve spent $5.85 million on legal help and other services from 1969 through April, 1974, to justify its disposal methods and plans.

After hearing the medical pro and con in his court room for nine months, Lord—once a poor youth who knew mining first-hand and had paid his way through college by working at such jobs as janitor and cat skinner—ruled against the industry.

He said the risk of people getting cancer from the fibers was too great to take; that Reserve had to close its plant until it found a way to dump its waste on land like other taconite companies do.

In the shut-down order of April 20 and a May 11 memo elaborating on it, Lord seemed to have given environmentalists one of their biggest victories against a polluter. His two memos were a combination of righteous indignation and public health philosophy. If allowed to stand as the last word, Lord's interpretations would have made it much easier for local, state and federal officials to win pollution cases.

Some of Lord's findings:

"The evidence in the case indicates that the daily profit in the operation at Reserve is in the neighborhood of $60,000 per day. Each year that the plant remains in operation, there is a 90 per cent return on owners' (Armco and Republic) equity. In other words, for every dollar Armco and Republic initially invested in Reserve, they got back 90 cents each year the plant remains in operation.

"Defendants have the economic and engineering capability to carry out an on-land disposal system that satisfies the health and environmental considerations raised. For reasons unknown to this court they have chosen not to implement such a plan.

"In essence, they have decided to continue exposing thousands daily to a substantial health risk in order to maintain the current profitability of the present operation and delay the capital outlay needed to institute modifications. . . ."

Reserve witnesses, in testifying that disposing of its waste on land rather than in Lake Superior had been determined as infeasible, showed "bad faith" because no land disposal plans were in corporate files, Lord wrote.

"After listening to testimony for over nine months, the court has formed the opinion that the credibility of the defendants collectively in this case is seriously lacking. They have misrepresented matters to the court, they have produced studies and reports with obvious built-in bias they have been particularly evasive when officers and agents were cross-examined."

Lord, in discussing the public health question in his May 11 memo, made these points:

"At all times" Reserve's discharges into the air from its smoke stacks and into the lake via sluices behind the plant "adds millions of asbestos fibers to every quart of water drunk by every citizen of Duluth, Two Harbors, Beaver Bay and Superior (Wis.) at every time of the year. . . ."

"The evidence clearly indicates that the ingestion of amphiboles and asbestos fibers creates a hazard to human health."

In the light of those and other findings, Lord said, "the determinative issue is a simple one: a commercial industry is daily exposing thousands of people to significant quantities of a known human carcinogen and plans to continue doing so unless halted by this court."

Lord thus ordered Reserve shutdown as of 12:01 a.m. April 21, 1974. The steel companies immediately sought to get the shutdown order lifted. A three-member panel of the Eighth Circuit Court of Appeals, after a hurried hearing on April 22, lifted Lord's order until it had a chance to assess his full opinion.

On May 15, the appeals panel held a more leisurely hearing in St. Louis on the question of whether Reserve should be allowed to operate until it held a full hearing on the merits of the case. The appeals court decided on June 5 to allow Reserve to keep discharging into the lake for at least 70 more days, ordering the contesting parties to work on a cleanup plan under Lord's auspices in the meantime.

Reserve has proposed dumping its waste on land about a mile northeast of its Silver Bay plant at a place called Palisade Creek. Minnesota officials oppose that site, asserting the waste must be dumped farther inland to make sure the dangerous fibers do not drain back into the lake and return to the water supply.

Also, Reserve has said it would keep dumping into the lake another three years to give the company time to ready the land disposal site.

State officials here who have been fighting Reserve for years predict the company will go just far enough to satisfy the Eighth Circuit Court of Appeals. They add that the Washington hierarchy of Justice Department is tired of fighting the steel companies and wants a settlement—much to the distress of some of its lower ranking lawyers.

The defendants have contended all along that Reserve's discharges have not been proven as endangering the health of people

who drink water from Lake Superior and breathe air near the plant.

The Eighth Circuit Court, in agreeing with the steel companies, set down these guidelines on June 5 for proving a polluter was endangering the public health:

Even if the number of asbestos and asbestos-like fibers in the air and water could be measured accurately, the three-member appeals court panel said, "there remains vast uncertainty as to the medical consequences of low levels of exposure to asbestos fibers." In other words, are the people around Lake Superior taking in enough fibers along with their air and water to cause cancer?

"The results of the tissue study" (which indicated deceased Duluth residents who had been drinking water out of Lake Superior for the last 15 years had no more asbestos in their tissues than Houston residents whose water was free of such fibers), the court said, "must weigh heavily against the assessment of any demonstrated hazard to health. We think it is clear that the tissue study raises a major obstacle to the proof that ingestion of Duluth water is hazardous . . .

". . . Although Reserve's discharges represent a possible medical danger, they have not in this case been proven to amount to a health hazard. The discharges may or may not result in detrimental health effects, but, for the present, that is simply unknown. The relevant legal question is thus, what manner of judicial cognizance may be taken of the unknown?"

"We do not think," said the appeals panel, "that a bare risk of the unknown can amount to proof in this case. Plaintiffs have failed to prove that a demonstrable health hazard exists. This failure, we hasten to add, is not reflective of any weakness which it is within their power to cure, but rather, given the current state of medical and scientific knowledge, plaintiffs' case is based only on medical hypothesis and is simply beyond proof.

"We believe that Judge Lord carried his analysis one step beyond the evidence. Since testimony clearly established that an assessment of the risk was made impossible by the absence of medical knowledge, Judge Lord apparently took the position that all uncertainties should be resolved in favor of health safety.

"Since the appropriate threshold level for safe toleration of fibers was unknown, the district court tipped the balance in favor of attempting to protect against the unknown and simply assumed that Reserve's discharge presents a health hazard.

"In doing so," the appeals court continued, "he disregarded the tissue studies of his own experts which provided direct evidence to the contrary.

"If we are correct in our conclusion that evidence does not exist in the record on which to find Reserve's discharges to be unsafe, the district court's determination to resolve all doubts in favor of health safety represents a legislative policy judgment, not a judicial one.

"We emphasize that our evaluation rests not on any view that the discharge exposes North Shore residents to no risk," the appeals court said, "but rather on the view that, given the evidence, no substantial danger has been or could be proven. It cannot be said, other than as a matter of conjecture, that the discharges will result in any higher incidence of disease than that experienced by a general public not similarly exposed.

"Although we are sympathetic to the uncertainties facing the residents of the North Shore, we are a court of law, governed by rules of proof, and unknowns may not be substituted for proof of a demonstrable hazard to the public health."

The appeals court, in contrast to Lord's ruling, thus rejected the warnings of the government's key witness on the health hazard—Dr. Irving J. Selikoff, director of the Environmental Sciences Laboratory and an acknowledged expert on the dangers asbestos fibers pose to humans.

"It is not prudent in any way," Selikoff testified before Lord, "to allow or to require these people to ingest particles which in other circumstances have been shown to cause cancer.

"We will not know whether or not these particular circumstances will cause cancer until 25 to 35—maybe 40—years have passed.

"This is, in my opinion, a form of Russian roulette, and I don't know where the bullet is located. But if we are wrong, then the consequences of that error are disastrous. Moreover, the consequences are particularly bad because while we play the game, others will have to pay the penalty."

Public officials from communities on Lake Superior, including the city of Duluth, have taken Selikoff's warning seriously enough to demand that their drinking water be filtered to remove the risky asbestos and asbestos-like fibers.

Rep. John A. Blatnik (D-Minn.), whose district includes the Reserve plant, has championed legislation to let the general public pay for the filtration system. He is chairman of the House Public Works Committee. Blatnik said in an interview that the Lake Superior situation is an emergency one and that there are established precedents for the nation as a whole to shoulder the cost of the public protection. The Lake Superior filtration system will cost about $12.8 million, according to recent government estimates.

Blatnik, who won state tax concessions for the steel companies that encouraged Armco and Republic to locate its processing plant in Silver Bay, said that the government mishandled the case in not assembling overwhelming evidence before suing Reserve.

Back in 1956, Blatnik pushed through Congress some of the first legislation to clean up the nation's streams and lakes. Now, 18 years later, Blatnik finds himself helping a polluter he encouraged to come into the state clean up its discharge. Blatnik is retiring from Congress at the end of this year.

Minnesota's junior senator, Democrat Hubert H. Humphrey, contended that it is justifiable to ask the public as a whole to finance the filtering out of fibers in Lake Superior. He compared that to residents around a lake paying for cleansing the water even though farmers had polluted it.

Grant Merritt, director of Minnesota's pollution control agency, and John P. Hills, who prosecuted the Reserve case in district court for the Justice Department, disagree. They said Reserve is definitely the polluter of Lake Superior and thus should pay for cleaning up the mess.

THE CONDITION OF OUR STOCK MARKET

Mr. BENTSEN. Mr. President, I would ask to include in the RECORD an excellent article by Peter Milius which appeared in the Washington Post on the condition of our stock market. I was pleased to see the article run on page two of the news rather than being buried in the financial pages. The deplorable condition of the equity markets must be of general concern because it affects our entire economy.

As this article points out, the price of an average share listed in the New York Stock Exchange has lost one-third of its value in the last 18 months. And the decline has been one of the longest in our history. Last summer when this decline had been underway for 6 months, the Finance Committee created the Financial Markets Subcommittee which I chair. We began hearings concerning the condition of the stock market and the ability of new businesses to raise capital to get started and to expand. Those hearings resulted in the introduction of my Stockholders Investment Act of 1973 in December.

Mr. President, the need for that legislation is even greater today than at the time I introduced it. We must restore health to our stock market if our economy is going to be able to expand its capacity to eliminate shortages and bring prices down. If we do not we will be faced with an economy of continuing shortage and higher price levels.

I am also submitting a summary of my bill which I intend to offer as an amendment to the general tax revision measure which we hope will soon be coming from the House.

I ask unanimous consent that the Washington Post article mentioned above and the summary of my bill be printed in the RECORD.

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

[From the Washington Post, July 14, 1974]

EIGHTEEN MONTHS OF DOWNHILL RACING: BEHIND THE STOCK MARKET MALAISE

(By Peter Milius)

On Jan. 11, 1973, the day President Nixon announced Phase III of wage and price controls, a relaxation of the government's regulations, the stock market hit an all-time high.

The Dow Jones Industrial Average, the nation's most famous stock-price index, closed at 1,051.70. The less widely quoted but more comprehensive New York Stock Exchange price index closed at 65.48. The market had never ended a day at such levels before.

In the 18 months since, corporate profits and dividends—two of the reasons for which people presumably buy stocks—both have headed sharply upward. So have most prices—but stock prices haven't.

While everything else has been moving up, the stock market has been moving down, substantially.

When the market closed last week, even after rallying on Friday, the Dow Jones Industrial Average stood at 787.23, off 25.1 per cent from its value 18 months ago. The New York Stock Exchange index closed at 48.36, down 33.8 per cent.

More than $235 billion in paper wealth has been sheared away in those 18 months of losses, in common stock on the New York Stock Exchange alone. There are other stocks and other exchanges; the total is higher.

In percentage terms, to judge by the NYSE index, the shake-out is already the second worst since World War II. It is surpassed only by the 38.5 per cent the index lost from December, 1968, through May, 1970, the months leading into the 1970 recession. And no one knows whether this one is over.

People have been hurt in the process. More than 30 million Americans have at least a little of their money in the market. Some have a lot. Some are in it for the amusement, but some depend on it for their old age. Millions, though not all of them know it, have sizable interests in the market through their pension funds and insurance companies, both of which are big investors.

Yet while some individuals have suffered, the economy as a whole has not, at least not discernibly. The market and the economy

are clearly related. The ups and downs of the market—the longer-term ones, not the daily ones—have generally foretold the economy's ups and downs in the past. The government has thus installed stock prices as one of its leading, or advance, economic indicators, a part of its economic early-warning system. It gave just such a warning in its downturn starting in 1968.

Yet that is not a cause-and-effect relationship, or at least not a clear one. The market, for all the space that newspapers give it—it rivals even the comics—is in some respects an institution off in a world all its own.

It rises or falls, great amounts of wealth are accumulated or lost, at least on paper, and yet it has little immediate effect on the basic economic aggregates—on production and profits, employment and incomes—except perhaps among stockbrokers.

In 1929, when the market crashed, the economy came down with it. Too much stock had nothing behind it, too much had been bought on credit, too much had then been pledged to raise money for further investments. Nothing is impossible, but there are regulations now to prevent much of what happened then. It is good when the market rises, bad when it falls—but not that bad.

What the market does, in theory, is serve as an intermediary between individuals who have savings they want to invest and corporations seeking capital. A corporation issues some stock. Individuals buy it directly themselves, or they do it indirectly by a kind of proxy through the pension funds or insurance companies or other institutions into which they have already put their savings.

They get a share of the corporation's profits and growth; it gets their money to expand or whatever else it wants to do. The market also provides the investors with a ready way to get rid of their shares, to convert them back into cash when they want to.

The market rises and falls by the law of supply and demand. When a lot of people want to buy stock, stock prices rise; when they don't, they fall.

What has happened in the past 18 months is that people haven't wanted to buy. The people who do most of the buying and selling in the market these days are the big institutional investors, the managers of all that money squirreled away in pension funds, insurance companies and their ilk.

They have been turning away from the stock market and into the money market, taking their money out of stocks and putting it instead into bonds or letting it out in what amounts to glorified loans, to the government, to corporations, and even to banks.

The reason for their turn-about has been inflation.

When the President announced Phase III in January of last year, investors had two thoughts in quick succession.

The first was that prices and profits would be free to go up faster, which was good; that may be why the market rose that day.

The second was that, as prices rose, the Federal Reserve Board would step in. That thought is enough to start prices down.

What the Federal Reserve Board does—what it has done time and again when prices have threatened to rise rapidly—is tighten up the money supply. The objective is to drive up interest rates, discouraging borrowing and demand, and thus eventually slow down inflation.

That means two things to someone with money to invest in stocks. One is that, as demand goes down, production also will decline, and so will profits. Dividend rates will thus go down—but interest rates are headed up. The investor thus moves out of the stock and into the money markets.

It is an oversimplification, but that is essentially what the big investors have been doing since Jan. 12 of last year, the day the market started downward.

Interest rates are at all-time highs today, while stock prices are depressed. They work on a seesaw.

When the market turned up in its rally Friday, it did so partly because of a sign that the seesaw might have begun to reverse itself. The Fed reported late Thursday that corporate loan demand dropped sharply last week from the week before. If loan demand falls, interest rates will, too. You want to get back in the market the day that it hits bottom and starts back up. You lose something if you're either too early or too late.

There is one further way in which inflation has affected the judgments that go into the market. It had led investors to put less value on the increased earnings companies have been reporting, their nominally higher profits.

Stock in some of the country's largest corporations is now selling at only four or five or six times the earnings, per share. At ratios like that, you would think a stock would be a better investment than a bond no matter what interest rate the bond was paying. But investors aren't sure those earnings are real.

For one thing, if your earnings go up 10 or 15 per cent in a year of 10 or 15 per cent inflation you haven't gained much. Your profits are up in dollar terms, but in purchasing power you've stood still.

Similarly, companies' profits rise in inflationary times simply by virtue of the fact their inventories rise in value. A lot of the profit reported in the past 12 months were of this sort. They are real in one way but illusions in another.

Sooner or later, the inventories will be used up and have to be replaced, at higher prices.

The same thing applies to the money corporations set aside for depreciation, to replace their worn-out plant and equipment. Rising profits are just like rising wages in inflation, often worth less than they seem.

It matters to people who own stock when the stock market falls. What does it matter to the corporations who's stock is doing the falling? Does it damage them at all.

It does if they want to raise more capital by issuing more stock. If they want to raise a certain amount of money, and their stock price is low, they have to issue more shares—in a sense give more of themselves away—than if the price is high. So they don't issue stock when prices are low.

Some companies have been squeezed by this situation in the last few months, particularly utilities. They need capital to expand, but with stock prices as low as they are, and interest rates high, they can't afford it.

That, though, is what the Federal Reserve Board has in mind when it tilts the seesaw; it wants to slow the economy down.

Most corporations, moreover, for all the mythology of the market, don't issue stock when they want to raise capital. New ones do, but established ones don't often, or haven't since World War II.

Most of their capital has been generated internally, either from set-asides for depreciation or by retaining earnings. Most of the rest they have borrowed in the money markets, through bonds and mortgages or simple bank loans.

In this, as in other respects, the stock market has not been all that important. It may become more so over the next several years, however. A lot of companies have borrowed about as much as they can. If they need more capital, and can't generate it internally, they may have to turn back to stocks.

In few of the years since World War II have corporations as a whole raised as much as $3 billion through the stock market—years when their total capital expenditures were steadily rising, until they are now at a rate past $100 billion a year.

By the late 1970s, though, one specialist at the Federal Reserve Board thinks, companies may be raising $10 billion to $20 billion a year on the market. Brokers would like that.

Meanwhile, though, there is that seesaw. When will it tilt again?

FACTSHEET to S. 2842—SENATOR LLOYD BENTSEN'S PROPOSED STOCKHOLDERS INVESTMENT ACT OF 1973

1. Limitations on the Stock Holdings of Pension Managers.—No pension fund could qualify for favorable tax treatment unless the assets of the fund were placed in the hands of a manager who invests no more than 5% of its aggregate discretionary pension assets in any one equity security and, in addition, who acquires no more than 10% of any equity security of any one company with respect to the aggregate discretionary pension accounts. This limitation would not apply retroactively. Managers of pension accounts would *not* be forced to dispose of current stock holdings to meet these limitations, but they could not acquire additional shares of any security in which the pension manager had reached the limitation.

If any manager of tax-exempt pension funds exceeds these limitations (for example, by purchasing an additional 1% of the total equity securities of a company in which it already holds 10%), a penalty tax equal to 5% of the excess holdings would be imposed on the manager by the Internal Revenue Service. In the event that the manager fails to dispose of the excess holdings within 180 days, IRS will impose an additional penalty of 100% of the excess on the manager.

Excess holdings that result exclusively from fluctuations in market values will not be subject to a penalty tax. These limitations will not apply to investments in companies with a capital account of less than $25 million. These limitations apply only to pension plans and not profit-sharing plans.

Limits on institutional holdings are necessary to protect the more than 30 million private pension plan participants from excessive concentration of pension investments in only a few select stocks and to encourage greater institutional interest in well-managed small and medium-size companies. In addition, these limits would help prevent a small number of large institutional investors from achieving too much control over our economy.

2. Venture Capital From Pension Funds.—Pension managers would be given leeway to invest 1% of the assets of any pension plan in companies with capital accounts of less than $25 million. This would be an exemption from any prudent man rule for 1% of the pension assets. However, the "leeway clause" would not relieve fiduciaries from any prohibitions against self-dealing or fraudulent transitions. The "leeway clause" would relieve a fiduciary from liability with respect to the risk of an investment.

This provision would facilitate the flow of pension investments to new and expanding smaller companies that are in great need of equity capital and which present a higher than normal risk but offer the possibility of a higher than normal return.

3. Graduated Capital Gains Tax.—Under present law, the maximum capital gains rate is 35% without regard to the special minimum tax provisions or any other provision. This legislation would decrease the maximum rate annually over the holding period of a capital asset until the maximum rate was reduced to about 14% for assets held fifteen years. Capital losses would be provided comparable sliding-scale treatment over the holding period of the asset. The present six

month holding period for capital gains treatment would be extended to twelve months. This would be phased in by one month per year.

This provision would help reduce the "lock-in" of long-term assets and provide greater liquidity in our capital markets. A graduated capital gains rate would also encourage the risk-taking spirit in America which has been so important to economic growth and the creation of new jobs.

4. Liberalized Capital Loss Treatment.—Today, if an individual's capital losses exceed his capital gains, he can deduct up to $1,000 against his ordinary income each year. This hasn't changed since 1942, yet per capital disposable income has risen over 400% since then. This bill would allow the individual to deduct up to $4,000 of capital losses against ordinary income. It would also allow a three-year carryback of capital losses against capital gains.

Liberalized loss treatment would encourage more risk investment which is so important in starting new businesses and creating new jobs. It would also encourage investors to take their losses, thus providing greater liquidity in our capital markets.

GENERAL DOUGHERTY TO ASSUME LEADERSHIP OF STRATEGIC AIR COMMAND

Mr. HRUSKA. Mr. President, during its years of existence, the Strategic Air Command, headquartered in Omaha, Nebr., has had a succession of outstanding military men as commanders in chief. The present commander of SAC, Gen. John C. Meyer, who is retiring from active duty on July 31, has continued that fine tradition.

As General Meyer retires from the Air Force, Gen. Russell E. Dougherty will assume command of SAC, having been transferred from his assignment as chief of staff at the Supreme Headquarters Allied Powers Europe.

Recently, Howard Silber, military affairs editor of the Omaha World-Herald, journeyed to Mons, Belgium, interviewed General Dougherty and developed a splendid question and answer session with him.

The resulting article is an excellent piece of journalism written by a highly qualified and well-informed newspaperman who has a superior knowledge of the Air Force. Mr. Silber has had his present assignment for a number of years and is a nationally recognized military writer.

Mr. President, I ask unanimous consent that the newspaper article, "New Boss Will Actively 'Sell' SAC Role," which appeared in the July 14, 1974 edition of the Omaha World-Herald, be printed in the RECORD at the conclusion of my remarks so my colleagues and all other interested persons will be able to obtain information in some depth on General Dougherty's thinking, aspirations, and concepts as he assumes his new assignment.

For example, during his interview, General Dougherty was asked to comment on the somewhat modish question frequently raised as to the possession of overkill nuclear capability by both the Soviet Union and the United States. In part, his answer is as follows:

The argument is without a foundation in fact.

You don't just count warheads and count cities and put the two together and come up with absolute assured destruction as a strategy for deterrence. Assured destruction is just one way of testing a force. It's not a strategy.

I think if you answer that question honestly you find out that assured destruction is just a measure of a part of a strategy.

As long as you're faced with a potential enemy who has the capability to destroy you then there is a fundamental bedrock aspect of a deterrent strategy that says you must maintain the capability to respond to that kind of threat.

Another concept frequently challenged by critics of the military and others is the necessity to maintain a superior military capability in view of the apparently high degree of détente. In this regard he spoke as follows:

Whether we will continue to maintain this capability in the future is really a problem because the competition is great and the fruits of détente are very attractive.

In fact, I think sometimes we're already eating those fruits before we even put out buds on the sapling tree of détente that has been made possible by the strength of the past.

So, it could be a self-defeating proposition.

Through strength we've been enabled to talk. The Soviet Union has shown me that it can sit at that table and talk about disarming and talk about peaceful measures and not let its strength down.

It would appear that General Dougherty conceives of an up-to-date and superior military position especially in the area of strategic forces as the basis and source of détente. This makes sense. In fact it is on that basis that President Nixon and Secretary of State Kissinger have been able to achieve great progress toward the cause of a durable peace.

The Air Force and the country are fortunate to benefit from the superior talent and sturdy characteristics which General Dougherty has developed. It is with confidence that we can expect all of his future achievements to be directed along the lines he has delineated in the interview with Mr. Silber.

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

[From the Omaha Sunday World-Herald, July 14, 1974]

NEW BOSS WILL ACTIVELY "SELL" SAC ROLE

(By Howard Silber)

MONS, BELGIUM.—As the next commander-in-chief of the Strategic Air Command, Gen. Russell Elliott Dougherty will shoulder some awesome responsibilities.

As he sees it, one of the most critical will be convincing the nation of SAC's importance and of its needs for the weapons to keep it the most powerful military command the world has known.

There can be little doubt that when Gen. George S. Brown, then Air Force chief of staff and now chairman of the Joint Chiefs of Staff, studied the list of qualified candidates last spring for what is generally regarded as the second most important post in the Air Force, he recognized that the coming three or four years could be the most critical ever for SAC.

The B52 bomber is wearing out rapidly, and there is no certainty of public and congressional acceptance of its prospective replacement, the B1.

The efficacy of the land-based missile, another mainstay of the Omaha-headquartered command, is being subjected to inquiry and, in some quarters, sharp attack.

The over-all concept of strategic deterrence, the foundation of both the nation's defense and of the highest level diplomacy of the United States, is being reexamined.

And, although opinion polls indicate that the public attitude toward the military has improved markedly since U.S. forces were withdrawn from Vietnam, defense spending proposals are being given close scrutiny in Congress and in the press.

SAC's chief must be much more than the stereotype of the stiff-backed, hard-nosed general who is prepared to unleash nuclear devastation on the order of the president.

His most important role, perhaps, is as an advocate for SAC and its strengths.

He must believe and he must be able to articulate those beliefs. He must be a credible salesman.

The man proopsed by Brown and accepted by the civilian bosses of the defense establishment as the successor to Gen. John C. Meyer is a veteran officer with about 12 years in SAC.

Dougherty is known as an astute planner, both here at Supreme Headquarters of Allied Powers in Europe, the top military command of the North Atlantic Treaty Organization, where he has served as chief of staff for the last 26 months, and at the Pentagon.

He is an attorney. He evidences a powerful command of the English language and is reputed to be one of the most brilliant orators in the Air Force.

In the earliest days of his military career, he was a trooper in the horse cavalry. And he remembers when money to feed the horses ran out.

The analogy between the failure of Congress to provide oats some 35 years ago and the coming decision on whether to put the experimental B1 into full production may not be a good one, he said.

Nevertheless, Dougherty cites it when he is asked what will happen to SAC if the B1 plan does not survive.

"I think the B1 is essential to continued effective deterrence," the 53-year-old Kentuckian said in an interview. "Some people may not agree with me.

"If more people don't agree with me than do, we're not going to get the B1."

But Dougherty doesn't plan a passive role.

"I'm going to try to help as best I can to interpret the needs" of SAC; "to interpret the future requirements as I see them and as SAC sees them for the continuing deterrent mission that's been ours."

As for arguments about strategic deterrence and its bombers and missiles:

"I would be appalled if the United States were not intensely interested and did not debate these key issues . . ."

What about the assignment beginning July 31 in Omaha?

Dougherty said he regards it as the best command job in the Air Force or possibly the entire military.

He and Mrs. Dougherty expressed delight at the prospect of living in Omaha.

One reason is that they will be just an hour's flying time from Evanston, Ill. Their first grandchild, the month-old son of their son-in-law and daughter, Mr. and Mrs. James Streicker, lives there.

Another is that the general will be able to keep closer tabs on the careers of his favorite second lieutenants. Mark and William Bryant Dougherty. The twin sons are in the Air Force.

And, although he has never lived in Nebraska, something unusual for a high-rank-ranking SAC officer, the general said he looks forward to cheering for the Big Red this fall.

"How can you live in Nebraska and not be a football fan?" he asked.

PROBLEMS AND HOPES

(By Howard Silber)

MONS, BELGIUM.—On May 1, 1972, Gen. Russell E. Dougherty left the Strategic Air Command's 2nd Air Force, pinned on his

fourth star and reported here as chief of staff at Supreme Headquarters of Allied Powers in Europe.

Now the general is preparing to return to the United States.

He will go to Omaha as commander-in-chief of the Strategic Air Command, taking over from Gen. John C. Meyer July 31. Meyer is retiring from the Air Force after nearly 35 years in uniform.

In answering the following questions, Dougherty discusses defense problems, weapons, the North Atlantic Treaty Organization, his hopes for SAC and his expected role as its next chief.

Q. You are taking command of SAC at a critical time—although, maybe, every period is critical for a command such as SAC.

But if yours is a normal tour, the decision on whether to put the B1 into production probably will be made while you are commander-in-chief. Also, you are taking over at a time when the land-based missile concept is coming under more intensive attack. You will be in the position of helping to sell the B1 and, at the same time, helping to bolster the land based missile concept.

How do you plan to approach both of these?

A. I plan to approach them as a key contributing member to the Air Force team that will be faced with the decisions with the buy of the B1, the testing of the B1, with which SAC will be initimately involved, and with the upgrading of our land-based missile force. I recognize what you say about the critical aspects of our times and I would certainly echo your inference that there have been many critical times before and this is just one of many.

But because SAC is a critical command, I suppose it is always going to be faced with critical decisions. And the critical nature of the command is such that the decisions are important, they're expensive and they are decisions that involve the whole of the United States, in fact the whole of the Free World.

From where I have just been serving in NATO, they definitely involve the future of the NATO alliance and its security in Europe as well as in North America.

So, I don't think we can walk away from the criticality of these things.

Also, the choice is not just ours. The choice is driven in large measure by those forces that are potentially inimical to us. And certainly the dynamism in the Soviet Union's strategic programs is such that we can't ignore it.

So, I'm going to try to help as best I can to interpret the needs of the command; to interpret the future requirements as I see them and as SAC sees them for the continuing deterrent mission that's been ours.

You don't do this sitting still. You don't do this inexpensively. And you don't do this without the intense devotion of a lot of people—more than the 160,000 in SAC.

I would be appalled if the United States were not intensely interested and did not debate these key issues of throw weight and technology of nuclear weapons; the strategic triad, and what Secretary Schlesinger (Defense Secretary James R. Schlesinger) calls "the NATO triad."

It's a different trilogy that he's talking about. But SAC and its people and its delivery systems are a key part of this whole international balance and the primary contributor to the strategic sufficiency of our country, without which I don't think any of the aspirations of our people for detente—for assured prosperity of our nation—could exist.

So, I hope to be very much a part of that and I hope to be a spokesman for our command requirements. Not a strident but hopefully, a persuasive spokesman.

Q. What will happen to SAC if the B1 decision is negative?

A. I was in the cavalry when they failed to appropriate money to feed the horses. The cavalry as such didn't survive that decision. I don't think the analogy would hold up with regard to SAC. If we didn't have the B1, we'd do the best we can with what we do have and with what the nation makes available to us.

I recall the phrase the secretary of defense used several months ago. He said, "A nation gets the kind of military force it deserves."

I know what he meant and, hopefully, our nation is going to get the best because it deserves the best.

I think the B1 is essential to continued effective deterrence. Some people may not agree with me. If more people don't agree with me than do, we're not going to get the B1.

If we don't get the B1, we'll try to make do with what we do have.

Q. There have been suggestions that an expanded fleet of FB111's might be a substitute for a B1 force. Do you see any significance applicable to the B1 in the fact that the F111 and FB111 production line is being kept open?

A. I don't have enough current knowledge of the situation to cast any light on that.

I'm very familiar with the FB111. In my prior role as commander of 2nd Air Force we had the two FB111 wings and the transition school that SAC conducts for the weapon system.

I've flown it. I know the people that made it. I respect it.

I participated in the initial decision on the B1 and its design as a member of the air staff. That was a good decision and I'm proud of that decision.

I don't look at these two things as competitive, though I recognize, realistically, that, to many people, they are competitive.

Q. There was a time when the Air Council was not unanimous on the B1. Could this be a weakness?

A. If those were honestly held opinions by knowledgeable people involved with the decision, I don't think dissent on the Air Council is necessarily bad. There are always differing perspectives and differing views on major issues.

But I can't accept the fact that the Air Council was not unanimous in this decision. I don't really recall there being that kind of dissent.

Certainly the Air Council was very, very searching in its inquiry and put the propositions that were before it to some very searching tests before it came up with a corporate decision and a recommendation to the chief of staff, the secretary of the Air Force and the senior officials in the Department of Defense.

JOINING BIG RED—WE'RE INTERNATIONAL

Q. I know you've never lived in Nebraska but I understand that you've already been warned that you'd better be a Big Red football backer. Is that correct?

A. I wouldn't want to mention any names publicly but, yes, I did get a letter saying that, if I weren't prepared to be a Big Red supporter, don't come.

It was from a friend and I'm sure that he was very serious.

How can you live in Nebraska and not be a football fan?

I'm looking forward to experiencing some of the thrills that other Nebraskans experience from September through December. In fact, frequently into January, it's my recollection.

It will be pretty great to be associated with a winning football team. I know Nebraska is going to have a winning team. They may not win enough to satisfy the residents of Nebraska but they will win enough to be nationally recognized by everyone.

In fact, they are internationally recognized. Surprisingly, Nebraska is very well recognized in Europe. We even find a lot of Europeans asking us for copies of our Stars and Stripes sports section because they keep up with what's going on in the major conferences.

This surprises a lot of people in the United States, but it's so.

PEOPLE MAKE SAC GOOD

Q. What was your feeling on being named to go to Omaha as SAC's chief?

A. You can't be designated as commander-in-chief of the Strategic Air Command without giving a lot of thought to it.

I suppose that the first feeling I have is one of humility. I don't mean by that that I'm apprehensive or scared of taking on the job, because I'm not.

But this feeling of humility comes over me because I understand what the job is.

I understand it from having been in the command. I understand it from having worked at Washington levels with things affecting the command. I understand the planning for strategic nuclear forces that is demanded by our national strategies. And I understand the importance of our U.S. strategic forces from the European perspective, where oftentimes they are far more important than they are to the average person in the United States because of proximity to the threat and because of a historical subjugation to the threat.

Yes, humility. Also, I'm delightfully surprised. I say delightfully because anybody that has the opportunity to command what I consider to be the Air Force's greatest command, if not the nation's greatest military command, is going to be delighted at the prospect.

And surprised because looking around at those people who might have been designated for this job, not only are they all very close friends of mine but they're people I've known—I know there are several officers who are well qualified to have commanded SAC. To have been chosen from that group for this job is surprising.

Contrary to what a lot of people think, senior officers in the U.S. Air Force don't ask for assignments and they don't volunteer nor seek assignments.

So I didn't ask for this job, but there isn't a job in my profession that I would rather have had.

SAC is a great command, and to make that great command even a little bit greater is quite a challenge.

Q. How are you going to make SAC greater?

A. That's the toughest question, I guess, you could have asked me.

The people of SAC can make it greater. The way they respond to the requirements of our national command authorities can make it greater.

Hopefully, we can be more responsive to our times; to the requirements of our national strategy of deterrence; to the challenges that are posed by the programs of the Soviet Union and, after all, as Secretary Schlesinger said the other day to Congress, we're not talking about the defense programs of Chad or Guatemala. Let's face it, we're talking about the defense challenges posed by the military programs of the Soviet Union and, specifically, the strategic programs of the Soviet Union.

I want to do what I can to help SAC respond better, faster, more flexibly; to make our weapon systems more powerful, more responsive; to make our peoples lives more comfortable, to make SAC a better place for good people to live and to raise families and to take pride in.

I watched my predecessors over the years do their best, and their best has been darned good. I'd like to try to keep that momentum that has marked SAC over the years.

MIRV IS A MEANINGFUL OPTION

Q. A year ago, shortly before he retired, Gen. Ryan (John D. Ryan, Air Force chief of staff and a former SAC commander-in-chief) was asked a hypothetical question: If he had one project and only one project that could be funded to enhance the capability of SAC, what would he choose?

He said he would equip all of the Minuteman missiles with MIRV (550 of the total force of 1,000 presently are authorized for multiple warheads).

A. If Gen. Ryan said it, my inclination would be to swear by it on the spot. I wouldn't propose to comment on it at this time because I think a question such as that is one that I would be better prepared to answer after the extensive exposure such as Gen. Ryan had to the command.

Certainly MIRVing, or I suppose you say converting to a Minuteman III configuration, all of the Minutemen of SAC would be a very meaningful option for the United States to consider and for the command to do.

We're faced with a very logical and reasonable new emphasis in our targeting flexibility and some aspects of the application of our strategy to this doctrine. It's a very needed and a very important thing that the United States is doing.

MIRVed Minuteman—the Minuteman III configuration—together with the ability to retarget those missiles remotely and in near real time would contribute greatly to the flexibility and to the options that would be available to the President.

I would think that Gen. Ryan being a very practical man, almost parsimonious when it came to husbanding the resources that were within his authority, would have inferred that this was a low-cost way to achieve increased options and sufficiency.

My own opinion on this is that it is a very worthwhile thing if we are to continue to maintain the kind of strategic sufficiency that has been successful and is being forced to the front of American debate on these things by the momentum and the recently revealed dynamic missile programs of the Soviet Union.

We just can't ignore what's going on on the other side of the Iron Curtain. And what's going on is something that forces us to look at options to improve our own capabilities.

Q. Then, to use a leading question, it would follow that work toward the next generation of land-based missiles would be very important. Would you comment?

A. I think that work toward the next generation of land-based and sea-based missiles is very important.

I read into that question an interest in throw weight. (The weight capacity of a missile). I suppose that's what you imply there, because to make dramatic increases in the throw weight you would really need at least leneration if not another model.

Throw weight, in a sense, is what it's all about in a missile.

You can compensate for lack of throw weight with technology just so far. At a point, you have to look at increased throw weight and this, of course, is the hallmark of concern that so many of us have with what is happening in the Soviet strategic missile program.

Where we thought percentages of increase in the order of 10, 20 or 30 per cent would be possible within their missile force we may be faced with orders of magnitude increase in throw weight.

Faced with that, we've got to consider how we can keep pace if we continue to provide the meaningful deterrence that's fundamental in national strategy for strategic forces.

TALK OF OVERKILL 'JINGOISTIC'

Q. General, it's become sort of modish among some politically motivated critics of the military and some unbiased people who may question the proliferation of nuclear weapons to make much of mutually assured destruction.

They use the premise that we have enough nuclear capability to wipe out the Soviet Union several times over and they have enough to wipe us out several times over in attempts to tear down the triad concept.

Can you answer that in a relatively few moments?

A. No, sir. Honestly, I can't answer that in a few moments. I think maybe I can provide a couple of indications of the answer to that question.

I know the arguments; I've heard them over the years.

I think they're more philosophical and doctrinal than they are substantive.

It's very easy for a person to be swayed by the jingoistic overkill philosophy and overstatements. I find this quite often among young people. They are very persuaded by this because the argument is almost a prima facie argument; it won't bear close examination but it sounds good at the outset.

I talk at every opportunity with these young people. In my assignment at SHAPE we made a point of trying to bring in young intellectual groups from the universities throughout Europe and I find it prevalent in Europe as I do and have in the United States.

The argument is without a foundation in fact.

You don't just count warheads and count cities and put the two together and come up with absolute assured destruction as a strategy for deterrence. Assured destruction is just one way of testing a force. It's not a strategy.

Also, it's wishful thinking to think that you could do things, that things are that precise, that things bear that measurement.

And what does a society accomplish if it assuredly destroys itself?

I think if you answer that question honestly you find out that assured destruction is just a measure of a part of a strategy.

As long as you're faced with a potential enemy who has the capability to destroy you, then there is a fundamental bedrock aspect of a deterrent strategy that says you must maintain the capability to respond to that kind of threat.

So that's a starting point. But it's not a complete strategy.

NATO OFFERS REASONABLE DEFENSE

Q. Would you assess the military capability of NATO today?

A. I think it fair to say that where NATO stands today is that we have a reasonable defensive posture against most forms of attack that this alliance might be subjected to.

We couldn't answer, we couldn't defend against and we couldn't provide our nations the assurance that we could defend against—any kind of attack you postulate.

Too many times visitors go home from here with the wrong answer. They postulate a situation and say, "Could you defend against that?"

Sometimes you may be faced with a 10-to-1 superiority along one part of NATO's European boundary.

The answer is, "No, we couldn't hold against that kind of attack."

So they go back and, the next thing you know, at a press conference at planeside they say:

"All the military leaders I talked to in Europe say that they can't defend for 24 hours, three days or one week. So what's the use? Why don't we go home?"

That's not the situation over here. We've had a reasonable capacity to defend NATO. Not a reasonable possibility of defending successfully against any form of attack that you can postulate.

We're faced with a very large standing force. It's very well armed. It's modernizing at a very rapid pace. You can't ignore that standing force right along the political boundary of NATO.

On the other hand, NATO is far from impotent.

Over the 25 years of its history we have tied together the nations of Europe with the United States and Canada and with the North Atlantic and SACLANT and his forces.

We've tied them together into a cohesive defensive environment that is well equipped with bunkering points, with airfields, reinforcing areas, with all sorts of things that make this a collective force.

And people who don't understand the difference between a collective force and a collection of forces don't understand what NATO is all about.

The individual strengths of the forces of the individual NATO nations are made stronger because they are banded together in every possible way to which our nations will agree.

We've got an integrated force. I've been a part of the integrated headquarters of that force.

Secretary Schlesinger has talked about the NATO triad. What he means is the strategic forces primarily provided by the United States—the forces for which we in SAC will be largely responsible—coupled with the theater nuclear forces that are by and large under Gen. Goodpaster's (Andrew Goodpaster, supreme allied commander in Europe) control operationally and the conventional forces.

The conventional forces in Europe are the very key to where that nuclear threshold is.

If they are weak and can be overwhelmed rapidly, the decisions with regard to nuclear weapons are going to be faced much sooner than anyone would like. In fact, no one likes facing them at all.

But there's an interaction of our strategic forces, the theater nuclear forces largely provided by the United States and the strong conventional forces that we've maintained over here and that European NATO nations are maintaining.

These are expensive and they are getting more so rapidly. The nations are being squeezed more and more by domestic programs, by the requirements of expanding economies, the requirements of social programs of all sorts.

When that happens, defense is the first place they look.

A lot of NATO nations are looking very searchingly at that right now. We could name almost any nation.

Whether we will continue to maintain this capability in the future is really a problem because the competition is great and the fruits of detente are very attractive.

In fact, I think sometimes we're already eating those fruits before we even put out buds on the sapling tree of detente that has been made possible by the strength of the past.

So, it could be a self-defeating proposition.

Through strength we've been enabled to talk. The Soviet Union has shown me that it can sit at that table and talk about disarming and talk about peaceful measures and not let its strength down.

GLOSSARY OF TERMS

B1—The advanced bomber proposed as a possible replacement for the B52. Three prototype planes are being produced by Rockwell International with the first flight expected next fall. A production decision will be based in large degree on the success of the prototype tests.

NATO—North Atlantic Treaty Organization.

Triad—the "three-legged" strategic deterrent of land-based missiles, sea-based missiles and nuclear-armed bombers.

Throw Weight—The warhead size and weight capacity of a missile.

FB111—The strategic bomber variant of the swing-wing F111, once known as the TFX.

2nd Air Force—One of three major units within SAC; headquartered at Shreveport, La. The others are the 8th and 15th Air Forces.

FB111 Wing—A unit consisting of two squadrons or about 30 FB111s and some aerial tanker planes.

Transition School—Where accomplished pilots are retrained to become proficient with an airplane in which they are not presently proficient.

Air Council—A panel of lieutenant generals, most of them Air Force deputy chiefs of staff.

MIRV—Multiple independently Targeted Re-entry Vehicle, or missiles with more than one warhead with multiple target assignments.

Minuteman III—The type of Minuteman missile designed for MIRV.

Real Time—In electronic computer lexicon, the concurrent updating of information.

Mutually Assured Destruction—The supposed capability of the United States and the Soviet Union to destroy each other with nuclear weapons.

Overkill—The potential of delivering more than enough nuclear destructive power to wipe out a military base or city.

SHAPE—Supreme Headquarters of Allied Powers in Europe. The military arm of NATO.

SACLANT—Supreme Allied Command Atlantic, a largely naval force of NATO, headquartered at Norfolk, Va.

OIL COMPANY CONCENTRATION

Mr. MONDALE. Mr. President, I recently introduced S. 3443, the Petroleum Moratorium Act of 1974, which would impose a moratorium on acquisitions by the 15 largest domestic oil companies of independent refiners, pipelines, and retail outlets.

A recent editorial by WCBS–TV in New York City talks about the problem of oil company concentration and its relation to S. 3443. I believe this editorial presents the issues fairly, and makes an effective case for legislation which would prevent the largest oil companies from further strangling competition while the Congress and the courts decide the future of competition within the industry.

Mr. President, I commend this editorial and ask unanimous consent that it be printed in the RECORD.

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

OIL CONCENTRATION

People are mad at the oil companies. It's only human nature to be mad when the price of gasoline and heating oil is going up while oil companies' profits are soaring. These prices and profits have been stimulating more and more questions about the way the oil companies operate, and especially about whether more competition in the oil industry is needed.

The questions are being raised by congressmen, the Justice Department and the Federal Trade Commission. Fundamentally, the issue is whether competition is being destroyed in the oil industry because it has been increasingly dominated by a small group of huge companies.

A recent report prepared by the Library of Congress shows that in 1952 the 20 largest companies controlled 32.8 per cent of the total production of crude oil whereas now the same 20 control 70 per cent of the crude oil production. The report also documents a high degree of concentration in the other phases of the business. It shows that these 20 companies control 94 per cent of the proven oil reserves in America, 86 per cent of the refinery capacity, 69 per cent of the interstate pipelines, and 79 per cent of the gasoline retailing facilities.

And in a court suit against the eight major oil companies, the Federal Trade Commission claims that one result of this concentration is a tendency to throttle competition, that for over 20 years the eight companies have, through various arrangements, effectively controlled oil industry markets and squeezed out independents. The oil industry denies these charges and says that it's less concentrated than most large industries and that the expense and risks involved justify their joint actions. It is estimated that the FTC case will be in the courts at least eight years.

But what if the FTC proves its case? In the next eight years or so the oil industry could become more, even more concentrated while the case is being decided. To deal with this problem, Sen. Walter Mondale has introduced legislation that would halt the expansion of the largest oil companies until the case is decided. The Minnesota Democrat's bill would prevent 15 of the largest companies from acquiring any more pipelines, refineries or retail outlets after this July.

But the bill would not make the oil companies give up those they currently own, and it would not restrict the oil companies from expanding any of their present operations.

In our opinion, the Mondale bill makes sense. It does not punish big oil companies merely because they are big. It just prevents them from getting bigger while the courts decide whether they are strangling competition.

WORLD POPULATION YEAR

Mr. PERCY. Mr. President, 1974 has been proclaimed by the United Nations as World Population Year, and the World Population Conference will be held next month in Bucharest, Romania.

Overpopulation of the earth is a major cause of the current shortages of fuel, food, and metal ore resources that we are experiencing. Our planet has a tremendous wealth of natural resources and an immense capacity to produce the crops we need for food. But in recent years, world population has expanded so sharply and the per capita demand for resources has climbed so rapidly that humankind is quickly approaching a point where the earth will no longer be able to provide the basic components necessary for human survival for all who seek to survive.

The declaration of World Population Year by the U.N. marks a major attempt to gather international support for the concept of stablized population. It also is an indication of the great significance the United Nations attaches to the issue of population growth and of the priority the U.N. places on solutions to the complex problems of overpopulation.

For the first several months of this year, there was little public evidence that the United States was participating in World Population Year, and I was quite concerned. Recently, however, a number of events have occurred that indicate our Government and our people are indeed interested in and committed to participation in World Population Year.

First of all, the Secretary of the Department of Health, Education, and Welfare, Caspar Weinberger, has been named to head the U.S. delegation to the conference next month. I am confident that Secretary Weinberger will insure that the policies our delegation supports at the conference will be carefully balanced to assure effective progress toward reduced population growth while respecting the rights and beliefs of those nations not sharing our position. I know that Caspar Weinberger has the skill, sensitivity, and commitment required to achieve such a balance.

Last week, three additional events occurred that further demonstrate the growing recognition to the significance of World Population Year. On July 9, President Nixon issued a proclamation officially designating 1974 as World Population Year in the United States. I commend the President for this action, for his continuing strong stand in favor of population stabilization, and for incorporating into his proclamation the concept that human dignity and social justice are related inextricably to population stabilization. It is precisely this concept we as a nation must endorse and illustrate in our own country so that all nations will come to realize that unrestrained population growth will impoverish and humble the peoples of this Earth.

I ask that the Presidential proclamation be printed at this point in the ORD.

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

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA—A PROCLAMATION

One of the most pressing challenges in the last third of the twentieth century is to find ways of meeting the basic needs of the world's burgeoning population.

The causes of population growth are well known: death rates have been cut dramatically by welcome advances in medical science and health services while birth rates have not declined. As a result, according to estimates by the United Nations, some 80 million people will be added to the world's population this year and, if current trends continue, the world's total population of more than 3.8 billion could double by the first decade of the twenty-first century.

While the causes are clear, the solutions are not. Many tough choices will have to be made. The United States has no interest in imposing solutions upon other countries, but it does seek to help in a way which maintains our traditional respect for human freedom and dignity. The concern of all nations should remain with the human and physical environment of all of our fellow men in seeking together ways in which mankind can discover new paths to partnership and progress.

As many of the developing countries have already discovered, it is urgent that acceptable solutions be found to this challenge. The United Nations has designated 1974 as World Population Year, and has called upon all governments and peoples to participate in its observance. In August of this year, the United Nations will convene a World Population Conference in Bucharest, Romania. The United States Government welcomes the declaration of World Popula-

tion Year as an historic opportunity for all nations to study their own and world patterns of population growth and distribution.

Now, therefore, I, Richard Nixon, President of the United States of America, do hereby designate and proclaim the year 1974 as World Population Year in the United States. I call upon the Congress and officials of our Federal, State and local governments, educational institutions, religious bodies, private organizations, the information media, and the people of the United States generally to join this year in promoting a better understanding of the magnitude and consequences of world population growth and its relation to the quality of human life and in renewing our commitment to human dignity and social justice.

In witness whereof. I have hereunto set my hand this ninth day of July, in the year of our Lord nineteen hundred seventy-four, and of the Independence of the United States of America the one hundred ninety-ninth.

RICHARD NIXON.

Mr. PERCY. On July 11, the President announced the appointment of 20 persons as members of the National Commission for the Observance of World Population Year, 1974, whose responsibility it will be to promote the appropriate observance in the United States of 1974 as World Population Year. The appointed members are:

Clifford M. Hardin, of St. Louis, Missouri; Vice-Chairman, Ralston-Purina Company, St. Louis.

Mrs. Norman C. Armitage, of Alexandria, Virginia; President, National Federation of Republican Women.

Sprague H. Gardiner, of Indianapolis, Indiana; Professor of Obstetrics/Gynecology, Indiana School of Medicine, Indianapolis.

Edward N. Cole, of Bloomfield Hills, Michigan; President and Chief Operating Officer, General Motors Corporation, Detroit, Michigan.

Charles H. Crutchfield, of Charlotte, North Carolina; President, Jefferson-Pilot Broadcasting Company, Charlotte.

Lev E. Dobriansky, of Alexandria, Virginia; Professor of Economics, Georgetown University, Washington, D.C.

Mrs. Cecil G. Grant, of the District of Columbia; Public Schools Coordinator of Youth Serving Youth tutoring program; and part-owner, Colour Graphic Inc., Washington, D.C.

Rev. Dexter L. Hanley, of Scranton, Pennsylvania; President, University of Scranton.

Mrs. Jack A. Drown, of Rolling Hills, California; civic leader.

Mildred F. Jefferson, of Boston, Massachusetts; Assistant Clinical Professor of Surgery, Boston University School of Medicine; Active General Surgery, University Hospital, Boston University Medical Center.

Joseph M. Segel, of Yeadon, Pennsylvania; President of the Franklin Mint, Inc., Yeadon, Pennsylvania.

Frank W. Notestein, of Princeton, New Jersey; Visiting Senior Research Demographer, Office of Population Research, Princeton University, and President Emeritus, The Population Council of New York.

Aida Casanas O'Connor, of Orangeburg, New York; Attorney, New York State Division of Housing and Community Renewal, New York, New York.

Leahseneth O'Neal, of the District of Columbia; professional track star and Director of Tenant Relations, Savage-Fogarty Companies Inc., Washington, D.C.

Frank A. Palumbo, of Vienna, Virginia; Secretary-Treasurer, International Association of Fire Fighters, Washington, D.C.

Edward J. Piszek, of Fort Washington, Pennsylvania; President and Owner, Mrs. Paul's Kitchen, Philadelphia, Pennsylvania.

Jody Elmer Smith, of Ayrshire, Iowa; Mayor of Ayrshire.

Elvis J. Stahr, Jr., of Greenwich, Connecticut; President, National Audubon Society, Audubon House, New York, New York.

Arthur R. Taylor, of Summit, New Jersey; President, CBS, New York, New York.

Nicolas Palen Thimmesch, of Chevy Chase, Maryland; Syndicated Columnist, Los Angeles Times Syndicate, Washington, D.C.

The President also announced the designation of Clifford M. Hardin to serve as Chairman and the designations of Mrs. Norman C. Armitage and Sprague H. Gardiner to serve as Vice-Chairmen of the Commission.

Mr. PERCY. I am pleased that the Commission has been named, and I urge the members to seek all means of making known to all Americans the importance of World Population Year and the necessity for our country to continue and expand its leadership role in providing population assistance to those foreign nations desiring and requesting such aid.

The third event last week was the publication by the Washington Post of an editorial on world population. The editorial accurately points out that world population stabilization is necessary if humankind hopes to maintain the standard of living the developed countries have achieved and to improve that standard in the developing nations. But more importantly, the editorial gives a good idea of just how difficult achieving international cooperation for population stabilization will be. I ask unanimous consent that the Post editorial may be printed in the RECORD.

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

THE WORLD POPULATION

The United Nations World Population Conference, which will open in Bucharest August 19, should help to dispel some simplistic notions about the "population problem." The problem, to be sure, is real. The ancient, although cruel balance of nature is upset. Advances in public health and medicine have reduced infant mortality and extended man's life span. More people are born into the world than leave it. The present world population of 3.7 billion could double by the end of this century. The rate of increase is twice as fast in the developing countries, threatening their prospects for economic and social progress by wiping out what improvements in the standard of living there are.

One simple notion has it that poor people have many children because they don't know any better. Give them the pill, the coil or the loop, along with the education to use these devices, and they will happily comply with the kind of "family planning" Westerners think best for them. This condescending attitude has not worked very well. The most important lesson of 10 years of family planning programs in Africa, Asia and Latin America seems to be that poor people are not stupid. They respond quite rationally to their economic circumstances, which dictate that they have many children to help obtain food and provide for them in old age. The birth rate, it has been shown, falls when the standard of living rises—when the struggle for survival becomes less desperate and the fear of dying alone and in abject poverty fades.

Some representatives of developing nations argue, therefore, that family planning programs are futile and that "economic development is the best pill." But that, too, is simplistic. It is true, you can't have effective birth control without economic development. But neither can you have effective economic development without some birth control.

The Bucharest conference, which is expected to be the largest gathering ever to convene under the auspices of the United Nations, will therefore concern itself with a great deal more than birth control. Rapid population growth is not the only population problem. Some under populated countries, in fact, cling to the dubious belief that they must increase their populations to protect their territory, swell their labor forces and enlarge their domestic market. Others are more concerned about migrant workers (14 million Southern Europeans and North Africans are now working in foreign countries) and rapid urbanization than they are about the baby boom. Population problems and policies have a direct bearing on world resources, the environment and the livability of the world's growing cities.

The conference, directed by Antonio Carrillo-Flores, former finance and foreign minister of Mexico, seems to have been well prepared at numeorus international meetings. Experts have drafted a proposed world population "plan of action" which outlines principles, policies and goals and lays the groundwork for increased international cooperation. The deliberations in the capital of the Socialist Republic of Romania promise to be well attended and will be followed around the world. Following the U.N. conference on the Human Environment in Stockholm two years ago and preceding the U.N. conference on Human Settlements in Vancouver two years hence, the conference is part of the U.N.'s global effort to come to terms with the immense and frightening changes on this planet.

Mr. PERCY. Mr. President, the issue of population control is complex and highly sensitive. Yet we dare not shy away from it, for the concentrated efforts of all peoples and all nations are needed if we are to renew, in the words of the President,

Our commitment to human dignity and social justice.

I urge my colleagues in Congress and all Americans to participate in whatever way possible in World Population Year.

CHILD AND FAMILY SERVICES ACT OF 1974

Mr. MONDALE, Mr. President, last week I introduced with Senator JAVITS and 22 other Senators S. 3754, The Child and Family Services Act of 1974.

I now have a section-by-section analysis on that legislation which should be helpful to my colleagues and others across this country who are interested in this legislation.

I ask unanimous consent that a copy of this section-by-section analysis be printed in the RECORD as part of my remarks.

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

SECTION-BY-SECTION ANALYSIS OF S. 3754, THE CHILD AND FAMILY SERVICES ACT OF 1974

(Introduced on June 11, 1974 by Senators Mondale, Javits and Senators Abourezk, Clark, Brooke, Case, Cranston, Hatfield, Hathaway, Hart, Hollings, Hughes, Hum-

phrey, Kennedy, McGee, Metzenbaum, Nelson, Pell, Percy, Randolph, Ribicoff, Stafford, Stevenson and Williams.)

Section 1. *Title*—"Child and Family Services Act of 1974."

Section 2. *Statement of Findings and Purpose*—Finds that the family is the primary and most fundamental influence on children; that child and family services must build upon and strengthen the role of the family; that such services must be provided on a voluntary basis to children whose parents request them with priority for preschool children with the greatest economic and human need; that there is a lack of adequate child and family services; and that there is a necessity for planning and operation of programs as partnership of parents, community, state and local governments, with appropriate federal supportive assistance.

Purpose is to establish and expand child and family service programs, build upon the experience of Headstart, give special emphasis to preschool children and families with the greatest needs, provide decision making with direct parent participation through a partnership of parents, State, local and Federal government.

Section 3. *Authorization of Appropriations*—Authorizes $150 million for fiscal 1975 and $200 million for FY 1976 for training, planning, and technical assistance and $500 million in FY 1976 and $1 billion in FY 1977 for program operation. Headstart would be funded under separate authority, and its funding protected by a requirement that no operational funds could be appropriated for this new program unless and until Headstart is funded at the level it received in FY 1974 or 1975, whichever is higher.

Forward funding is authorized.

TITLE I—CHILD AND FAMILY SERVICES PROGRAMS

Section 101. Establishes Office of Child and Family Services in HEW to assume the responsibilities of the Office of Child Development and serve as principal agency for administration of this Act; and Child and Family Services Coordinating Council with representatives from various federal agencies to assure coordination of federal programs in the field.

Section 102. *Financial Assistance*—Defines purposes for which federal funds can be used: (1) planning and developing programs, including part-day or full-day child care in the home, in group homes, or in other child care facilities; other specially designed programs such as after-school programs; family services, including in-home and in-school services; information and referral services to aid families in selecting child and family services; prenatal care; programs to meet special needs of minorities, Indians, migrants and bilingual children; food and nutrition services; diagnosis of handicaps or barriers to full participation in child and family services programs; special activities for handicapped children within regular programs; programs to extend child and family service gains, including parent participation, into the elementary schools; (3) rental, renovation, acquisition or construction of facilities, including mobile facilities; (4) preservice and inservice training; (5) staff and administrative expenses of councils and committees required by the Act; and (6) dissemination of information to families.

Section 103. *Allocation of Funds*—Reserves funds proportionately for migrant and Indian children, not less than 10% for services to handicapped children, and not less than 5% for monitoring and enforcement of standards.

Allocates the remainder among the states and within the states, 50% according to relative number of economically disadvantaged children, 25% according to relative number of children through age five, and 25% according to relative number of children of working mothers and single parents.

Allows use of up to 5% of a state's allocation for special state programs under Section 108.

Section 104. *Prime Sponsors*—States, localities, combinations of localities or public and non-profit organizations are eligible to serve as prime sponsors.

The bills current provisions establish performance criteria for prime sponsor: demonstrated interest in and capability of running comprehensive programs, including coordination of all services for children within the prime sponsorship area; assurances of non-federal share; establishment of a Child and Family Services Council (CFSC) to administer and coordinate programs.

Public or private non profit organizations can serve as prime sponsors with priority on governmental units. Any locality or combination of localities which submits an application meeting the performance criteria may be designated prime sponsor if the Secretary determines it has the capacity to carry out comprehensive and effective programs. The state may be designated prime sponsor for all areas where local prime sponsors do not apply or cannot meet the performance criteria, provided that the state meets the performance criteria and divides its area of jurisdiction into local service areas with local child and family services councils which approve the relevant portions of the state's plan and contracts for operation of programs within the local service areas.

The Secretary may fund directly an Indian tribe to carry out programs on a reservation. He may also fund public or private nonprofit agencies to operate migrant programs, model programs, or programs where no prime sponsor has been designated or where a designated prime sponsor is not meeting certain needs.

Directs the Secretary to designate an alternative to any prime sponsor discriminating against minority group children or economically disadvantaged children.

Provides opportunity for Governor to comment on prime sponsorship applications and provides appeal procedure for applicants who are disapproved.

The sponsors want to particularly emphasize that as the bill is considered they intend to invite the testimony of representatives of Federal, State, and local government, as well as other experts, with respect to the best allocation of responsibility among various levels of government which will insure parental involvement, local diversity to meet local needs and appropriate State involvement to assure coordination and maximum utilization of available resources.

Section 105. *Child and Family Service Councils*—Sets forth composition, method of selection, and functions of councils. Half of members must be parents, selected by parents of children served by programs under the Act. The remaining members appointed by the prime sponsor in consultation with parent members, to be broadly representative of the general public, including representatives of private agencies in the prime sponsorship area operating programs of child and family services and at least one specialist in child and family services. At least one-third of the total council to be economically disadvantaged. The council selects its own chairperson.

A state prime sponsor must establish councils at the state level and for each local service area. Parent members of the state council to be selected by parent members of local councils.

Council approves goals, policies, action and procedures of prime sponsor, including planning, personnel, budgeting, funding of projects, and monitoring and evaluation.

Section 106. *Child and Family Service Plans*—Requires that prime sponsor submit plan before receiving funds. Plan must: provide services only for children whose families request them; identify needs and purposes for which funds will be used; give priority to children who have not reached six years of age; reserve 65% of the funds for economically disadvantaged children, and priority thereafter to children of single parents and working mothers; provide free services for children of families below the Bureau of Labor Statistics lower living standard budget and establish a sliding fee schedule based on ability to pay for families above that income level; include to the extent feasible, children from a range of socioeconomic backgrounds; meet the special needs of minority group, migrant, and bilingual children; provide for direct parent participation in programs, including employment of parents and others from the community with opportunity for career advancement; establish procedures for approval of project applications with priority consideration for ongoing programs and applications submitted by public and private non-profit organizations; provide for coordination with other prime sponsors and with other child care and related programs in the area; provide for monitoring and evaluation to assume programs meet federal standards; where possible, supplement funds provided by this Act with assistance from other sources.

Requires that the Governor, all local education agencies Headstart and community action agencies have the opportunity to comment on the plan.

Establishes appeal procedures if plans are disapproved.

Section 107. *Project Applications*—Provides for grants from prime sponsor to public or private organizations to carry out programs under the prime sponsor plan, pursuant to a project application approved by the CFSC.

The project applicant must establish a parent policy committee (PPC), composed of at least 10 members with 50% parents of children served by the project, at least one child care specialist, and other representatives of the community approved by the parent members. The PPC must participate in the development of project applications and must approve basic goals, policies, action and procedures of the applicant, including personnel, budgeting, location of center, and evaluation of projects.

The application must: provide for training and administrative expenses of the PPC; guarantee free services for economically disadvantaged children with fees according to the fee schedule for other children; assure direct participation of parents and other family members, including employment opportunities; provide for dissemination of information on the project to parents and the community; and provide opportunities for the participation of children, regardless of participation in nonpublic school programs.

Section 108. *Special Grants to States*—Authorizes special grants to the states, on approval of Secretary, to establish a child and family services information program to assess goals and needs in state; to coordinate all state child care and related services; to develop and enforce state licensing codes for child care facilities; and to assist public and private agencies in acquiring or improving such facilities. A state must establish a Child and Family Services Council to receive a special grant.

Section 109. *Additional Conditions for Programs Including Construction or Acquisition*—Allows federal funding for construction or acquisition only where no alternatives are practicable and federal funding for alteration, remodeling, and renovation. Provides that no more than 15% of a prime sponsor's funds may be used for construction; that no more than half of that may be in the form of grants rather than loans, and that construction assistance will be limited to public and private non-profit agencies, organizations, and institutions.

Section 110. *Use of Public Facilities for Child and Family Service Programs*—Requires that federal government and prime sponsors make facilities they own or lease available for child and family service programs, when they are not fully utilized for their usual purposes.

Section 111. *Payments*—Provides 100% federal share for fiscal 1976 and 1977, 90% federal share for fiscal 1976 and 1977, 80% for subsequent fiscal years. Provides 100% federal share for programs for migrants and Indians, and allows waiver of part or all of non-federal share where necessary to meet needs of economically disadvantaged children.

Non-federal share may be in cash or in kind. Revenues generated by fees may not be used as non-federal share but must be used by prime sponsor to expand programs.

TITLE II—STANDARDS, ENFORCEMENT, AND EVALUATION

Section 201. *Federal Standards for Child Care*—Authorizes a national committee on federal standards, with one-half parent participation, to establish standards for all child care services programs funded by this or any other federal act. The 1968 Interagency Day Care Requirements would continue to apply until such standards are promulgated, and any new standards must be consistent with the 1968 Requirements.

The Secretary must submit the proposed standards for approval to the Senate Committee on Labor and Public Welfare and the House Committee on Education and Labor. No prime sponsor or project applicant is allowed to reduce services below these standards.

Section 202. *Development of Uniform Code for Facilities*—Requires a committee to develop a uniform minimum code dealing with health and safety of children and applicable to all facilities funded by this Act.

Section 203. *Program Monitoring and Enforcement*—Requires the Secretary through The Office of Child and Family Services, to establish an adequately trained staff to periodically monitor programs to assure compliance with the child care standards and other requirements of the Act.

Section 204. *Withholding of Grants*—Provides procedure for withholding of funds to programs which have failed to comply with standards or requirements of the Act.

Section 205. *Criteria with Respect to Fee Schedule*—Requires Secretary to establish criteria for adoption of the schedules based on family size and ability to pay with considerations for regional differences in the cost of living. The criteria must be submitted for approval by the Senate Committee on Labor and Public Welfare and the House Committee on Education and Labor.

Section 206. *Evaluation*—Requires the Secretary to make annual evaluations and report to Congress on federal child family services activities.

TITLE III—RESEARCH AND DEMONSTRATIONS

Section 301. *Research and Demonstration*—Authorizes child and family services research and requires that the Office of Child and Family Services coordinate research by federal agencies.

TITLE IV—TRAINING OF PERSONNEL FOR CHILD AND FAMILY SERVICES

Section 401. *Preservice and Inservice Training*—Provides for training of personnel, including volunteers, employed in programs assisted under this Act.

Section 402. *Technical Assistance and Planning*—Provides technical assistance to child and family services programs.

TITLE V—GENERAL PROVISIONS

Section 501. *Definitions*—Defines terms used in the Act.

Section 502. *Nutrition Services*—Requires that procedures be established to assure adequate nutrition services in programs under the Act, including use of Section 13 (special food service programs) of the School Lunch Act and the Child Nutrition Act.

Section 503. *Special Provisions*—Anti-discrimination provisions, including separate provisions on sex discrimination. Requires that programs meet the minimum wage. Prohibits use of funds for constructing, operating, or maintaining facilities for sectarian instruction or religious worship.

Section 504. *Special Prohibitions and Protections*—Provides that no child may be the subject of research or experimentation without parental approval, and that no child may be forced to undergo examination or treatment if parents object. Protects legal rights and responsibilities of parents with respect to the development of their children.

Section 505. *Public Information*—Requires that all applications, plans, and written material pertaining thereto be made available to the public without charge.

Section 506. *Repeal or Amendment of Existing Authority and Coordination.*

Section 507. *Acceptance of Funds.*

EARL WARREN: LATE CHIEF JUSTICE OF THE UNITED STATES

Mr. MATHIAS. Mr. President, it was Abraham Lincoln who warned us, "Fellow citizens, we cannot escape history." Certainly Earl Warren did not escape history and it is a measure of his stature that he did not try. He confronted some of the toughest problems of his generation, and he never flinched. It was his nature to meet decisions frontally; he did not allow them to overtake him from the rear as he fled from them. This is not to say that he was always right, but rather that he habitually acted upon what he thought was right.

I recall his description of a visit to Boston where he told the audience that he thought Lincoln had believed what he said about the dignity of the individual and the value of human life. Then Chief Justice Warren added that he agreed with Lincoln and applied the Lincolnian philosophy to some current economic and social issues. The Chief Justice concluded the anecdote by remarking with a chuckle, but no sign of regret, that he had never been invited back.

His measure as a judge is memorialized in the judgments of the Court over which he presided. I think he clearly understood what Sir William Blackstone meant when he said that the law is "the principal and most perfect branch of ethics." Chief Justice Warren tried to keep the law of the land an accurate expression of our national ethics, and in so doing he not only conserved the most ancient traditions of our jurisprudence, but vested in the law the vitality and validity that each generation must impart.

And now, as in his lifetime, Chief Justice Warren cannot escape history. Speeches in the Senate will not alter history's view of him. But we who knew him well and personally can salute him as he passes and say both thanks and farewell.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, the International Convention on the Prevention and Punishment of the Crime of Genocide represents a significant chance for an increase in international moral cooperation. By ratifying the convention the United States could join with more than 70 other nations in a commitment against this henious crime. Twentieth-century international relations have often, sadly, been characterized by an avoidance of ethical considerations. The Genocide Convention directs its signers toward a recognition of a fundamental human freedom—the right to life itself—and pledges them to action against those who would systematically abuse this right.

The convention does not, for all its significance, fundamentally alter the conditions of relationships between nations. Contrary to the contentions of some critics of the pact, it does not alter the rules of warfare governing the treatment of either prisoners or civilians. Nor does it apply to such controversial issues as voluntary population control measures or racial discrimination, or to events of actions in any nation's past. It is directed toward systematic exterminations, not domestic conflicts or conditions.

The Genocide Convention is, however, a significant moral opportunity. The ratification of the accord would demonstrate, as the late President Harry Truman said when he first submitted the pact for the approval of the Senate in 1949, "that the United States is prepared to contribute to the establishment of principles of law and justice." Indeed, we can scarcely claim the leadership of the free world if we continue to decline to support this most basic human liberty.

UNION STRIKE VOTES AND THE SECRET BALLOT

Mr. HANSEN. Mr. President, I listened with great interest to my colleague from Michigan—Senator GRIFFIN—yesterday as he discussed his amendments to S. 1566, one of which would allow for a union strike vote to be by secret ballot. I wish to add my support to his effort.

A labor union members' vote on whether or not to strike seems to me, Mr. President, every bit as important, if not more important, a decision as any vote he or she may cast for any public office. A strike vote immediately and directly affects his family and his livelihood.

It seems to me, therefore, Mr. President, that such an important decision should be made via the sanctity of the secret ballot.

The Congress over the past several years has championed the cause of one man, one vote and civil rights. It appears somewhat hypocritical not to carry this same ideology and protection into the area of strike votes for the working men and women of this country.

It is my understanding, Mr. President, that all too often crucial strike votes are held by voice or show-of-hands after the union leadership has presented its position.

I am not in favor of increasing "secrecy per se" in this country, but I am in favor of guaranteeing every labor member a free choice on his or her desires in strike issues totally devoid of any "pressure."

Without the protection of a secret ballot, Mr. President, I contend, each voting member will be subjected to peer groups and social pressures which, in essence, deny free choice.

I cannot believe, Mr. President, that when the cause for strike is right—is justified—that a sceret ballot could in any way alter the members' decision to strike. I cannot believe that a secret ballot will hamper in any way the right of collective bargaining. In fact, in many ways it might enhance that right by guaranteeing that a strike, if called, is truly the result of membership desire.

However, when a strong case against striking can be made and the members of a union genuinely desire to keep working for the time being, or to resume working, the secret ballot will protect that course of action.

Mr. President, I again compliment my colleague from Michigan for his effort in this area and pledge my support to him.

Thank you.

SOCIAL SECURITY IS SOUND AND WORKING

Mr. CHURCH. Mr. President, last year the Senate Committee on Aging launched a comprehensive inquiry into "Future Directions in Social Security."

During the past 2 years, the committee has heard excellent testimony about various alternatives for strengthening the social security program, not only from the standpoint of elderly retirees but also from the vantage point of today's workers.

This task takes on added importance because all Americans have a vital stake in assuring the integrity of this system. In one form or another social security touches the lives of almost every American family.

Today 30 million persons receive retirement, survivors, or disability benefits. Nearly 100 million workers will make contributions to the program in 1974. In return, they will receive credits toward benefits for themselves and their families.

These basic facts underscore the necessity for insuring that social security is built upon sound economic, actuarial, and social principles for the present as well as the future.

In recent weeks, however, scare stories have been circulated about the solvency of the social security system.

These accounts—oftentimes based upon misleading and inaccurate information—have only created needless anxiety and apprehension for millions of Americans who have contributed to social security.

The social security program—and I want to emphasize this point—can be improved. And, it should be improved. But, articles which rely upon half-truths will serve no useful purpose in our national dialog concerning the future directions for social security.

All responsible viewpoints must be presented in this debate to assure that the best possible system for all is developed. And this, of course, is a major purpose of the Committee on Aging's hearings.

In this regard, Wilbur Cohen—a former Secretary of the Department of Health, Education, and Welfare; a renowned authority on social security; and now the Dean of the School of Education at the University of Michigan—recently responded to some of the attacks.

His article, entitled "Social Security is Sound and Working," merits the attention of all Members of the Senate.

Mr. President, I commend this article to my colleagues and ask unanimous consent that it be printed in the RECORD.

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

SOCIAL SECURITY IS SOUND AND WORKING

(By Wilbur J. Cohen)

The recent articles on the American Social Security System by Warren Shores are a collection of prejudicial half-truths, misstatements, and misleading comments. They are a grossly unfair and inaccurate presentation.

Their cumulative effect is to create anxiety, misunderstanding and doubt about the financial integrity of the Social Security System. These articles are vicious and unfortunate attacks on the peace of mind of millions of older citizens and other beneficiaries of the program, as well as being a collection of misleading and inaccurate statements.

The "solution" to the problems presented by Mr. Shores is the impractical idea of having Congress repeal the federal law creating our Social Security System and giving Americans the option of buying government bonds or commercial bonds to cover their retirement and disability and their survivors as social security now does for eligible persons. Everyone has this option now, but it is not a realistic alternative to the problem social security was intended to alleviate. Shores' "solution" didn't work before the depression in 1929—that's why Congress created social security in 1935—and it would not be a feasible solution to old age dependency or poverty for millions of people now or in the forseeable future.

Arthur Shores' major problem is that he apparently doesn't understand the difference between the concepts of "insurance" and "savings." The second reason that the conclusions he arrives at are inaccurate is that he mixes up and is confused by those statistics and figures which he does give to readers and then fails to give all the information and data necessary to evaluate his freak illustrations. Shores is obviously a devotee of the philosophy that "the exception proves the rule. "Let us take his charges one-by-one and show the immensity of his misrepresentations and his use of the "big lie."

1. Mr. Shores says "social security has not done any part of what it set out to do." This is a flat outright lie. If there were no social security program today, there would be 12.5 million more persons in poverty in the United States. This would be an increase of 50 percent in the number of people in poverty. There are 25 million people with incomes below the poverty line at the present time. How can Shores in good conscience claim then that social security hasn't done "any part" of what it set out to do?

SOCIAL SECURITY IS VALUABLE FAMILY PROTECTION

2. Mr. Shores has related examples of persons who could receive more in benefits by some other investment of their funds. Social Security is a government-operated insurance plan.

The essence of "insurance," whether public or private, is that some people will pay into the plan more than they receive back, some will receive back more than they paid in, and some will break even. This is in contrast to "savings" in which each person always receives back more than he paid in. Social Security was never designed to be a substitute for a savings-bank system. It was designed to be insurance.

Thus, an individual who lives to age 85, 90, or 95 years will receive back in pension payments much more than he or she paid in premiums. A person who dies the day before he or she retires will have lost all the payments.

A mentally retarded person or a retired, disabled, or deceased person may receive $50,000 or more in social security payments during his lifetime.

The widow and children of a deceased young worker may receive a total of $50,000 or $100,000 even though the payments into the social security system were only $2,000. A widow with young children can now receive over $700 a month in survivors' benefits. Moreover, these benefits are not taxable. This is a tremendous financial security for young families. Survivors' benefits under social security are frequently the only continuing monthly benefits received by most families where the worker has died.

What Mr. Shores doesn't disclose when he argues that each worker should be permitted to buy his own protection is that there is a vast difference in the cost of private life insurance among different companies in the United States. A study made by the Pennsylvania Insurance department shows that for a man age 35 the average annual cost of a straight $10,000 life cash-value insurance policy varied from $42 a year to $86 among the 50 largest companies in the nation—a 100 percent difference in cost between the lowest and highest!

What Mr. Shores also doesn't tell is whether each citizen will buy the cheapest insurance or the dearest. In social security, he or she gets the benefit of the maximum protection at the minimum cost—and at the lowest administrative costs. No private insurance company can provide the same coverage as the federal Social Security System does unless it charges the wage earner higher costs for administering the program.

Mr. Shores ignores the great advantage of social security over most private insurance and private pension plans. Social security benefits will automatically increase in the future as the cost-of-living and wages increase. This mandatory requirement has already been written into the existing federal statutes governing social security. Thus, while most insurance contracts and private plans guarantee a fixed amount of dollars, the social security plan now guarantees an inflation-proof benefit! The government-paid insurance benefits will increase in amount as the years go on. Shores tries to compare present social security benefit levels with present private insurance benefit levels in order to show that social security benefits will be inadequate in the future. By intentionally or unintentionally neglecting to tell readers that government insurance (but not private insurance) must pay more in the years ahead, it becomes obvious that all the illustrations used by Mr. Shores are basically erroneous for the future.

What Mr. Shores also forgets to tell the reader is that social security benefits are never taxable to the recipient. So when a retired worker and his wife after age 65 receives $480 a month in social security benefits, they are receiving the equivalent of approximately $600 a month in taxable income.

For instance, Mr. Shores leaves out of his articles the fact that the social security program has the lowest administrative cost of any comparable private insurance, pension

or retirement system. In 1974, the total administrative cost of the old age and survivors' benefits was 1.6 percent and for disability benefits, 4.7 percent. The total combined cost for all three types of benefits was 1.9 percent.

If the social security system saves only two percent in administrative costs each year as compared with private insurance, the savings which go into paying benefits would be $1 billion a year at the present time. What private system can compare with this? Why doesn't Mr. Shores tell about some of the values and good points of social security? His articles were directed solely at picking out a few very extreme examples and overlooking the major and overwhelming instances of comprehensive and valuable protection.

There are 30 million people receiving social security checks every month. It has not missed a payment in 34 years. It has never gone bankrupt and ceased to do business as have a number of private insurance plans. Shores also neglects to mention that some private pension plans like Studebaker and Kaiser-Frazer have failed to carry out their pension commitments. As long as social security payments are guaranteed by the federal government, I do not believe there will ever be any default in the commitments made under the social security program. Most people, but not Mr. Shores, know this.

SOCIAL SECURITY IS GOOD INSURANCE

3. Mr. Shores says the "social security system is emphatically unlike insurance." Mr. Shores doesn't give his definition of insurance so the reader is left in the dark as to what he means. Insurance is simply a system of, a large number of individuals making payments in advance into a pooled fund for certain specified risks and benefits from which pool the benefits are paid in accordance with the agreement entered into by the parties. Some beneficiaries are intended to receive more than they paid in and some less. Insurance is not savings where each saver always receives more than he originally paid in.

There are different kinds of insurance.

There is pure insurance like term life insurance in which the individual does not get any reimbursement at all if the risk death doesn't occur during a year that the policy is in force.

This is like automobile or fire insurance in which no money at all is received by the beneficiary if no hazard occurred. It is like Blue Cross or Blue Shield health insurance in which no reimbursement is made if the individual is not sick and incurs no bills. Mr. Shores implies that an insured social security beneficiary who never has the hazard occur (such as disability) is being cheated because he hasn't received any insurance benefits back.

Endowment life insurance is a combination of pure insurance and savings. It is necessary to know what kind of insurance is being purchased. Just as there are many kinds of automobiles, there are many kinds of insurance. The costs vary on the model, size, and quality purchased.

The great value of social security as a national insurance pool was best expressed many years ago by Winston Churchill.

Churchill said that social security brings the magic of the averages to the rescue of the millions. It is not a savings bank. It is low-cost insurance.

In this connection it is important to remember that among the 30 million persons who receive social security every month, 2 million are disabled persons under age 65, that nearly 5 million are children, and nearly a million are younger widows and mothers. Social security is a strong support for families in addition to its retirement income features.

It should be remembered that each individual's contribution to social security covers four different insurance coverages: Old age; death at any age; disability at any age; and hospitalization for the aged and disabled.

From the 6.85 percent paid by the employee (and an equal amount by the employer), the following allocations are made:

	Percent
Disability coverage	0.575
Hospitalization coverage	.900
Total	1.475

This leaves 4.375% for old age and survivors' (death) coverage. The survivors' insurance coverage is worth about 0.375%. Thus, an employee is paying only about 4% for old age protection and 1.85% for the other three coverages.

U.S. GOVERNMENT BONDS ARE A GOOD BUY

4. Mr. Shores says the social security trust fund is "simply a myth." What nonsense. If the United States government bonds in the social security fund are a myth, then government bonds are a myth for the banks, insurance companies, and private investors who bought them too.

The amazing inconsistency of Mr. Shores is evident when he recommends that workers be required to buy federal bonds as a substitute for social security. Why are they a myth in one case and a desirable purchase in another? Mr. Shores is just uninformed and inconsistent.

SOCIAL SECURITY IS NOT BANKRUPT

5. Mr. Shores says the "Social Security System is bankrupt." He comes to this erroneous conclusion because there is not sufficient money in the social security fund today to pay off all its obligations for the indefinite future. If this criterion is used then practically every private pension plan in the United States is also bankrupt. By this criterion, the Civil Service Retirement fund is bankrupt, so is the Railroad Retirement system, and practically all state and local public employee retirement systems.

The fact of the matter is that a governmental system does not need to be a full-reserve system such as private companies must have in accordance with state insurance laws. It is simply mischievous and misleading to label social security as bankrupt. No responsible private insurance actuary would do so and none has done so. It is only a misinformed non-expert who would make such a misstatement.

There is $40 billion in United States government bonds which back up the Social Security System. These bonds are guaranteed as to principal and interest by the federal government. They have the same value as government bonds held by banks, private insurance companies, and individuals.

DISABILITY INSURANCE

6. Mr. Shores says that a twenty-seven-year-old freight handler could buy a disability insurance benefit from a private insurance company for "about" $10 a month and get more protection than he could get from social security. He neglects to say the man would have to pass a medical examination and that if he couldn't he would be denied disability insurance coverage. He fails to point out that social security provides the disability insurance coverage to all persons without any medical examination. It covers the weak and the strong; the person with medical difficulties; the young and the older person.

Mr. Shores does not tell that the cost to the individual goes up with the hazard of his occupation and is much more for an older person. In other words, Mr. Shores does not tell the whole truth—only that little part of the iceberg above the water he wants to see.

THE RETIREMENT TEST

7. Mr. Shores at various points in his articles refers to the retirement test as the "saddest, least defensible part of social security." He refers to it as "punishing." But he doesn't tell the reader that to repeal the retirement test would cost $4 billion a year in increased taxes in the beginning and this would mount in future years.

Even more, Mr. Shores doesn't tell that all of the $4 billion a year would go to about 3 million beneficiaries while 27 million beneficiaries would not get a single cent more!

It seems appropriate and reasonable for a retirement system to provide that payments are based upon some test of being retired. Why should contributions by all employers and all workers be increased in order to pay benefits to persons not retired and who in many cases are earning as much as they did before?

Mr. Shores omits from his discussion all these significant considerations which the Congress has carefully weighed. If Mr. Shores is in favor of repeal of the retirement test, why wasn't he honest enough to recommend additional taxes of $4 billion a year to cover the cost? It's easy to criticize a provision if you don't take the responsibility of figuring out how to pay for the alternative?

Mr. Shores incorrectly uses out-of-date figures relating to the retirement or earning test. He refers to the test as $140 a month. At the present time it is $200 a month and the law provides for automatic increases in this amount as prices rise. Mr. Shores also incorrectly describes the effect of this test on a widow with two children since he neglects to consider and mention the fact that the children's benefits will continue to be payable even if the mother goes to work full time. Moreover, he fails to point out that if the mother has three or more children, her employment would not reduce the total family payment whatsoever. These are the kinds of omissions which make Mr. Shores' articles incomplete, erroneous, and misleading.

SOCIAL SECURITY ENCOURAGES THRIFT

Mr. Shores doesn't really understand the objective of the Social Security System as established by the Congress. The idea was not to provide a completely adequate benefit for everyone. Congress wished to give individuals a basic floor of protection on which individuals could build a supplemental protection by additional savings, investments, and work. Congress wanted to leave individuals the opportunity to utilize the private enterprise system to build greater security. Thus, the Social Security System gives individuals an incentive to save and work to improve their economic security. It would be foolish to repeal a tried-and-tested system for the Shores-Friedman kind of plan which would put the younger and disabled worker at a great disadvantage.

Mr. Shores says that as a result of social security "saving is discouraged." But he doesn't give any documentation to this allegation. The reason he doesn't document it is because he can't. All the evidence is that savings of the American people have remained at a high level. If savings is or will be discouraged, it is primarily due to inflation. I challenge Mr. Shores to prove his point. If anything, private insurance companies will tell you that social security has served to stimulate purchase of additional protection.

PROPOSALS FOR IMPROVEMENT

I believe that the Social Security System needs further improvement. The system has been improved by the Congress over the past 40 years. I am sure it will continue to be improved.

However, I am opposed to the radical solution proposed by Mr. Shores which throws

the baby out with the bath. I believe we should continue the basic elements of the present system which are:

A contributory, earnings-related system which builds upon individual responsibility for meeting costs and encourages thrift and incentives.

A legal right to benefits which is backed by a guarantee from the federal government and legal recourse to the courts for payment.

A nationwide system which assures a maximum degree of protection at the minimum administrative cost.

The changes which I believe are needed in the Social Security System and which I believe are practical and realistic are:

1. Refund of social security contributions to persons whose incomes are below the poverty line as advocated by Senator Russell Long, the Chairman of the Senate Committee on Finance.

2. Reduction in the social security tax rate from 5.85 percent to 5 percent and an increase in the maximum earnings limitation from the present $13,200 a year to cover all earnings for the employer contribution and to $25,000 a year for the employee contribution.

3. Increase in the retirement test from $2400 a year to $3200 a year which is above the present poverty line for an aged couple. This amendment is supported by many members of Congress.

4. Revision of provisions which discriminate against women by making widowers and husbands eligible for benefits on the same basis as widows and wives as proposed by Congresswoman Martha Griffiths of Detroit.

5. Coverage under social security of all household employment so that women will earn benefits in their own right and can receive them whether they are married, divorced, remarried, or single.

6. An increase in the low benefits being paid to many older people.

7. Reduction in the waiting period for disability insurance benefits to three months from the present five months.

8. Establish the Social Security Administration as an independent Board as it was in 1935. Make the Board independent from the Budget Bureau, take the receipts and expenditures out of the Consolidated Budget, and make the Board report directly to Congress. Over 33 Senators are supporting this idea along with Chairman Wilbur D. Mills of the House Committee on Ways and Means.

Mr. Shores' only direct quotation in his articles is by Professor Milton Friedman, the leading proponent of a radical solution to changes in social security. Mr. Shores did not seem to consult or quote from anyone in Congress like Chairman Wilbur D. Mills, or Russell Long, who helped design the present system. He quotes an unnamed "spokesman for the Illinois Department of Insurance" so it is impossible to check the source or meaning of his quotations.

SHORES' VIEWS ARE NOT SHARED BY THE EXPERTS

There are at least 25 other experts on social security in the United States who do not share Professor Friedman's ideas or who would be willing to rebut the statements made by the unknown "spokesmen." Why weren't these distinguished experts consulted or quoted to give a fair presentation of differing views. Obviously Mr. Shores doesn't believe in giving equal time to his opponents.

For those who wish to read about different points of view, here are some references:

An American Philosophy of Social Security: Evolution and Issues by J. Douglas Brown, Princeton University Press, 1972.

Future Directions in Social Security, Hearings before the Special Senate Commitee on Aging, July 1973, Washington, D.C.

Social Security: Universal or Selective: A debate between Milton Friedman and Wilbur J. Cohen, American Enterprise Institute for Public Policy Research, Washington, D.C. 1972.

ETHNIC STUDIES GRANTS FOR FISCAL YEAR 1974

Mr. SCHWEIKER. Mr. President, for the information of my colleagues, I ask unanimous consent that a breakdown, by State, of eligible applications and grants for the ethnic heritage studies program—Title IX, Elementary and Secondary Education Act of 1965—for fiscal year 1974, and a list of all grantees, be printed in the RECORD at the conclusion of these remarks.

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

Ethnic heritage studies program—Breakdown of proposals received and funded by State

	Received	Funded
Alabama	13	1
Alaska	8	1
Arizona	16	0
Arkansas	5	0
California	88	3
Colorado	12	1
Connecticut	16	1
Delaware	5	0
District of Columbia	37	2
Florida	17	1
Georgia	13	0
Hawaii	8	1
Idaho	3	0
Illinois	54	3
Indiana	12	1
Iowa	9	1
Kansas	11	0
Kentucky	3	0
Louisiana	8	0
Maine	4	0
Maryland	11	0
Massachusetts	36	3
Michigan	34	1
Minnesota	19	2
Mississippi	6	0
Missouri	6	1
Montana	4	0
Nebraska	2	0
Nevada	2	0
New Hampshire	2	0
New Jersey	33	2
New Mexico	21	1
New York	138	5
North Carolina	16	0
North Dakota	8	0
Ohio	27	1
Oklahoma	14	0
Oregon	5	1
Pennsylvania	42	3
Puerto Rico	4	0
Rhode Island	4	1
South Carolina	5	1
South Dakota	11	1
Tennessee	14	0
Texas	24	1
Utah	6	0
Vermont	3	0
Virginia	10	1
Virgin Islands	2	0
Washington	18	0
West Virginia	2	0
Wisconsin	15	1
Wyoming	1	0
Guam	1	0
Totals	887	42

TITLE IX, ELEMENTARY AND SECONDARY EDUCATION ACT: THE ETHNIC HERITAGE STUDIES PROGRAM, FISCAL YEAR 1974

The following is the list of applications receiving awards as a result of the competitive process under the Ethnic Heritage Studies Program. The organizations listed below will be cooperating with local ethnic associations or groups. In some cases, specific organizations are shown.

ALABAMA

Alabama Center for Higher Education, 2121 8th Avenue North, Suite 1520, Birmingham, Ala. 35203 ---------- $30,000

Black studies research and demonstration project

ALASKA

Alaska State-Operated Schools, 650 International Airport Road, Anchorage, Alaska 99502------- $60,000

With the cooperation of: Anchorage Community College & Alaska Native Foundation.

Ethnic studies materials for Alaskan Native children and teachers of Indian children

CALIFORNIA

Bakersfield College, 1801 Panorama Drive, Bakersfield, Calif. 93305-- $70,000

With the cooperation of: California State College, Bakersfield & Bakersfield City School District.

Project MECHICA: Materials development program in chicano studies

California State Department of Education, Bureau of Intergroup Relations, 721 Capitol Mall, Room 634, Sacramento, Calif. 95814 ---------- $70,000

California ethnic heritage program

Japanese American Citizens League, 22 Peace Plaza, Suite 203, San Francisco, Calif. 94115 ---------- $60,000

Contributions of Japanese Americans to American life: Curriculum development program

COLORADO

Social Science Education Consortium, Inc., 855 Broadway, Boulder, Colo. 20302---------- $45,000

With the cooperation of: The Council of State Social Studies Specialists, The Social Studies Supervisors Association (SSSA), and The College and University Faculty Association.

Analysis and dissemination of ethnic heritage studies curriculum materials

CONNECTICUT

University of Connecticut, Department of Sociology, Storrs, Conn. 06268 ---------- $100,000

Intergroup relations and ethnicity: The peoples of Connecticut

DISTRICT OF COLUMBIA

Frederick Douglass Museum of African Art, 316-318 A Street NE., Washington, D.C. 20002---- $60,000

Ethnic heritage studies program with an emphasis on Afro-Americans

National Education Association, Civil and Human Rights, Washington, D.C. 20036, total with NJEA ---------- $90,000

Jointly with: New Jersey Education Association.

The NEA/NJEA multi-ethnic racial curriculum development program

FLORIDA

Florida State University, Science and Human Affairs Division, 302 Education Building, Tallahassee, Fla. 32306---------- $40,000

With the cooperation of: The American Hellenic Education Progressive Association,

the Daughters of Penelope, & the Comparative and International Education Society.

A project in multi-cultural learning: Greek American contribution to the American Society

HAWAII

University of Hawaii, College of Education, Department of Educational Foundations, 1776 University Avenue, Honolulu, Hawaii 96821 ---------- $55,000

Ethnic Resources Center for the Pacific

ILLINOIS

Illinois State Department of Education, Superintendent of Edution, 188 West Randolph Street, Chicago, Ill. 60601, total with University of Illinois ---------- $170,000

Jointly with: University of Illinois at Chicago Circle, P.O. Box 4348, Room 3030–ECB, Chicago, Illinois 60680.

Illinois/Chicago project for inter-ethnic dimensions in education

Southern Illinois University at Carbondale, Ill. 62901 -------- $19,000

With the cooperation of: The Association for the Advancement of Baltic Studies, the Latvian Foundation, Inc., and the Latvian Theatre Association in America.

Drama and theater of Baltic-American youth

INDIANA

Indiana University Foundation, University at South Bend, P.O. Box F, Bloomington, Ind. 47401 $40,000

Ethnic heritage study program

IOWA

Kirkwood Community College, Arts and Science Division, 6301 Kirkwood Boulevard, SW., Cedar Rapids, Iowa 52406 ---------- $25,000

General ethnic heritage and specific Czech heritage curriculum model development

MASSACHUSETTS

Boston Children's Museum, Jamaicaway, Boston, Mass. 02130 $40,000

Ethnic discovery project

Brandeis University, Philip W. Lown Graduate Center for Contemporary Jewish Studies, Waltham, Mass. 02154 ---------- $80,000

Center for Contemporary Jewish Studies program for Jewish ethnic heritage studies

Harvard University, Fellows of Harvard College, Harvard University Press, 1350 Massachusetts Avenue, Cambridge, Mass. 02138 ---------- $45,000

Harvard Ethnic Encyclopedia: Stage I

MICHIGAN

Michigan Southeast Regional Ethnic Heritage Studies Center, 163 Madison Avenue, Detroit, Mich. 48226 ---------- $170,000

Ethnic heritage studies program in southeastern Michigan

MINNESOTA

Gustavus Adolphus College, Scandinavian Studies, St. Peter, Minn. 56082 ---------- $25,000

With the cooperation of: American Scandinavian Foundation.

Expanded program in Scandinavian studies

Mankato State Colege, Minorities Groups Studies Center, Mankato, Minn., 56001 ---------- $60,000

A model program in multi-ethnic heritage studies

MISSOURI

Washington University, Lindell & Skinker Boulevards, St. Louis, Mo. 06130 ---------- $50,000

Ethnic heritage studies in urban neighborhoods

NEW JERSEY

New Jersey Education Association, Instruction Division, Trenton, N.J. 08608, total with NEA $90,000

Jointly with: National Education Association.

NEA/NJEA multi-ethnic/racial curriculum development program

Rutgers University, State University of New Jersey, 10 Seminary Place, New Brunswick, N.J. 08903 ---------- $60,000

The Institute of Ethnic and Intercultural Education

NEW MEXICO

Cuba Independent Schools, P.O. Box 68, Cuba, N. Mex. 87013 ---- $11,000

With the cooperation of: KNME–TV Channel 5, the Federation of Rocky Mountain States, and its Satellite Technology Demonstration Project.

Cuba schools ethnic heritage project

NEW YORK

Anti-Defamation League of B'nai B'rith, Program Division, 315 Lexington Avenue, New York, N.Y. 10016 ---------- $65,000

Task force to define cultural pluralism to develop and test strategies for its effective teaching

City University of New York, CUNY Research Foundation, Convent Avenue at 138th Street, New York, N.Y. 10031 ---------- $60,000

Curriculum development program in comparative university

New York State Education Department, Bureau of Social Studies Education, Washington Avenue, Albany, N.Y. 12224 ---- $70,000

Italo-American curriculum studies

Buffalo City Schools System, 712 City Hall, Buffalo, N.Y., 14202, total with University College at Buffalo ---------- $75,000

Jointly with: New York State University College at Buffalo-Research and Development Complex, 1300 Elmwood Avenue, Buffalo, N.Y. 14222.

Ethnic heritage curriculum development project

OHIO

Cleveland Public Schools, 1380 East Sixth Street, Cleveland, Ohio 44114 ---------- $170,000

With the cooperation of: Greater Cleveland Intercollegiate Academic Council on Ethnic Studies.

The ethnic heritage studies development program

OREGON

Portland Center for Urban Education, 0245 S.W. Bancroft St., Portland, Oreg. 97201 ---------- $45,000

Increasing the understanding of multiethnic heritage

PENNSYLVANIA

Duquesne University, Tamburitzans Institute of Folk Art, 1801 Boulevard of the Allies, Pittsburgh, Pa. 15219 ---------- $65,000

Development of ethnic heritage studies kit

King's College, 133 North River Street, Wilkes-Barre, Pa. 18711, total with University of Scranton ---------- $60,000

Jointly with: University of Scranton, Ethnic Studies Program, Scranton, Pa. 18510.

The study of ethnic minorities in northeastern Pennsylvania: Lackawanna County: University of Scranton/Luzerne County: King's College

RHODE ISLAND

Rhode Island Department of Education, 199 Promenade Street, Providence, R.I. 02908 -------- $50,000

With the cooperation of: Providence School Department & the Department of Languages at the University of Rhode Island.

The ethnic heritage studies program of Rhode Island

SOUTH CAROLINA

Charleston County School District, Division of Instruction, 3 Chisholm Street, Charleston, S.C. 29401 ---------- $30,000

The ethnic history of South Carolina program

SOUTH DAKOTA

South Dakota Department of Education and Cultural Affairs, State Capitol Building, Pierre, S. Dak. 57501 ---------- $45,000

Indian ethnic heritage curriculum development project

TEXAS

Southwest Educational Development Laboratory, 211 East Seventh Street, Austin, Tex. 78701 $50,000

Ethnic heritage studies program: Czechs, Poles, and Germans in Texas

VIRGINIA

Dilenowisco Educational Cooperative, Wisconsin County School Board, Media Services, 1032 Virginia Avenue, Norton, Va. 24273 $50,000

Ethnic heritage studies program for five school divisions in Appalachia

WISCONSIN

State Historical Society of Wisconsin, 816 State Street, Madison, Wis. 53706 ---------- $45,000

Ethnic heritage studies: Old World Wisconsin and ethnic America

Total ---------- $2,375,000

To acquire more information concerning the Ethnic Heritage Studies Program, please write or call—Ethnic Heritage Studies Branch Division of International Education, U.S. Office of Education, ROB No. 3, Room 3907, 400 Maryland Avenue, S.W., Washington, D.C. 20202, 202–245–9506 or 202–245–2262.

UNITED STATES-CUBAN RELATIONS

Mr. PELL. Mr. President, in this era of détente, the continuing cold war with Cuba is an anachronism. The President of the United States has traveled across the world in hopes of improving relations with the Soviet Union and the People's Republic of China; yet we continue to ignore and attempt to isolate our neighbor off the coast of Florida.

American hostility toward Cuba is characterized by the 1962 Cuban resolution, a document that in spirit belongs to an outdated age of confrontation diplomacy and that in substance is no longer applicable. The resolution attempted to isolate Cuba from the rest of the hemisphere; increasingly it is not Cuba but the United States that is becoming isolated by its unwillingness to

reassess its policy. It was for this reason that last December I introduced a bill (S. 2802), to repeal the resolution as a necessary first step on the path of normalizing our relations with Cuba. A modified form of that legislation, calling for a review of United States-Cuban policy was adopted by the Senate as part of the USIA-State Department authorization bill.

I am heartened by the growing recognition that change in our Cuban policy is overdue.

Recently, the distinguished New York Times columnist, C. L. Sulzberger, presented a perceptive analysis of the compelling arguments for broadening the application of détente, including our relations with Cuba. I ask unanimous consent that Mr. Sulzberger's column, "Détente Around the Edges?" from the New York Times of July 13, 1974, be printed in the RECORD.

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

DÉTENTE AROUND THE EDGES?

(By C. L. Sulzberger)

PARIS.—I cannot understand why the United States, so earnestly seeking détente with all the important power blocs pays so little apparent attention to small sores festering along the edges.

One would think a nation resolved to work out accommodations with the Russians, the Chinese, the Arabs and those Europeans with whom we have had a tendency to bicker, would also take the tiny steps required to regularize other quarrels on a miniature scale.

Specifically I have in mind the continuing cold war between the U.S.A. and Cuba, which doesn't seem to have much point in an era of relaxing tensions, and also the continuing failure to arrange diplomatic relations with those two small but strategically located states, Outer Mongolia and Albania.

Cuba is the most crucial of the three nations mentioned because of its relationship to continental America, its Caribbean position and proximity to the Panama Canal, its association with anti-U.S. propaganda and guerrilla movements elsewhere, and its symbolic implication as the locus of the nuclear age's greatest superpower confrontation.

A decade ago I asked Fidel Castro if he foresaw improvement of relations. He said: "This question depends on the relations of the United States with all Socialist countries and we are not interested in improving relationships for ourselves alone.

"We now receive aid from only one side for the simple reason that there is only one side to help us. It is practically impossible that the U.S.A. should help us because the U.S.A. would demand ideological concessions and we will never be prepared to make concessions of that sort. . . .

"I think it will require many years before diplomatic relations are restored. I don't think conditions exist in the United States that permit positive steps. I believe an improvement of relations must be regarded as a long-term affair."

Yet "many years" have now passed. United States relations with virtually "all Socialist countries" have improved. No "ideological concessions" (if one excepts our suggestions that Russia ease up on dissidents and would-be emigrants) have been demanded.

Moreover, the hatred has seeped out of Washington-Havana debates. Fidelismo is no longer regarded as an immediate menace to Latin America. And Moscow doesn't like indefinitely financing the sagging Cuban economy.

The mini-crisis of 1970–71 over a reported Soviet submarine base at Cienfuegos has subsided into a cat-and-mouse game where each side (sometimes mischievously) toys with the other.

One would therefore think this is a propitious time to do something useful. Indeed, the State Department has quietly set in motion "preliminary steps for change."

But the hard truth is that so long as Bebe Rebozo remains President Nixon's intimate friend, the Department doubts whether it can ever get a White House go-ahead for serious negotiations. Mr. Rebozo is closely tied to some particularly anti-Castro refugees around Miami and Mr. Nixon is said to feel very deeply on the Cuban affair.

Thousands of miles distant from this impasse are the separate-but-equal cases of Albania and Outer Mongolia. They are separate—one on an inlet of Mediterranean Europe and the other at Asia's northeast end—but they are equal as favored clients, respectively, of the Chinese and Soviet Governments.

Peking does everything it can to help its only true European ally while Moscow makes massive use of the Mongols by, among other things, stuffing their broad land with military equipment and Soviet troops with which to menace China.

Clearly the logical thing is for Washington to use the present quest for global détente to open simultaneously diplomatic relations with each of these satellites, thus balancing Moscow's pleasure at our recognition of Mongolia with Soviet displeasure at our recognizing Albania—and the reverse for Peking.

The two weak nations in question are politically and strategically of great interest as observation points for the United States. From Albania American diplomats might sniff out, from a new vantage point, additional information about Soviet machinations against neighboring Yugoslavia. And from Mongolia they might be in a better position to check tension along the Sino-Russian frontier and the seriousness of Moscow's intentions against Peking.

Thus, both in the name of détente—very much the *mot d'ordre* nowadays—and in the name of diplomatic horse sense, it might be well to start talks with all three of the countries mentioned with a view to regularizing what remains a foolishly irregular situation.

SOUTHERN ILLINOIS UNIVERSITY CONCERT CHORALE

Mr. PERCY. Mr. President, I wish to extend heartiest congratulations to the Southern Illinois University Concert Chorale for recently winning the international choral competition in Spittal, Austria. In winning the coveted Spittal choral competition, the group became the first American chorus ever to win this competition.

Fortunately, we in the Washington area will have the opportunity to hear this outstanding group this weekend as they will be performing at 1 p.m. on Sunday, July 21, in a free concert in the Grand Foyer of the John F. Kennedy Center for the Performing Arts sponsored by Alliance for Arts Education "Showcase" series. I hope that many of us will have the opportunity to hear this outstanding group from the Edwardsville Campus of Southern Illinois University this Sunday.

EARLY SCREENING

Mr. MONDALE. Mr. President, nearly 7 years ago, the Congress approved landmark legislation designed to assure that every poor child in this country receives the proper medical examinations and treatment. This effort is known as the early and periodic screening, diagnosis, and treatment program.

I have been deeply disturbed at the apparent unwillingness of the Department of Health, Education, and Welfare to fully implement the program. It took more than 2½ years and the filing of a suit in court to even get draft regulations issued.

In 1972—when HEW tried to further postpone and dilute EPSDT—I and some of my colleagues fought in Congress to assure that all the children covered by the program would receive the services to which they were entitled. The result of our efforts was a penalty clause in the 1972 Social Security Amendments. Specifically, the amendments required that States which did not implement EPSDT would be subject to a penalty of 1 percent of their AFDC funds.

A most informative article in the June 29 issue of National Journal informs us that EPSDT is still a matter of conflict and dispute within HEW—and the ones who are suffering are the 13 million children eligible for services. I request unanimous consent that a copy of this article be printed in the RECORD.

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

HEALTH REPORT/HEW, STATES' CHILD CARE RECORD MAY AFFECT AGENCY'S INSURANCE ROLE

(By John K. Iglehart)

Nearly seven years ago, Congress directed the Health, Education and Welfare Department to design a plan for finding poor children with medical problems and providing treatment for them.

Two years ago, HEW still had not come up with a workable program and Congress imposed a July 1, 1974, deadline on the department, hoping to force faster action.

But despite the personal interest and involvement of HEW Secretary Caspar W. Weinberger, the department has no hope of meeting the deadline.

And its inability to cope with a relatively small slice of the total national health problem is raising doubts on Capitol Hill that it would deal effectively with a national health insurance program.

The program in question is Early and Periodic Screening, Diagnosis and Treatment (EPSDT), a small element in HEW's vast array of health missions.

It is difficult to pinpoint any single reason for the department's failure to meet the deadline.

Part of the delay has been caused by internal HEW bickering over the best approach. States partly are responsible becasue of their concern that they cannot afford a fully implemented program, which eventually could cover as many as 13 million children.

Either way, the delay has hurt HEW on Capitol Hill.

The department's unwillingness to persuade states to comply with the law raises questions about the department's ability to launch a national health insurance plan, a medical task of far greater magnitude.

The unwillingness of some states to implement EPSDT largely because of potential

costs works against the Administration's argument that states should play a major role in administering and monitoring national health insurance.

"The performance of HEW and the states on EPSDT doesn't leave much to your imagination on how they might perform under health insurance," said an aide to Sen. Abraham Ribicoff, D-Conn., who was a leading sponsor of the child health plan in 1967.

"For all intents and purposes, Congress has given up on HEW's implementation of EPSDT within the context of the present medicaid program," said a House Ways and Means Committee official. "Congress now is prepared to federalize medicaid."

In its health insurance legislation (HR 12684, S 2970), the Administration has called for establishing two financing programs, one for the working population and another for non-working and low-income groups.

The states would play a key role in financing the second program, a task that would give them more incentive to control costs, according to the Administration analysis.

Sen. Russell B. Long, D-La., chairman of the Senate Finance Committee, and Rep. Wilbur D. Mills, D-Ark., chairman of the House Ways and Means Committee, are advocating health insurance bills that call for federal administration of the program. States would have only a secondary role.

Mills told Weinberger at a health insurance hearing April 24:

"You are going to have a hard time convincing me that any state has administered medicaid as well as the Social Security Administration has administered medicare," Mills said. The EPSDT program is a part of medicaid.

Standing: On paper at least, the EPSDT program enjoys priority standing with Weinberger. He has emphasized his interest in it at staff meetings and voiced concern in private conversations with ranking department officials that HEW's programs may be overemphasizing the older population at the expense of the young.

Moreover, implementation of EPSDT is one of the Secretary's program objectives for fiscal 1974.

In reality, though, the department never has committed the resources necessary to aid or prod states to implement the program. A telling statistic is the number of staff members which HEW has assigned to the task.

Seven professional staffers work on EPSDT in Washington, but four have decided to leave or have left HEW. In the department's 10 regional offices, one staffer, on the average, is responsible for working with the states in each region.

HEW never has been able accurately to estimate how much states spend for EPSDT because the funds flow from a general pot of medicaid money that will total in excess of $10 billion in fiscal 1975. The department does estimate that 30 per cent of these monies are spent for children's health services of all kinds.

Under the program, which was first authorized by the Social Security Amendments of 1967 (81 Stat 821), states must inform all recipients of Aid to Families With Dependent Children (AFDC) of "the availability of child health screening services." The eligible child population is estimated to number 13 million.

States also must "provide or arrange for the provision of such screening services" and "arrange for . . . corrective treatment." The services are financed under a medicaid formula which obligates the federal government to pay from 50 to 83 per cent of the cost; the states pay the rest.

PRESSURES

Pressures are mounting on HEW to account for its efforts to implement EPSDT six and a half years after Congress authorized creation of the program.

Sen. Ribicoff asked Weinberger in a letter dated June 11 to describe in detail what the department has done to implement the program.

Further, court suits have been brought against 10 states, claiming they have failed to implement the program fully. The states are California, Colorado, Connecticut, Illinois, Indiana, Michigan, New York Ohio, Pennsylvania and Vermont.

Thus, with hope of meeting the statutory deadline of July 1 gone, with Ribicoff's expressed interest, and with the pending court suits, the department is going to have to develop a strategy for enforcing the stiff penalty which Congress mandated as a part of the Social Security Amendments of 1972 (86 Stat 1329).

Under the provision, HEW "shall" reduce by 1 per cent the federal payment to the Aid to Families with Dependent Children (AFDC) program of any state which fails to implement the EPSDT program.

With federal expenditures of $4.1 billion provided for the AFDC program in the President's fiscal 1975 budget, the financial pain of a 1 per cent reduction in a state's payment could be substantial.

PROBLEMS

Full implementation of EPSDT has been stymied by a number of factors, the most important being concern at HEW and in the states over the potential cost of screening some 13 million eligible children for medical ailments and then providing corrective services.

States

The federal-state medicaid program itself has been a significant impediment to the full implementation of EPSDT. Although financed primarily with federal dollars, medicaid really is a state program, or, more accurately, 50 state programs.

Within general federal guidelines, states select the kind and amount of services they wish to provide, determine the groups eligible for assistance, dictate the standards healthcare providers must follow, set the levels of reimbursement and administer the program.

The commitment that states have made to the medicaid program varies widely. California and New York offer a broad range of benefits to medicaid recipients. In New York, the medicaid budget now exceeds that of the budget for aid to needy children (AFDC).

A number of states offer only the minimum range of benefits required by law: inpatient and outpatient hospital care, skilled nursing home care, physician care, home health services, laboratory and X-ray services, family planning services and screening and treatment of individuals under the age of 21.

Although EPSDT is one of medicaid's mandatory services, states have implemented it with the same varying degrees of enthusiasm that they have shown for the total medicaid program.

SRS

The child health care program is only one of several that has been hindered by bureaucratic warfare between the director of the Social and Rehabilitation Service (SRS) and his career staff.

SRS Administrator James S. Dwight Jr. has established priorities which feature efforts to improve management of the welfare system and to purge the public assistance rolls of ineligible recipients of welfare funds. Dwight's prescription includes relentless budget cutting, both within SRS and in the programs it administers.

The SRS career staff has a totally different set of priorities, which favor liberalizing the agency's programs so that more, rather than fewer, low-income families receive federal help.

The conflict between Dwight and the SRS bureaucracy has generated turmoil within the agency. Staff morale is low and a number of recent resignations have resulted, including those of Howard N. Newman, medicaid commissioner, Karen F. Nelson, medicaid's chief of program, planning and evaluation, Joseph Manes, medicaid's long-term care specialist; and Barney F. Sellers, head of EPSDT.

Congressional discontent with Dwight's stewardship of SRS also is mounting. The best reflection of it was in the passage May 24 by the House of a bill (HR 14225) that would remove the Rehabilitation Services Administration, the most popular SRS program, from that agency and place it in Weinberger's office. The vote was 400–1.

Earlier in the year, Congress removed the Administration on Aging from SRS and placed it in the Secretary's office because, in the view of legislators, Dwight's support of the program was weak.

EVOLUTION

The history of the EPSDT program is a textbook example of what happens to a program which Congress authorizes—and then rarely tends to—and to which the executive branch never fully commits itself.

The problems of a lack of financial resources, an absence of available screening services and the inability of states effectively to link eligible children with services which are available all have stood in the way of fulfilling a commitment which President Johnson first articulated in a message to Congress on Feb. 8, 1967.

Mr. Johnson outlined a 12-point welfare program which included a commitment to "expand our programs for early diagnosis and treatment of children with handicaps."

The President noted that nearly 500,000 children were receiving treatment at that time under HEW's health program for crippled children, but he said "more than twice that number need help."

"The problem is to discover, as early as possible, the ills that handicap our children. There must be a continuing follow-up and treatment so that handicaps do not go neglected," Mr. Johnson said.

EPSDT was sold to the President by former HEW Secretary (1968–69) Wilbur J. Cohen, when he was the department's undersecretary.

Chairman Mills scheduled hearings before the Ways and Means Committee a week after the message. And by Aug. 17, the House had passed the Social Security Amendments of 1967, which included a provision that required states to screen, diagnose and treat the medical ailments of children of low income families starting July 1, 1969.

The Senate Finance Committee approved similar legislation and the program cleared Congress on Dec. 15 of that year. President Johnson signed the bill into law Jan. 2.

HEW dragged its feet in developing regulations to implement the program. But two and a half years later, the former SRS administrator, John D. Twiname, proposed "tentative" regulations for EPSDT which interpreted the law quite broadly.

The regulations stipulated that states were to provide screening services for all eligible children under 21. If ailments were found, the states were obligated to correct them regardless of whether the necessary treatment was a service normally provided under the medicaid program.

States strongly objected to the proposed regulations, arguing that the comprehensiveness of the services required would have a dramatic impact on state budgets.

As a result, HEW rewrote the regulations and watered them down. The new regulations instructed states to provide services to children that normally were a part of medicaid benefits which they offered.

HEW also said that states were obligated

only to screen, diagnose and treat children under age six at the start, eventually expanding the program to serve all children under 21 years.

The Senate Finance Committee gave its blessing to the department's more restrictive interpretation of the law by including a provision in the Social Security Amendments of 1970 which conformed with the proposed regulations. These amendments, however, never became law.

Finally, almost four years after President Johnson signed into law the Social Security Amendments of 1967, former HEW Secretary (1971–1973) Elliot L. Richardson approved EPSDT regulations on Nov. 4, 1971, to become effective 90 days later.

Congress showed its concern over the lack of movement on the part of HEW and the states to implement EPSDT when it approved as part of the Social Security Amendments of 1972 a provision imposing a tough penalty on jurisdictions that did not meet the statutory requirements.

But, on the whole, Congress has paid little attention to the program. Besides Ribicoff's letter, the most recent expression of congressional interest in EPSDT was voiced by Rep. David R. Obey, D.-Wis., a member of the House Appropriations Subcommittee on Labor-HEW.

At a hearing April 24, Obey pressed Dwight to explain why HEW's implementation of EPSDT never has gotten off the ground.

CONFLICT

HEW policy makers always have been at odds over the degree to which the department should commit itself to implementing the EPSDT program. There are essentially two schools of thought on the question.

One school advocates an aggressive approach to implementation, "beating the bushes to link the children with the services," said one HEW official who supports this approach.

The other school frowns on such tactics and maintains that HEW should adopt a passive role, not going out of its way to advertise the program and not forcing states to implement it fully.

The two schools clashed last year through internal department memoranda and the result has been a middling approach to the implementation of EPSDT.

Newman memo

The seeds of conflict were planted by a memorandum dated Dec. 12, 1973, from medicaid commissioner Newman and Saul R. Rosoff, acting director of the Office of Child Development, to their program chiefs in HEW's 10 regional offices.

Newman and Rosoff announced that they had agreed to fund some 200 demonstration projects that would utilize private, nonprofit Head Start agencies "in making EPSDT services available to medicaid eligible children ages 0–6."

Newman and Rosoff noted that the medicaid and Head Start programs had "common bases" which could facilitate implementation of the EPSDT program. They continued:

"Both agencies serve low income families. Both are concerned with continuity of health care and have the similar objective of integrating services provided through all available state and local resources. These similarities set a common frame of reference that can generate a wide range of local collaborative activities. Therefore, medicaid and Head Start are initiating a collaborative effort."

Although the language was bureacratic, Newman and Rosoff were saying that HEW would institute an aggressive program that would seek out low-income youngsters to undergo medical screening and receive corrective services, if necessary.

"Head Start will refer potentially eligible Head Start children to medicaid for enrollment and medicaid will pay for needed health services as required by EPSDT regulations," the memorandum said.

Dwight rebuff

SRS Commissioner Dwight learned of the Newman-Rosoff memorandum some weeks after it had been sent to the department's regional offices. Several states, a HEW staffer said, including Connecticut and Texas, had expressed concern to Dwight that the new EPSDT-Head Start project would force these jurisdictions, against their will, to expand the screening program.

On Jan. 10, 1974, Dwight wired SRS's regional commissioners: "Disregard the 12–12–73 memorandum from Howard Newman and Saul Rosoff, 'collaboration between selected Head Start grantees and state local medicaid agencies for delivery of EPSDT services.' That memorandum has not received SRS clearance and should be considered only as a recommendation to me."

Dwight also asked regional commissioners to comment on the Newman-Rosoff proposal. One month later, he issued another memorandum to SRS regional commissioners which essentially outlined the passive approach toward implementation of the EPSDT program.

Dwight said that "SRS has a primary interest and obligation under the law to insure the availability of EPSDT services," but he maintained that the statute does not require the kind of aggressive outreach program that Newman and Rosoff envisioned.

"The federal government will not directly engage in outreach and will not require any state to engage in outreach to secure additional eligibility for the Title XIX (medicaid) program," Dwight said in his memorandum, dated Feb. 14. "This is a prerogative and a choice which should be strictly limited to the states. The states are the operator of Title XIX and their choice determines the scope of service and eligibility for Title XIX."

Dwight directed that the "primary emphasis" of the 200 Head Start demonstration projects be to make EPSDT services "available to medicaid eligible children who are also enrolled in Head Start" rather than encouraging these children to enlist in the program.

But recognizing, as Dwight put it, that "outreach is inevitable in such a project," he directed that state medicaid directors and Governors would have to approve individual demonstration projects "before this activity is initiated in any state."

Dwight oversees medicaid and SRS' other programs while adhering to a view that for HEW to prod states to take actions they essentially do not want to take is an unproductive exercise.

"I have an affinity for how to get states to do something—otherwise I have wasted five years of my life," Dwight said in an interview. "If we start dictating procedures to the states then we will get ourselves in trouble."

Dwight came to Washington in 1972 to work as an associate director of the Office of Management and Budget. Before that, he served in California as a deputy finance director in the administration of Gov. Ronald Reagan, R.

Dialog

Dwight's plan for limited implementation of the program, as outlined in his Feb. 14 memo and as evidenced in the number of people he has assigned to the task, is the subject of mounting debate within HEW.

The issue has been a topic of discussion at two of the Secretary's recent management meetings. Weinberger regularly holds such sessions to keep track of objectives which HEW's agencies establish through a system of management that the Administration has adopted in most executive departments.

The system is known as management by objective (MBO). Under MBO, the departments each year must set objectives and, once they are approved by the Office of Management and Budget, mold their operations to accomplish the stated goals.

Weinberger meetings

At the Secretary's management meeting Jan. 15, Stanley B. Thomas Jr., assistant HEW secretary for human development, brought up the issue which had arisen over utilizing Head Start grantees to implement EPSDT.

Dwight explained that he had rescinded the Newman-Rosoff memo because of complaints from a number of states about the use of private Head Start grantees as an outreach vehicle for state-run EPSDT programs.

The ensuing discussion revealed that the key issue was the extent to which the availability of EPSDT services should be advertised by HEW, and thus generate additional demands on state medicaid programs without state consent.

Weinberger concluded the discussion by directing Newman, Rosoff and Dwight to reconcile their differences or, failing that, submit a memo to the Secretary on the issues involved.

The concern expressed by Thomas about the implementation of the EPSDT program was echoed two and a half months later by Bernice L. Bernstein, director of HEW's New York regional office, at another management meeting March 28.

Dwight led off the discussion on EPSDT by reporting that his agency had been overly optimistic in setting a goal of screening two million children in fiscal 1974. A more realistic estimate, Dwight said, would be the screening of from 1.2 million to 1.4 million children.

At that point, Mrs. Bernstein, who was speaking for all of HEW's regional directors, said that a lack of commitment on the part of SRS to provide adequate field staff to implement EPSDT was a major problem. She also called for more active involvement in the task by the office of Dr. Charles C. Edwards, assistant HEW secretary for health.

Dwight replied that SRS was not able, unfortunately, to provide additional medicaid staff members to the regions because all employees were fully committed to higher priorities until July 1975. He said the situation could worsen for EPSDT implementation.

Weinberger concluded the meeting by emphasizing his strong commitment to implement EPSDT. The official minutes of the meeting read:

"The Secretary stressed that this is an extremely important objective which should not fall short of achievement due to inaction or delay on the part of HEW. He expressed his strong desire that regional PHS (Public Health Service) personnel take an active role in assisting states to implement this program. . . ."

Young memo

More recently, John D. Young, HEW's assistant secretary-comptroller, also has questioned whether the department's implementation of the EPSDT program complies with the law.

Young, according to several SRS staffers, sent a memorandum to John R. Ottina, assistant HEW secretary for administration and management, suggesting that, in light of the July 1 deadline, SRS's management objective for implementing the EPSDT program be strengthened.

Young said in the June 5 memo:

"The SRS proposal to make available EPSDT services to eligible children and to screen three million children should be reconciled with the legal mandate to provide

screening for all children, in other words eight million plus.

"Now that push has come to shove, as far as the financial penalty is concerned, we suggest that SRS invest much more than $40,000, which in budget terms represents two man years, in the effort.

"Also, the OPS (Operational Planning System) objectives should detail how SRS will monitor EPSDT and apply financial sanctions where necessary. The plan should also include development of a tracking system to indicate whether health screenings are actually followed up with by diagnosis and treatment."

Young was making reference to the MBO management system. Ottina and Thomas S. McFee, his deputy for management planning and technology, are responsible for administering the internal management system.

The implementation of the EPSDT program was a management objective established by the SRS in fiscal 1974. McFee said in an interview that because of Weinberger's commitment to the goal it likely would be upgraded in fiscal 1975.

It was SRS' first crack at upgrading the objective which Young questioned Dwight had suggested that the "resources required" to operate EPSDT in fiscal 1975 totaled $2.6 million, including $40,000 for the salaries and expenses of two staff members.

STATES

HEW's grudging commitment to the children's health program has been reinforced to a large degree by the states, which have feared from the beginning that EPSDT would only add to what was already an onerous financial burden—medicaid.

States have recognized the problems which exist, according to Howard Newman, but they have failed to correct most of them because of a concern over the potential cost.

In a speech March 12 to the National Health Forum, Newman said:

"There was universal acknowledgement of the need for comprehensive health services for poor children, and that such services were not readily available or accessible to the needy.

"Today, many of those problems still exist. In certain areas, a child in a poor family has only half the chance of those with higher incomes to live to his or her first birthday. Half of all poor children are not immunized against polio. About two-thirds have never been to a dentist. And poor children have three times more heart diseases, seven times more visual impairment, six times more hearing defects, five times more mental illnesses than the more affluent," Newman said.

He said that EPSDT got caught in the squeeze between rising welfare expenditures and the states' concern over the potential cost of the screening program.

"States were reluctant to embark on this venture, and the federal government was reluctant to insist. The number of welfare program recipients had been increasing steadily and the bulk of this increase was in the addition of children whose families needed public assistance. . . . Despite its obvious long run, and even short run, benefits, EPSDT posed a problem for public budgets," he said.

Links

Beyond the problem of its potential costs, EPSDT posed a significant obstacle for medicaid programs that never had been called upon to develop services. To make the vital link between providers of care and the intended recipients was a new and foreign task for state medicaid programs.

Medicaid was established in 1965, primarily as a federal-state mechanism to finance the cost of the basic health needs of some 27 million poor Americans. Many state programs are not equipped to manage the development of new service programs within the context of medicaid, even if they had the money.

But pressed by court suits, a number of states now are committing new resources to develop the EPSDT program. The states which have most impressed HEW with their efforts to implement EPSDT are Alabama, Iowa, Michigan, Missouri, Mississippi and Virginia.

In California, the EPSDT program helped influence the state legislature to enact a law which directed the state government to make screening services available to all children.

Texas has made a special effort to extend dental services to children eligible for the EPSDT program. Dental services are generally the most difficult to attain of those services provided under the program.

New York

New York has decided to step up its implementation of EPSDT, in the face of a court suit which charges the state with not developing a program and, as the result of the recent appointment to a high state post of Beverlee A. Myers, a former HEW official committed to EPSDT.

In a project that will start in September, New York State's Department of Social Services and Department of Health will strive to link children eligible for EPSDT with a comprehensive range of health services.

"The program began in 1972 in New York, but to date it has not been effective in reaching the target population," according to a state document which outlined plans to upgrade EPSDT implementation.

Through a marriage of New York's medicaid program and the regional medical program (RMP), another HEW enterprise which seeks to improve the health delivery system in a variety of ways, the state agency hopes to make the vital link between eligible children and screening services.

The agency plans to focus its efforts initially on approximately 450,000 eligible children in upstate New York. Medicaid funds would finance the screening, diagnosis and treatment services. But RMP monies would be used to identify the children and educate their parents to the merits of EPSDT.

New York spends more than $2 billion a year to finance health services under medicaid. It spends an average of $300 a year on individuals who participate in medicaid.

Mrs. Myers, a deputy commissioner of the State's Department of Social Services, rejects the notion that the EPSDT will be a costly endeavor for states. "We may well be able to reduce that $300 figure, or at least control how it is spent better, through EPSDT because it will encourage the delivery of more primary care and less hospital care."

"The program should demonstrate that a relatively small amount of flexible RMP funds can be used as leverage to make the expenditure of relatively large amounts of medicaid funds more effective," Mrs. Myers said in an interview.

In New York City, the state agency plans to follow two approaches to implementation. One is to inform parents of preschool children through letters of the availability of screening services, which are provided by New York City's Health Department.

Second, New York plans to screen older children through a linkage with the schools they attend, an approach which has not been used widely in other jurisdictions. Before New York can move forward with this approach, though, HEW must grant its approval because it will require the department to waive a program regulation.

OUTLOOK

Come July 1, Dwight said, HEW would be prepared to assess the penalty provided by law on states that have failed to implement the EPSDT program. But he said that "assessment of the penalty is an admission of failure" to put EPSDT in place.

SRS's apparrent strategy, as reflected in Dwight's comments and the agency's MBO statement, is to grant states the benefit of the doubt on the question of implementation.

SRS's proposed MBO statement on implementing EPSDT indicates that the agency does not plan to move precipitately to impose the penalty.

For one thing, a lot of money is involved and a quick cut-off would bring screams of indignation from the states and their representatives on Capitol Hill.

Second, a reduction in the funds would only hurt those individuals who can least afford it—the welfare recipients. And third, Dwight is prepared to give states every benefit in finding ways to comply with the law, such as phasing in programs over time.

SRS's proposed MBO statement on implementing EPSDT shows that the agency plans to use the first three months of fiscal 1975 to assess which states have not complied with the law.

On Capitol Hill, meanwhile, a spokesman for Sen. Ribicoff said that he is prepared to take HEW to task if it fails to require states to comply with the EPSDT law.

THE ENERGY CRISIS

Mr. TAFT. Mr. President, there has come to my attention an address made by Putnam B. McDowell, president of Marion Power Shovel Co. to the Marion, Ohio, Chamber of Commerce on January 29, 1974. In my opinion it is an extraordinarily perceptive analysis of the energy crisis which should be shared with my colleagues. While I do not necessarily ascribe to the comments as to individuals, political candidates, or international relations, the ideas propounded are helpfully provocative and validly challenge some of our prevalent shibboleths dominating public thinking on the subject. I therefore ask unanimous consent that the address be printed in the RECORD.

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

THE ENERGY CRISIS: REAL—NOT CONTRIVED

(By Putnam B. McDowell)

President Dunn, distinguished guests, members and friends of the Marion Area Chamber of Commerce:

This opportunity to speak to many of Marion's most distinguished citizens comes to me just before my 50th birthday and I am, therefore, reminded that someone once said that "middle age is when you know all the answers and nobody ever asks you the questions."

Since I'm about to enter solid middle age, this may be the last time I get asked the questions and I'm going to take full advantage of it and give you what I think are the answers to some of the questions you should be asking about the nation's energy problems, about how it is affecting relations between industry and the public in general and about how it may affect the relationship between your community and our company—Marion Power Shovel. We, of course, build the mining equipment which is a key to relieving the energy crisis through increased coal production.

Never in my business career have I seen such strong evidence of failure on the part of the public and of politicians to understand and respect the functioning of our profit-based economy than is evident in the daily headlines concerning the energy crisis, which I assure you is real—not contrived.

Because I am alarmed by what I see and hear and because the future of Marion Power Shovel and, to an extent, the Marion community is involved directly with energy, I want to talk mostly about that subject tonight.

In the summer of 1973, when I last spoke publicly in Marion, I predicted that the business of Marion Power Shovel might double in the coming decade. The expansion program we announced last October was based on that kind of assumption. I must now tell you that we will double in volume before mid 1976, based on orders and letters of intent now in hand, which extend already into 1978. There is strong evidence that we may triple by 1977–78. since our company already contributes roughly $20 million per year to the economy of Marion, through payrolls and taxes, you can see that the massive purchases of mining equipment now being made by the coal industry will necessarily have a significant effect on Marion, Ohio. How much effect will depend on the extent and location of our further expansion. We must face and resolve, within a few months, a number of questions which I thought last summer we might have five years or more to settle. They include the question of availability of labor here in Marion, which in turn raises such questions as the adequacy of Marion's housing, educational resources and other community services. In short, the community must ask itself how far it is prepared to go in order to encourage continued expansion by the Shovel here at home.

Another major factor is the judgment we at the Shovel must make about the attitude of this community and of our employees toward increasing productivity to ensure that the Shovel can compete effectively with manufacturers in other parts of the U.S. and in other nations—especially nations like Japan—which will soon be desperate to expand exports in order to pay the staggering increase in energy costs, which they face as a result of higher prices of Arab oil. We at the Shovel must also consider carefully whether the prospects are good for peaceful and constructive collective bargaining of labor contracts, which will reopen next year, as we are pressing for heavy output of the machines which our nation so desperately needs for added coal production. It is still my conviction that it is better to expand here in Marion—but there are many factors which compel us to examine alternatives.

The list of projects which your organization has on its agenda for the coming year responds directly to many of the questions I've mentioned. As a matter of enlightened self-interest, Marion Power Shovel commits itself, wholeheartedly, to support however and wherever it can, your efforts to improve downtown Marion, the airport, your schools and, in particular, the new Tri-Rivers Vocational School, low-cost housing and all of the other forward-looking undertakings which your staff and committees have identified.

Before returning to the broad subject of energy, let me take just a moment to describe our company for those who may not have heard about it before. The Shovel, of course, is an old company dating back to the 1880's and has been a pioneer and leader in excavating equipment ever since. It has been owned for the last eight years by the Hillman Company, a Pittsburgh-based private investment company of which I am an officer and director. Hillman has, for generations, been involved in coal and is today one of the larger holders of metallurgical coal deposits in the U.S.

Over the years Hillman has prospered and diversified into banking, oil and gas and a wide range of other activities from airlines to air conditioning. Marion Power Shovel is now one of our largest and most important holdings. I have served as Chairman of the Board of the Shovel since 1966 and am currently in my second tour of duty as President, and expect to continue indefinitely to be closely associated with the day-to-day conduct of the company's affairs.

We build power shovels, walking draglines and rotary blast hole drills, which are used for mining coal, iron ore, copper, bauxite and phosphate and in heavy construction work, such as dams.

Some of our machines stand 20 stories tall and cost up to $15 million or more. None are really small. All are highly engineered. We are one of a very small number of companies world-wide which can design and build such equipment. You here in Marion never see our product because it goes out piecemeal, sometimes on as many as 120 railroad cars for one machine—and is then put together in the field—throughout the U.S. and in Australia, India, Africa, Morocco, Turkey, South America—in fact, anywhere in the world where there are large quantities of minerals to be mined.

Coal, of course, is our largest market—especially today—and that brings us back to the energy shortage, which has already inconvenienced you and which is going to alter your way of life and that of your children for some time to come.

Anybody who tells you that there is not an energy shortage is doing you a disservice. If there is not a shortage, I ask you to explain to me why the coal industry has placed orders for a half-billion dollars of walking draglines in recent months, and why they are committing to billions of dollars for mines where those machines will dig. That is not rumor—it is fact. If we are, as Ralph Nader claims, "awash with oil," why is Syncrude, a consortium of major oil companies, committing now to a billion-dollar project to extract oil from the Athabasca tar sands in Canada? That's not rumor, it's fact. We at the Shovel have the orders to prove it. Why did Gulf Oil just bid over $200 million for a mere 5,000 acres of government-owned oil shale, just as openers, on an immense project to extract oil—the hard way—from oil shale? Why has El Paso Natural Gas placed commitments for machines to dig the coal for a plant to convert coal to gas and by-products? If there is not a serious shortage of oil now and prospectively, these hard-headed companies, which are being described daily in the press as self-seeking, are making some spectacular errors against their stockholders' interests. I doubt very much that they can be that wrong.

There is a shortage. It has been coming on for years and would have arrived without the Arabs, and it will be here long after the Arabs turn their oil back on—as they will soon do. The fundamental shortage was caused by years of underpricing gas and oil in relation to coal and other forms of energy. This increased the demand for petroleum products in an explosive fashion. So, we burned more and more gas and oil where coal would have served as well—instead of saving gas and oil for those things they are most valuable for—like lubrication, plastic products, pharmaceutical bases and so on. While we depleted our limited oil reserves rapidly, we as a nation sat on our 300 to 600-year supply of coal. With gas and oil so cheap, we couldn't dig the coal at a cost which would compete, so our great coal industry stagnated. Even today, in 1974, we are hardly mining any more coal than we did two years ago.

Coal, which as short a time ago as 1966 had 64% of the market for utility fuels, has fallen to 50%; while oil, which formerly supplied 8% of utilities' requirements, rose by 1972 to 20%. That's where your petroleum went—we put it right under the boilers in place of coal, which we left in the ground.

Why was gas and oil priced so low? Among other things, the gas and oil industry is regulated by some 60 federal and state agencies and bureaus, which largely determine where and how much gas and oil is produced in the U.S. or imported. These agencies held prices down, "in the public interest." Consumption rose, of course, at these bargain rates.

The incentive to do more exploration, which is a high-risk business, was dampened and new reserves were not developed. The return on investment in oil refining, which is our worst bottleneck short term, dropped from 10% in 1968 to under 7% in 1972, and capital flowed away from petroleum to other fields and, of course, flowed overseas where U.S. oil companies found other nations more willing to permit them a reasonable return on investment.

Over the last 10 to 20 years, is there one of you who hasn't witnessed the following scene? A local utility announces that because of rising costs, they intend to seek an increase in rates for their gas or electricity. At that point, consumer groups and local government officials rise up in defense of the consumer and block or modify the increase. Some political figures have used this route as a way to rise to higher office. The cumulative effect of this well-intentioned effort, taken in so many communities and over so many years, has played a key role in underpricing gas and oil and has contributed mightily to the present shortage. The road to hell is, indeed, paved with good intentions.

Against this background, there was added the following:

1. Growing dependence on Arab oil, while our foreign policy in the Mideast led us further and further into opposition to the Arabs in their confrontation with Israel. Without regard to the merits of either policy, they were indeed strange bedfellows!

2. Growing ecological concerns were translated precipitously into law—and raised gasoline consumption per car and drove utilities further toward oil and gas to replace high-sulphur coal, which was no longer permitted as fuel. This shut down much coal production. The more stringent mine safety act raised underground mining costs for coal, while the threat of unreasonably severe anti-strip mine legislation created uncertainties which slowed expansion of coal mining by surface extraction methods.

3. Finally, these trends coincided with the time when the Arab's recognized that they had been underpricing their oil and that they could use this moment in history, both to correct their error and to employ oil as a bargaining tool against Israel.

I am neither condemning the ecologists nor advocating that we abandon Israel. I am simply saying that as a nation we did not foresee what it would cost us to pursue simultaneously all these goals, including the goal of low energy costs for the consumer. "When you get something for nothing—you just haven't been billed for it yet." I didn't invent that phrase myself. I just suggest that it fits the present case. It is time for America to face the facts. Among them is the fact that the national policies mentioned earlier as contributors to our energy problems, are under the control of not private business but of the same Congress which is now blaming private enterprise for so much of our trouble.

This is no time for the politicians and the Naders to pursue the devil theory by trying to convince you that a conspiracy by the oil companies has created our present dilemma or to pretend that there is not a shortage, which is precisely what Nader has been saying.

I want someone to explain to me how our oil industry, while regulated by 60-odd federal and state agencies and congressional committees, could conceivably have carried off such a conspiracy in an industry which has 7,000 oil and gas producers—including my company—127 refining companies, 30,000 marketing companies and 200,000 independently-owned retail outlets.

Moreover, how does Mr. Nader explain the fact that most of the rest of the world has a far worse energy crisis than the U.S.? In tonight's audience, we have our associates from Japan—Sumitomo—one of the great Japanese companies, and a representative of the British government. If they could speak here, they would tell you that the non oil-producing industrial nations, including Britain and Japan, have energy problems which dwarf those of the U.S., which is still rich beyond measure in potential energy sources, especially coal. Do our domestic gadflies maintain that the U.S. oil companies not only hood-winked the U.S. government but also the governments of the rest of the world? That's incredible!

Bear in mind, too, that the most recent anti-business headlines come from Senator Jackson—an avowed candidate for the presidency of the U.S. in 1976. We should know by now that there is no truth, there is no fairness, there is no objectivity in presidential candidates of either party. They simply play to the base emotions of the public and, in particular, play the scapegoat game in times of crisis. I am becoming convinced that the business of the country is too important to be entrused to active political candidates for discussion.

There undoubtedly has been some bad judgment and some unrestrained self-interest practiced in the energy picture. But to concentrate on those ever-present imperfections which exist in every society—whether free or controlled—as an explanation for a most serious and fundamental problem can only mislead the public and further delay us in our search for fundamental solutions to a fundamental problem.

You, undoubtedly, sense some exasperation on my part with Mr. Nader. He puts me in mind of a wonderfully short prayer:

"Oh Lord, just make me as certain about something as some people are about everything."

He also reminds me of Robert West's remark, as follows:

"Nothing is easier than fault-finding: No talent, no self-denial, no brains, no character are required to set up in the grumbling business."

What started as a very useful movement—"consumerism"—is rapidly turning into the grumbling business in this country.

When the history of this period is written, it will be seen that the Naders and Jacksons were nibbling on minutae and thus just diverted the public eye from the hard truth about energy.

Now a word about profits and oil company profits in particular.

You've all seen the headlines:

"Oil Profits Soar"

"Gusher of Profits" (That one comes from a national news magazine whose president and editor is a classmate and friend who I know is a fair and sensible fellow, a "prince among men"—who should know better.)

Not one of the papers or magazines which has been headlining the turn around in oil profits has bothered to tell the public these things:

1. Oil profits have just begun to recover from a five-year decline. Out of 29 major industry groups, oil ranked 25th, fourth from the bottom in growth of earnings 1968–72. Their earnings declined 2.2% in that time.

2. Most of the earnings improvement comes from the overseas oil business not from the U.S. consumer.

3. Much of the earnings come from chemicals—not oil.

4. Over the five-year period, the oil companies ranked only 17th on return on equity investment. Sixteen industries did better and only 11 did worse. The oil companies earned on the average 10.9% on their stockholders' investment. This compares with the 5% you can get at your local savings bank.

At the top of the list at 15.7% return is personal consumer goods. In other words, we don't care if investors in lipstick and kleenex get rich, but we think it's outrageous that a basic industry which has to invest hundreds of millions at a crack makes more than 10% at a time when your bank will pay you 6% to 7% on a risk-free certificate of deposit.

5. By the way, two of the industries which have done worse than oil in the last five years or so are:

Airlines—who are now being accused of gouging by dropping routes because of fuel shortages—they had the worst earnings trend of all, and earned 4.9% on their stockholders' money—less than you get at the savings bank—and

Steel—which now can't produce what we need because at a 5% return they were not about to expand. Mark my words, in another quarter or two, you will see headlines implying that steel is enjoying outrageous windfall profits—and you won't be told about those 5% returns for 1968–72, at which level they just can't attract capital.

Then, there is the coal industry, where two of our larger coal companies apparently lost money or just about broke even in 1973. Yet, there has already been talk about guarding against windfall profits in coal.

You have no doubt heard the charge that those oil companies which bought up coal companies are holding coal off the market in order to keep oil demand up. Let me read you the record of the second largest coal company, Consolidation Coal, which is owned by Continental Oil:

Before Continental ownership we can see a $13.5 million investment and five new mines over a five-year period. After Continental ownership, $41.3 million was invested and 22 mines in five years were opened. I think that answers every canard which we've seen in the papers on this subject.

You know that the government has proposed an excess profits tax on oil and at the same time says it will spend $1.8 billion, as a start, on energy research. Well, if the companies have such high profits, the government should encourage them to do the research and development. If the industry is too poor to do the research itself, why increase their taxes? You can't have the argument both ways.

If the critics of profits would come out in the open and say, "We don't think our profit-oriented economic system is up to the task and we believe we should abandon it in favor of socialism or another form of planned economy," then, at least, we could have discourse about what system has a better track record and might be adopted.

But, when they attack the least signs of profit improvement in an industry which is expected, under our system, to find billions of fresh capital in order to do its job—then they are simply harassing the players without contributing a viable alternative.

Higher oil prices will adjust the very imbalances which led to our present situation. Higher prices will ration precious oil; they will bring the coal out of the ground and permit the production of gas and oil from coal. Higher oil prices will stimulate exploration for new oil. Yes, this will increase the cost of energy to the consumer, but how else is that consumer going to get his oil and gas—will he vote to have his government tax him to produce the money to drill for oil and refine it?

Who is kidding who—Mr. Nader?

Who is pulling the wool over whose eyes—Senator Jackson?

Oil costs money and the consumer is ultimately going to pay the bill and it's going to be a bigger bill so long as more people want more oil than there is to go around. If you took every cent of profit out of gas, oil and coal, the price of energy would still go up in large multiples of the old bargain prices—and something is going to have to give.

There will be devaluations among our trading partners and, as a result, the U.S. will encounter more foreign competition. The U.S. may have further balance-of-payment problems and the Arabs may become the world's bankers, at least for a time.

All of these things may happen and may continue until the breeder reactor or solar energy or some other new concept becomes a reality in the next century—as a substitute for fossil fuels. Let us hope that U.S. technology will be in the forefront on such developments.

Ladies and gentlemen, you have been patient. It is a rare occasion when a businessman sees a subject about which he has some hard knowledge—being so grossly misrepresented to the public, and I appreciate the chance to speak out on that subject tonight.

In brief summary—the energy crisis will persist for a time. Short-run solutions, such as more coal production, will begin to help in two or three years. It will take a decade or more to develop longer-term solutions, including atomic energy. Higher fuel prices will have to be paid. The sooner prices improve and stabilize, the sooner you will see more oil and coal being located and brought out and the less risk there will be to your own jobs and businesses, which can adjust to higher energy costs, but not to an empty fuel tank.

Tell this to your children. Take this story to their teachers. In Haim Ginott's words, "Children are like wet cement. Whatever falls on them makes an impression." A lot of half-truths and scapegoatisms are falling on them today and may seriously distort their view of how the real world works.

To the officers, staff and directors of the Chamber of Commerce, I say again—the Shovel needs a vigorous community in which to grow, and your programs will bring that about. Thank you for what you are doing for this community.

CONTEMPORARY INSTITUTION OF THE PRESIDENCY

Mr. MONDALE. Mr. President, in early June I had the privilege of addressing the Center for the Study of Democratic Institutions in Los Angeles on the subject of the contemporary institution of the Presidency.

A recent editorial in the Duluth News-Tribune makes reference to this speech, but more importantly goes on to discuss the need for clear thinking on the part of the American people with regard to all of our institutions of Government. I commend this editorial to my colleagues, and ask unanimous consent that it 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:

WHAT, NOT WHO

Sen. Mondale did not spare President Nixon in his California speech on the crisis of the presidency. But he did make the needed point that there is much more to the solution than choosing the right people. He traced the great increase of several kinds of presidential power, and the natural presidential tendency to dominate or bypass his political party. He conceded that many of these powers were used by Presidents Kennedy and Johnson and handed on to President Nixon who made more conspicuous use of them.

We are getting close to an awkward fact. Americans, as school children, learn that we

have a government of laws, not of men. Most of them don't seem to believe this for very long. Much more than the presidency is affected.

Popularity of a special kind leads to legislation adding to the powers of an elected official. What he does not get by law, he can often have by asserting a new power. Thus precedents are set. The mob cheers and smiles. But sooner or later the power is used in an unpopular way. Usually this is done by a new official, who is not well liked, anyway. Then people begin to grumble. At heart they want lots of power for good guys and practically none for the other kind. No government can operate in that manner.

People are just as childish in viewing the other branches of government. The U.S. Supreme Court was praised by conservatives when it seemed to be a brake on New Deal experimentation, and it may be praised by them again if it follows recent tendencies of the new majority. But for more than a generation people who didn't like some added safeguards for civil rights and defendants' rights were grumbling about the courts' power. And a pre-eminence of congressional power has its unattractive side, too.

The cure calls for a kind of abstract thinking. That is more difficult than ever in an age of small-screen relations. It is one more challenge—and an unfair one—for the American school system.

SAVE THE CHILDREN FEDERATION

Mr. PERCY. Mr. President, the Save the Children Federation—SCF—has for years been applauded for its work on behalf of impoverished children around the world.

Now SCF has changed its emphasis to focus on community development in an effort to bring new hope to a portion of the 1 billion people of the world who have not shared in economic growth and development and who are faced by the threat of widespread food shortages.

The new strategy involves assisting poverty-stricken communities to make decisions about their own priorities and then assisting them to achieve their goals. In this way whole communities are strengthened and their residents, adults as well as children, are better able to withstand the danger to survival which threatens the developing world.

Not long ago the Christian Science Monitor published an article by Kenneth McCormick which describes in some detail the new direction of the Save the Children Federation. 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 Christian Science Monitor, July 5, 1974]

SAVE THE CHILDREN FEDERATION WIDENS ITS OUTREACH

To send an impoverished child from a developing nation hundreds of miles away to school, or to help build a school in the child's community—which is more effective? This question has prompted the 42-year-old Connecticut-based charitable organization to shift from an individual to a community self-help program. Below—how it happened and how it works.

(By Kenneth McCormick)

NORWALK, CONN.—Appropriately headquartered in a sparsely furnished, red-brick Victorian building that once was an orphanage, the Save the Children Federation (SCF) tackles the problems of the "old woman who lived in a shoe" with the crusading spirit of Charles Dickens.

Launched during the depression era to feed hungry children in Appalachia, this international "child sponsorship" organization has embarked on a significant new course: putting up "whole communities" for adoption throughout the world.

For 42 years, the SCF has funneled funds from American donors to individual needy children, as near as New Mexico's Indian reservations and as far as Vietnam.

LONG-RANGE SOLUTION

But in response to growing food shortages and deteriorating living conditions of the world's poor, SCF executive director David L. Guyer now terms community "self-help" programs the best possible long-range solution to children's needs.

"If we can do something about stabilizing family and community life, then we can create a healthier environment for children to grow up in," says Mr. Guyer.

Two years ago, Chino Betances, a native of the Dominican Republic, visited a remote valley on the tropical island's frontier on behalf of Save the Children.

UNIQUE OPPORTUNITY

Hipolito Billini, as the community is called, had a population of about 2,500 with an average yearly income under $250. More than 1,000 inhabitants in the poverty-stricken valley were under 15 years old, living in dirt-floor shacks with primary diets of rice and beans, below subsistence level.

Mr. Betances talked with community leaders and offered them a unique opportunity: If they would organize a representative community council to list the priority needs of the valley and if community members would do all the necessary construction and farm work, the SCF would provide the materials necessary to build a school, clinic, and nutrition center, and to begin fertilized farming, or whatever else the council decided was paramount to the community's survival.

MORE NOW BENEFIT

Hipolito Billini took the SCF offer. With the technical advice of SCF representative Betances, the valley's inhabitants of all ages slowly are building their community from the roots up into a more viable unit.

"This community had all the motivation to get itself going and pull itself up," says SCF worker Marion Ritchey. "It just lacked the material input, which we were able to provide."

By expanding its program from single children to helping whole communities, the SCF now benefits some 20,000 more children and a host of other community members.

SCF donors still "sponsor" individual children in the selected "target" communities, but the money is pooled together for community projects.

"The major accomplishment in the new program comes in people coming together to make decisions about their needs," says Mr. Guyer, who contends that children ultimately will be helped best by gaining confidence in themselves and their community through solving their own problems.

The SCF director, talking with the Monitor recently about his organization's new approach, cited other reasons for the shift in emphasis from individual children to entire communities:

Before, the SCF faced the dilemma of choosing to help only one child among many in a community, leaving neighbors and even brothers and sisters behind without any assistance.

DECISIONS EASIER

"The criteria for selecting communities is somewhat easier: They have to be the poorest communities we can find that demonstrate a real desire to utilize our 'self-help' program," says Mr. Guyer.

"It's far more socially beneficial to spend the same money building an entire school in a community rather than sending a single child hundreds of miles away to school," he says.

From years of experience, the SCF has learned the importance of the surrounding social environment on an individual child's development. "You have to improve his surroundings to really help him," says an SCF worker.

M'NAMARA'S WARNING

The strongest reason for this transition from child to community is the concept of building up communities to safeguard against impending dangers which threaten the survival of people in developing countries.

World Bank President Robert S. McNamara has warned in recent speeches that nearly a billion people in developing nations are being left out of economic growth, "entrapped in conditions of deprivation which fall below any rational definition of human decency."

It is these same billion world poor that, economists warn, will all be affected by a spreading food crisis.

"This food situation," says SCF board member Dr. Margaret Meade, "will give new impetus to people meeting their needs through strengthening their communities." While Save the Children cannot save all the communities for these billion poor, its innovative program is a potential development strategy that rich nations may adopt to assist developing countries.

TWO BASIC CONCEPTS

At the heart of the SCF community program are two concepts: self-help, and self-sustaining projects.

"We agree with Tanzania's President Nyerere," says SCF program director, Dr. Melvin Frarey. "People cannot be developed; they must develop themselves.

"The key is for developing communities to make their own decisions [on projects] based on viable alternatives," he continues. "When they make the decisions on priorities, they get behind it instead of us coming down there and dictating what's to be done."

Dr. Frarey sees the role of the SCF as a catalyst, easing communities over stumbling blocks and providing them with their first material input.

The goal is for the program in each "target" community where the SCF operates (currently 29) to become self-sustaining, allowing the SCF to drop out of the picture.

"A breakthrough in community development is coming," predicts Mr. Guyer. "The ecological and urban problems of this decade are giving people a greater realization of their interdependence. People have to work together."

A PLAN FOR THE NATION'S RAILROADS

Mr. HARTKE. Mr. President, I have become increasingly concerned about the need to devote a more adequate share of our resources to the development of existing technology in the field of rail transportation and to the research and development of new technology for high-speed ground transportation of passengers and freight. Recent events have demonstrated to the American people the need for a healthy rail transportation system for the movement of both passengers and freight, and the shortcomings of our current system are becoming more evident. In order to avert what may be the movement toward outright nationalization of rail transportation facilities in the United States in the face

of inadequate service, I am becoming convinced that we must develop adequate legislative mechanisms to divert sufficient resources into our rail transportation system to assure its health and viability.

The self-evident wisdom in the decision made by many countries, such as England, to allocate resources to the development of a strong and healthy rail transportation system is now becoming clear; their investment is now paying substantial dividends. Not only can freight be transported efficiently and reliably, giving good service to customers, but the quality transportation of passengers by rail is becoming increasingly desirable. I am hopeful that my colleagues will join me in what must constitute substantial legislative efforts in this regard in the near future.

Mr. President, I ask unanimous consent that a recent editorial from the Kokomo, Ind., Tribune be printed in the RECORD at the conclusion of my remarks. This editorial accurately summarizes many of these issues and reflects the increasing public awareness of the need for a healthy public transportation system in the United States.

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

[From the Kokomo (Ind.) Tribune, Apr. 10, 1974]

HARTKE'S RAILROAD PLAN

U.S. Sen. Vance Hartke makes a strong and impressive case for revitalizing America's railroad system by building high-speed trains that would cut traveling time radically and avert the problems of motorcar pollution caused by an over-saturation of automobiles on the streets and highways.

Writing in Pageant magazine, the Indiana senator says there is a simple choice before us: we can have a high-speed rail system, second to none; or we can sell steel rails for scrap and drive more motor cars, crowd into narrower living spaces, breathe more fumes, and turn the world's finest interstate highway system into the world's biggest parking lot.

Hartke isn't proposing to replace the automobile. The motor car has a proper place and will continue playing a big role in transportation, he says, but dependence on it could be relieved by a fast efficient and popular rail system.

Last year Hartke proposed legislation for a pilot project offering rail schedules between major East Coast cities for traveler-commuters, hoping it would catch on across the nation. He says research by government agencies demonstrates that high-speed rail corridors can be built between cities by adapting existing ground-level trackage to sustain average speeds of 150 miles per hour.

He agrees that curves would have to be straightened, tracks welded and upgraded, and says electronic signaling and controls would need to be installed and rights-of-way isolated for scurity.

In addition, he says, engineers experimenting with unconventional rail-like systems predict that elevated rights-of-way can be built to accommodate vehicles at speeds of 300–400 miles per hour, and by 1986.

The cost for such a system would not be prohibitive, he contends, if one measures standards applied to transportation generally. The estimated total cost is $5.5 billion—roughly one year's accumulation by the Highway Trust Fund, and less than half a billion dollars annually if spread over the life of the contract.

Hartke writes that the system he envisions could produce a travel time of 20 hours between New York and Los Angeles, and one hour and 50 minutes between Washington and Boston, with much shorter times over shorter distances. All that America needs to accomplish this is will of purpose, he declares, adding that the benefits would be regeneration of impacted, decaying cities and bringing rural areas closer to the mainstream of national, economic activity.

Where services are upgraded, riders and revenue increase and there are lower costs and thus lower fares, the Senator argues. "America literally can move, or stand still and begin the breath of death," is the way he puts it.

He points out that the Japanese, Germans, English, French, Spanish and Scandinavians all are building or have built high-speed rail systems, while the U.S. Department of Transportation "talks seriously of allowing the 20,000-mile Penn Central Railroad to fall into oblivion."

The Senator's article was directed chiefly to the opportunity to build a topnotch passenger system, but the improvements he envisions—in particular the upgrading of trackage—would constitute an immense benefit to freight service, too.

Saying he is convinced that the financial crisis of the railroads today bespeaks no more than a weakness of will, he calls for America to "seize upon bankruptcy as an opportunity to build from the very fires of destruction, a new Phoenix." It is quite a challenge, an imaginative one, and one that America ought to be capable of accepting and translating into reality.

THE RECOVERY OF ENERGY FROM SOLID WASTES

Mr. DOMENICI. Mr. President, during the last 2 weeks, the Panel on Materials Policy of the Committee on Public Works has been holding hearings on several pending bills whose purpose is to enhance the recovery of energy from solid wastes. The Panel was created by the distinguished chairman of the Public Works Committee, Mr. RANDOLPH, and is chaired by him. It is my honor to serve with him on the Panel.

The problems involved in putting our wastes back to work are many, and they are complex. As a former mayor, I have looked at some of them from the other end of the telescope. I hope to be able to help in their solution from this end.

Whatever solutions we may propose will depend on the dedication and leadership of our chairman, the Senator from West Virginia. This morning, he spoke to the U.S. Chamber of Commerce on this subject. His speech clearly presented the magnitude of the problem we face. He summarized the crucial problems with which we must deal, and, perhaps most important, gave a realistic appraisal of our present state of progress and the next steps which might be taken.

While I have some ideas of my own on measures which may provide incentives to mine our trash piles, Senator RANDOLPH's speech inspires my confidence that the bill which we will soon report to this body will be both forward looking and soundly based. I commend the speech to my colleagues as a preview of coming attractions.

Mr. President, I ask unanimous consent that the full text of Senator RANDOLPH's speech be printed in the RECORD.

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

SOLID WASTES—AN UNTAPPED RESOURCE

When Athelstan Spilhaus was President of the American Association for the Advancement of Science he said "Waste is simply some useful substance we do not yet have the wit to use."

Should this be true, then we are indeed lacking in wit. The quantities of resources that pass through our economy, to be discarded as solid waste, are staggering.

Urban wastes amount to 230 million tons annually, while our society is generating 4.4 billion tons—the principal sources of solid wastes are animal wastes, 1.7 billion tons; and agricultural wastes, 640 million tons. Industrial sources account for 140 million tons.

However, by the year 2000 the United States will have to cope with 12 billion tons annually if current *ad hoc* materials policies are perpetuated. To avoid an escalation of the current unsatisfactory situation, we must institute a comprehensive rational National Materials Policy which closes the present cycle of resource extraction, use, and discard to include reuse as a fundamental premise. We must eliminate the word "waste" from our vocabulary and substitute the word "conservation."

The driving force is the fact that we may be unable to sustain our society unless we extend the conservation ethic to raw materials. We are committed to clean air and clean water. We must be equally committed to clean cities and clean countrysides and the repeated reuse of non-renewable resources that are becoming more and more precious.

Solid wastes exemplify our wholesale depletion of renewable as well as non-renewable resources. In 1971, packaging consumed 5 percent of U.S. industrial energy to generate over 40 million tons of solid waste that was thrown away at substantiated public expense.

Many well-intentioned individuals have attacked the symptoms of these problems, usually, for example, with attempts to ban, tax or place deposits on beer and soft drink containers.

During our hearings in the past two weeks, representatives of 1.7 million workers who would be adversely affected by a bottle or can ban testified in opposition to such an action. The solution ultimately rests with recycling and reuse.

It is estimated that our country will have to spend $500 billion or $600 billion in the next decade to achieve energy self-sufficiency. This entails a $5 billion or $6 billion expenditure for each percent increase in energy supply. Yet an investment of only $5 billion for energy recovery from municipal solid waste streams will produce 2.5 percent of the increase in the national energy supply. This is two and one half times more cost effective than developing new conventional energy sources.

Earlier this year Interior Secretary Rogers C. B. Morton warned that the United States in the next few years could face a minerals crisis, one even worse than the energy crisis. As the world's most prodigious consumer of materials, we must now turn to recycled materials to supply our industrial machines.

Significant achievements toward materials conservation are possible through programs which encourage the reduction in unnecessary use of materials, the reuse and repairability of products and the extension of product lifetime.

There is considerable support for the concept of resource recovery; however, there is room for improvement. For example, recycling of paper could easily drop from 20 percent in 1970 to below 17 percent by 1985. Yet with proper incentives an actual in-

crease in the recycling of paper could be achieved approaching 26 percent. Achievement of this goal could save our country some $230 million in solid waste disposal costs.

First, the Federal government must eliminate unsafe collection and disposal practices.

Next, the Federal government must encourage reuse and recycling of materials and conservation of energy.

Third, the Federal government has a special obligation to establish purchasing policies which emphasize the use of these materials.

Reuse of non-renewable and renewable resources was the fundamental premise of the 1970 Amendments. The world is faced with finite natural resources on which to draw for economic growth and solid wastes represent a virtually untapped source of materials.

Several bills—S. 3277, by Senator Domenici; S. 3549, by Senator Muskie; and S. 3560, which I introduced—all place a strong emphasis on resource recovery through grants, loans and technical assistance to state and local governments. These provisions attest to the almost unquestioned need for the country to embark on a very serious national policy geared to recycling.

Federal minimum standards are needed for disposal of solid wastes consistent with comprehensive regional waste management plans. Federal incentives are needed to stimulate further development of resource recovery techniques.

There also is a considerable body of evidence that our current freight rate structure discriminates in favor of the transportation of virgin materials. Should this be the case then legislation on resource recovery should require at least equitable treatment by the ICC, if not preferential freight rates.

Legislation is needed that represents a positive and far-reaching approach—which commits our country to a national materials policy of resource recovery.

My legislation takes such an approach. In carrying out such a policy it recognizes the validity of an area-wide viewpoint in solid waste management. The bill provides for the area approach and provides assistance for planning and execution.

Under my proposal, the Environmental Protection Agency is required to establish standards for solid waste disposal in communities of over 2,500 population. They must prohibit all open dumping or burning and comply with requirements of the air and water pollution Acts.

Achievement of significant abvances in resource recovery will require assured and stable markets for recycled materials such as steel, aluminum, glass, paper, and plastics. Such markets will be guaranteed under Section 218(a) of S. 3560. This places a heavy responsibility on industry to guarantee markets for recovered resources. Moreover, the full impact of these guarantees will not be known until the EPA Administrator promulgates regulations.

It appears that our consumption of virgin resources can be significantly curbed by a true commitment to effective reclamation and recycling. Rather than squandering resources by dumping them, we must recycle them again and again.

The technology now exists to recycle increasing quantities of materials. We must now commit ourselves to installing the systems and restructuring the market to encourage and absorb recycled materials.

Solid waste management and energy questions are closely related. I believe there is a real future for technologies which extract energy, as well as solid materials, from wastes. One firm, Union Carbide Corporation, is conducting a very promising demonstration program in this area near Charleston, West Virginia. With an investment of $3 million of its own funds, Union Carbide is operating a plant with a capacity to recover usable gas from 200 tons of raw municipal garbage a day. This could be the equivalent of one barrel of oil for each ton of garbage processed.

Should recycling not be successful, source reduction may be the only alternative. And I say this recognizing that implementation of a national all-reusable beverage container system could result in the loss of employment for some 60,500 people who would have to be accommodated elsewhere in the economy. This would be a rather dramatic adverse impact in the interest of litter control.

At this time we are just entering the recycling era and we do not have enough practical experience on which to determine whether source reduction, such as the banning of non-returnable containers is in the overall national interest.

In a sense, solid waste management was our first generation effort.

The second generation—recycling—has yet to be tested. However, the foundation for such a national policy was established in the 1970 Resource Recovery Act.

The third generation is product design to improve the potential for materials reuse.

We have yet to consider the wider range of options beyond ban-the-can proposals, for example, the modification or redesign of products to enhance their potential for recycling.

Source reduction should be employed only as a last resort where necessary to reduce or realocate consumption away from scarce materials. It remains to be determined whether recovery techniques can be made efficient enough to handle this resource depletion problem.

Both returnable bottles with 10-trip lives and non-returnable bottles with one-trip lives ultimately end up in the solid waste stream. Regardless of its original form, this resource will be lost forever if we cannot recover, recycle, and reuse those materials, as well as the hundreds of similar packaging materials that flow through our grocery stores or other distribution outlets.

Through legislation developed by the Senate Committee on Public Works, significant Federal programs have been mounted to conserve and enhance the quality of the air we breathe and the water we drink.

During this same period, insufficient attention has been given to pollution of the land and to the growing problem of solid wastes. Despite enactment of the Resource Recovery Act of 1970 and its predecessor, the Solid Waste Disposal Act of 1965, no major Federal program has been initiated. Our States and communities continue to need the basic technical and financial assistance to cope on a realistic scale with solid waste management.

In order to examine in detail issues relating to a National Materials Policy and to work toward their solutions I created the Panel on Materials Policy.

During present hearings the Panel will explore how best to strengthen the program of the Environmental Protection Agency to provide a realistic and workable response to the multiple solid waste questions that have been posed. After these hearings we will draft a comprehensive solid waste management and resource recovery measure that will facilitate substantial new efforts which build on programs developed pursuant to the Disposal Act of 1965 and the Recovery Act of 1970.

Our Nation and its people produce 4.5 billion tons of solid waste a year. We must give major attention to ways of converting this waste into useful materials. We face a complex problem but we can solve it.

America has grown rich with use-and-discard attitudes made possible by what we thought was an inexhaustible supply of resources. Reality is now forcing us adopt conservation attitudes and to develop the potential for re-using many materials formerly considered waste.

Premier Khrushchev said he would "bury us." That boast has not been achieved. But nearer home—on our own land—we must act wisely to curb a "burying" threat that could badly cripple our economy and slow our progress toward realism in the use of this vast untapped resource.

ETHNIC STUDIES PROGRAM ACT

Mr. SCHWEIKER. Mr. President, implementation of the first year of the Schweiker "Ethnic Heritage Studies Program Act," Public Law 92–318, title IX of the Elementary and Secondary Education Act of 1965, has been completed. I would like to report to my colleagues on vast untapped resource.

Guidelines for the program were not published in the Federal Register until April 12, 1974, with a May 17, 1974, deadline for submission of applicants. In this short 1-month time period, an incredible number of applications, 1,026 were received by the Office of Education, requesting a total of $83,152,631. Only $2,375,000 had been appropriated for the program, and thus only 42 grants for fiscal year 1974 were able to be awarded for 39 projects in 27 States and the District of Columbia.

The diversity and geographical distribution of the applicants interested in participating in this new program were also impressive. Applications were received from every State in the country, the District of Columbia and Puerto Rico. One of the goals of the act, encouraging various ethnic and minority groups to work together in their local communities, is already being met, as indicated by the large number of multiethnic project applications received. The Office of Education reports that proposals were submitted from urban, suburban, and rural areas, representing project applications at metropolitan, regional, statewide and national levels. Office of Education officials report that there has never been such widespread interest in a new program, and that this massive outpouring of applications in such a short time is unprecedented.

Mr. President, at the conclusion of these remarks, I ask unanimous consent to have printed in the RECORD the June 30, 1974, "Information Sheet," prepared by the Office of Education, describing the implementation of the Schweiker Ethnic Heritage Studies Program Act for fiscal year 1974.

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

(See exhibit 1.)

Mr. SCHWEIKER. The Senate-House conference committee on H.R. 69, the education bill, has already approved my Senate-passed amendment to extend the Ethnic Studies Act for 4 years, through fiscal year 1978. Once this 4-year extension is ratified by the full House and Senate, and signed into law, I look forward to close cooperation between the Office of Education, Congress, ethnic and minority groups, community organizations, and educational institutions to

further develop the impressive momentum begun in the first-year fiscal year 1974 program.

As the legislative history of the Ethnic Studies Act indicates, and I have stressed this many times as the author of the act, the initial implementation of the act was essentially a "pilot program." This limited pilot program meant that over 97 percent of all applicants were not able to be funded this year, and that worthwhile proposals in many States and regional areas were not included in the initial start-up funding.

One of my major concerns in drafting the bill was to guarantee the active participation in the program by ethnic, minority, and community groups. The focus of the bill is on educational development and curriculum materials, and educational institutions have an important role to play. But equally important is the grass roots participation of members of a local community.

This is why the requirement of local advisory councils for every project funded under the act was put into the law. The legislative intent is for these advisory councils to have a meaningful role in the ethnic studies programs. Every project, whether conducted under the auspices of an educational institution or an ethnic or community group, must reach into the local community.

I will be working closely with all groups, and with the Office of Education, to insure that the program guidelines, and the project grants, reflect this emphasis on ethnic, minority, and community group participation in the Schweiker Act.

A word of praise is due to the Director of the Ethnic Heritage Studies Branch in the Office of Education, Dr. John Carpenter. He has worked hard to implement the program in a short period of time to set up program evaluation guidelines and procedures that would be fair to all applicants, and to meet the goals of the legislation. The first-year "start-up" of this act would not be as far along as it is today without his personal commitment to the constructive goals of ethnicity and without his tireless efforts. I am proud to note he is a native of Wilkes-Barre, Pa. I look forward to working closely with him to build on this first-year effort, and to make the program even better in the future.

The purpose of the Schweiker Ethnic Heritage Studies Program Act is to encourage greater understanding of the ethnic backgrounds and roots of all citizens in America. It's goal is to help achieve greater mutual understanding and mutual cooperation among all people as a constructive force in all American communities.

I am pleased by this first-year "start-up" record. There are improvements that have to be made, of course, as there are with any new program but I look forward to working with my colleagues, and all interested groups, to achieve significant progress in the Ethnic Studies Act in future years.

EXHIBIT 1

THE ETHNIC HERITAGE STUDIES PROGRAM
TITLE IX, ELEMENTARY AND SECONDARY EDUCATION ACT

1. Program purpose

a. to afford students an opportunity to learn more about the nature of their own heritage and to study the contributions of the cultural heritage of the other ethnic groups of the nation.

b. to reduce the educational disadvantage and social divisiveness caused by personnel and curricula which do not recognize the cultural influences in the lives of individuals and communities.

c. to recognize and realize the educational gains which can result from cultural pluralism in a multiethnic nation.

d. to engender in citizens of our pluralistic society intercultural competence—self-acceptance, acceptance of one's culture, and acceptance of persons of other cultures.

2. Program policy

"In recognition of the heterogeneous composition of the Nation and of the fact that in a multiethnic society a greater understanding of the contributions of one's own heritage and those of one's fellow citizens can contribute to a more harmonious, patriotic, and committed populace, and in recognition of the principle that all persons in the educational institutions of the Nation should have an opportunity to learn about the differing and unique contributions to the national heritage made by each ethnic group, it is the purpose of this title to provide assistance designed to afford to students opportunities to learn more about the nature of their own heritage and to study the contributions of the cultural heritage of the other ethnic groups of the Nation." Title IX, ESEA

3. Appropriation

In Fiscal Year 1974 the total amount appropriated for Title IX, ESEA, was $2,375,000.

4. Period of application for support

The criteria of eligibility and selection, based upon the Act, were published in the *Federal Register* on April 12, 1974 and concomitantly were published in the *Guidelines for Application*. As stated in the *Federal Register* it was required that all applications arrive at the OE Application Control Center by close of business on May 17, 1974 or be mailed by registered or certified mail by May 13, 1974.

More than 14,000 copies of the *Guidelines* were mailed by the Ethnic Heritage Studies Branch to ethnic associations, school districts, state departments of public instruction, post-secondary institutions and, on request, to interested individuals. As defined in the Act, "the Commissioner is authorized to make grants to, and contracts with, public and private nonprofit educational agencies, institutions, and organization . . ." Title IX, ESEA

5. Type and amount of assistance

Assistance was provided as a result of competitive applications. Approximately 40 grants were provided during Fiscal Year 1974.

The maximum grant for a regular project did not exceed $95,000. Three special grants of $170,000 and a fourth special grant of $110,000 were made in accordance with the financial provisions described in the *Guidelines*. The special grants were awarded for applications proposing either major urban or rural area programs or State, regional, or national programs.

6. Type, amount, and sources of request for assistance

a. The Office of Education received 1,026 applications for approximately 40 grants in Fiscal Year 1974. 97.3% of the proposals were unfunded.

b. The amount of support requested by eligible proposals was $83,152,631. The appropriation represents less than 2.7% of the amount requested in the eligible applications.

c. Proposals were received from every State and from the District of Columbia and Puerto Rico.

d. The majority of applications received and funded proposed multiethnic projects. They were prepared as a result of the cooperation of numerous ethnic groups and educational institutions.

e. Proposals were submitted from urban, suburban and rural areas. They included metropolitan, regional, State-wide and national initiatives.

f. A broad spectrum of ethnic diversity was evident in the applications. It is estimated that more than 50 different ethnic groups were associated in the proposed initiatives.

7. The Evaluation and Selection Process

The basis of the evaluation was 26 general and specific criteria published in the *Federal Register* on April 12, 1974, and promulgated simultaneously in the *Guidelines for Application*. A *Technical Review Form* containing these criteria was used by each reviewer in evaluating every application. The degree to which the application met the criteria was determined for each criterion.

Sixty-eight field and federal personnel participated in the Technical Review Process. Each application was reviewed by a panel which included expertise in ethnicity, curriculum and personnel development, social sciences and/or humanities. On every panel, one member possessed ethnic background related to the ethnic group or groups with which the project was concerned. Reviewers were chosen from among specialist who had not presented a proposal or who were not members of organizations which in part or *in toto* has applied for support under the Act. All applications benefited by evaluations and ratings of three individual reviewers. Thereafter, the reviewers, as a panel group, recorded criteria averages and provided ratings of each proposal as "highly recommended," "recommended" and "not recommended."

The names of the reviewers who participated in the evaluation and selection process may be obtained by writing to the Ethnic Heritage Studies Branch.

8. Period of Obligation

The funds appropriated were obligated by June 30, 1974. Successful proposals resulted in agreements with the Office of Education. Applicants who submitted proposals which were not selected were so informed in writing during the last week of June.

CHILD ABUSE

Mr. MONDALE. Mr. President, as chairman of the Subcommittee on Children and Youth, I have been deeply concerned with the problems of child abuse, and have therefore worked with my committee to draft proposals which would help to prevent and rectify the injuries and injustices caused by these detrimental incidents. For several months our committee conducted an investigation, held hearings, read reports, listened to testimony, and visited victims to learn of the nature and severity of the problem. Based on our research, the Child Abuse Prevention and Treatment Act was introduced, passed, and signed into law on January 31, 1974. It is my hope that this measure will provide the extra support

needed by agencies like Child Protective Services of Hennepin County to serve battered and neglected children and their families.

I request unanimous consent that an article from the May 20 issue of the Minneapolis Star be printed in the RECORD.

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

CHILD ABUSE: IT RANGES FROM SWEARING AT A YOUNGSTER TO MURDER

(By Randy Furst)

Molly Johansen, 19, knows the meaning of child abuse—first hand.

She's lived in terror of her father most of her life.

She's been beaten with a belt, slugged, thrown and dragged by her hair. "It was unbearable," she says. "And he did it to all the kids and did it to my mother too. The first time my brother was beaten, he was 3 weeks old."

Molly's father beat her and the others when he was drunk. He beat them when he was sober.

Today, Molly lives in an apartment by herself in a Twin Cities suburb. She bares the emotional scars of a battered child.

Molly's name is ficticious. Her story is real. Prof. David Gil of Brandeis University, an expert on child abuse, estimates that as many as two million youngsters are the victims of child abuse in the United States each year. But he says that no one knows exactly how many. Most child abuse goes unreported. Gil estimates that from 500 to 1,000 children each year are beaten to death.

The case of Molly Johansen is an extreme one. Evidence of less severe abuse of children is far more common.

The Child Protective Services of Hennepin County, for example, says that 85 percent of its cases of physical abuse to children are labeled "moderate"—the bumps, bruises and welts that mostly come from beatings.

Often a family or personal crisis is the precipitating cause of the beatings.

"We're all potential child abusers," says Martin Coyne, a unit supervisor in Child Protective Services. He says he believes that physical punishment "is an extreme punishment and frankly it should be resorted to seldom, if ever."

To help parents come to grips with child abuse, a program has been launched by the Hennepin County Mental Health Center at Hennepin County General Hospital.

At weekly Monday evening group sessions, parents are encouraged to discuss problems with child discipline. Marsha Eldot, a psychiatric social worker, says the group is for parents who have concerns about mistreating or neglecting their children.

"The purpose is to help parents learn more appropriate child-rearing practices," she says, "and to let them know that they are not alone in their problem. We want to offer support to parents."

She says she hopes the sessions will help stem the abuse problem before it becomes "severe." The hospital also has available a Crisis Intervention Center and, along with Child Protective Services, does education on child abuse in the community.

Psychologists and social workers interviewed last week appear to agree on one basic precept: Parents who engage in child abuse, for the most part, love their children. But in a family beset with problems, the kids can become the scapegoats.

David Malone, 38, a south Minneapolis construction worker, accepts "95 percent of the blame" for the beatings he administered with a belt to his two children a year ago.

Malone is separated from his wife. After the beating, the children ran to a neighbor's house, the neighbors called police and eventually the children were taken away by welfare officials and placed in a foster home. Malone feels he was tricked into giving the children up by the Child Protective Agency.

But a year later, Malone talks about the beatings calmly. "I came home one day and caught my 8-year-old son teaching his younger sister how to strike matches," Malone says. It had not been the first time he'd seen the boy playing with matches, Malone says, but this time the anger boiled over. Instead of the usual spanking, he went for his belt.

"Things were building up," says Malone. "Baby-sitting problems, money problems, job problems, I was mad."

Malone has had a number of counseling sessions with a psychologist at Hennepin General. His children will be returned to him soon and today he looks at discipline differently.

When you're about to explode, Malone advises parents, "leave the damn belt alone and instead sit down and talk it out. They may be just kids—but they're human beings. If they're rebelling, they may be doing it to annoy you. So sit down with them and find out why."

In its offices at 407 S. 4th St., the Child Protective Services handled 586 cases last year involving child abuse and neglect. There were five children's deaths in Hennepin County last year believed to be due to child abuse, and six other deaths statewide.

The number of cases of child abuse in the area is "far below the national trend," says Martin Coyne, who works in the agency. "One reason is that the Hennepin County area has nothing that resembles the crowded, deplorable conditions that exist in some major cities of the country."

Coyne says his agency does not regard spanking in and of itself child abuse. But it becomes that, he says "when it is carried to the extreme" resulting in bruises and other injury and "causes undue emotional upset to the child."

Coyne's advice to school and other social service personnel as well as the average citizen is to report child abuse cases to his agency.

"If you know of someone in your neighborhood," he says, "I'd confront him first and say, 'Listen Joe, you cut out beating up your kid or I'm going to report you.' "

When a case is referred to the agency, Coyne says a case worker "responds immediately to preclude further abuse of the child." Coyne says the worker will "begin immediately to work with the family to identify the problem and the solutions which will allow the child to remain in his own home in a secure and satisfactory environment."

He says that 8 percent of the agency's cases involving physical abuse wind up in court. The court may take the child from the parents. The child may temporarily be placed in a foster home.

Coyne says that before parents are taken into juvenile court, the family is "offered services and the parents are either unwilling or unable to protect their child and the parents are unable to make positive changes."

Coyne contends his agency "is not here to punish the parents for wrong-doing, but to protect the children and make every positive effort within our ability and resources available to help families stay together—happily and securely."

Three years ago, Vincent DeFrancis, director of the children's division of the American Humane Association, hailed the county's protective service facility as the best such public agency in the country.

Nonetheless, there is no unanimity on how to combat child abuse.

Gil, author of a 5-year federal study on child abuse, criticizes current approaches by governmental authorities. Gil's study, considered among the most exhaustive ever done in the United States, is reported in his book "Violence Against Children."

Gil says agencies like Child Protective Services and programs such as those that have been launched at General are needed. But he argues that they don't attack the "root causes" of child abuse—the social structure which he says promotes "economic and social inequality.

"Parental abuse is a very minor problem compared to what society does to children," Gil said in an interview last week. "We are using parents as scapegoats. We're making a big noise about parental abuse and we don't pay attention to the legally sanctioned abuse that goes on all the time."

Gil terms the federal program of Aid to Families of Dependent Children (AFDC) as "child abuse on a massive scale." He says that insufficient welfare payments forces children "to exist at a level that is inhumane."

"Children are not fed properly," Gil says. "They are not housed properly. Other families won't let their children play with an AFDC child which interferes with their development."

Gil says that child abuse is a symptom of general social injustices. Until families lead a harmonious existence and fundamental social changes are made, child abuse will continue, he says.

Indeed, attitudes about children and discipline are changing. Sue Lund, a clinical psychologist, talks about "children's rights." Corporal punishment, once widespread, is now considered child abuse by many in the social work and psychology field, although it continues in some areas.

"Emotional abuse" such as constant berating of a child or swearing at children for example is also viewed today as part of the child abuse syndrome. Some psychologists call emotional abuse more dangerous than beatings, because the bruises will heal, while the emotional scars will remain.

The rise of the women's movement, says Mrs. Lund, has focused the spotlight on the women's role of subservience to her husband. Often the wife's role is confined to raising children. For those who seek careers or a life outside the home, staying with the children 24 hours a day can increase family tensions.

Welfare case records show that women, more than men, are responsible for physical child abuse.

"I need to get out of the apartment sometimes," says a mother who participates in the group sessions at Hennepin County General Hospital. "If I can just get away from these four walls and be by myself sometimes, it can relieve the tension."

The mother said that at times she has beaten her infant if the child didn't behave.

"I'd hit him," she says, "and then I'd ask myself, 'What am I doing.' "

Now she's attending the weekly sessions and says she's learning she's not the only parent with problems. She says she's beginning to understand herself. Discussing the problem, the mother says, "is what I need."

SOME 60,000 CASES—600 DEATHS

(By Gordon Slovut)

A doctor in Minnesota—or any other state—is legally required to report suspected cases of child abuse to the proper authorities.

The laws protect the doctors against liability suits "regarding release of information."

So says Dr. Barton Schmitt, pediatric consultant to the National Center for Prevention and Treatment of Child Abuse and Neglect, but he adds:

"Despite these laws, physicians sometimes go to great lengths to avoid diagnosing child

abuse. They often fear that detection and reporting of child abuse will require them to personally treat this complex psychosocial problem.

"The responsibility for proper treatment rests with the child protective agency in the community—not with the physician."

Schmitt, who took this internship and residency training in pediatrics at the University of Minnesota Hospitals, is on the staff of the University of Colorado Medical Center. He was in the Twin Cities recently to address the annual meeting of the Minnesota Academy of Family Physicians.

During that appearance, he told the doctors that they aren't playing it safe if they fail to report suspected cases.

Doctors can be prosecuted under criminal law for failure to report such cases and there is a case in California where a doctor is being sued in a civil action on grounds that he should have reported a case of child abuse, Schmitt said.

In the United States, he said, child abuse happens to 60,000 youngsters per year—and 600 of the cases end in death.

There are, says Schmitt, five general classifications:

Physical abuse. These involve injury in anger (a parent hits a child for misbehaving), harsh punishment (such as dipping a child in scalding water), accidents due to neglect and deliberate assault or murder.

Nutritional neglect. This is the most common cause of underweight infants—60 percent of the cases of failure to thrive are caused by this. These infants, when kept in a hospital, usually start gaining weight quickly.

Sexual abuse. A stepfather or a mother's boyfriend is more likely than a natural father to be involved.

Emotional abuse. Continual scapegoating, terrorizing and rejection of a child. This is difficult to detect, but "these children are eventually physically abused, abandoned or imprisoned in their room."

Medical-care neglect. When a child with a chronic disease deteriorates because the parents ignore medical recommendations, "reporting and foster placement may be indicated."

Schmitt says most parents who abuse their children were abused as children and "are often lonely, immature, isolated, unloved, depressed and angry people."

He said doctors sometimes can diagnose child abuse by detecting several symptoms.

These can include no explanation for an injury, a description of the injury that is vague, bizarre or variable; the baby is so young the type of accident, such as a fall, is unlikely to have caused the damage; accidents happen repeatedly; parents have delayed in seeking medical care; parents disappear during the child's admission to the hospital; the child hasn't had immunizations and there have been previous, untreated illnesses, and the child's condition in the hospital doesn't bear out the parent's contention that the child has a poor appetite, vomits a lot or has diarrhea frequently.

He also told the doctors there are a number of "signs" of abuse such as tiny hemorrhages in the retina of the eye—damage that can occur from severe shaking of a child by his shoulders.

What should a doctor do when he suspects the basis for a problem is child abuse or neglect?

The first thing, says Schmitt, is "hospitalize the child' to give him protection "until the safety of his home can be evaluated."

What's the outlook in child abuse cases?

"In cases of child abuse where the child is returned to his parents without an intervention, 5 percent are killed and 35 percent suffer permanent physical damage from repeated abuse," Schmitt said.

"The untreated survivors also have emotional problems. Physically abused children often relate violently to the world when they grow up; emtionally deprived children often relate only shallowly to people.

"Early detection and intervention are mandatory in the syndrome known as the battered child."

In a city of 100,000, he said, 30 cases of child abuse can be detected every year.

In a metropolitan area of 2 million persons, such as the Twin Cities area, that would mean 600 cases could be detected every year.

Does the fact that fewer than that are reported mean there's less child abuse in the area?

"When neglect cases are vigorously reported," he says, "their numbers will equal the (projected) figures," Schmitt said.

CAPTIVE NATIONS WEEK

Mr. BEALL. Mr. President, this week, pursuant to an act of Congress in 1959, we in this coutry mark Captive Nations Week. It is a time when we reaffirm our continuing sympathies and concerns for those people throughout the world who seek freedom and individual self-determination, but are forcibly prevented from reaching these priceless goals.

Our country has over the past months moved toward developing improved relations with all nations of the world. However, we must not allow these new relationships to mask the fact that millions of citizens in the captive nations still long for liberty. We must continue to remember these people, and their desires. As the principal spokesman for freedom in the world today, our Nation can do no less.

SENATOR WEICKER AND FAMILY

Mr. HOLLINGS. Mr. President, on July 14, the Parade Sunday supplement in newspapers all across America featured a cover story on our friend and colleague, LOWELL WEICKER. Reading the article in my hometown News & Courier/Charleston Evening Post, I was struck by the perceptiveness of the profile as written by Mr. Lloyd Shearer.

Here is a portrait of a Senator deeply and totally dedicated to a government by law under the Constitution. Senator WEICKER minces no words, and he hits the nail on the head when he says:

I'll tell you this, most of the time we've gone wrong in this country, we've gone wrong because we departed from the U.S. Constitution and its spirit and tried to do things differently.

During the past year, people all over the Nation have had an opportunity to get to know this man better, and their response to his straightforward and uncompromising search for the truth has been very affirmative. People are looking for political leaders who believe in the people—believe in the Constitution—believe in America. If the turmoil of the past many months proves anything, it is that the heart and soul of America is clean and strong—the people still cherish their ideals. It is leadership that has failed. And it is through the efforts of people like LOWELL WEICKER that trust and confidence and truth will be restored to political office.

Mr. President, I hope that my action in requesting insertion of the Parade profile, will not embarass my good friend from Connecticut. I put it in the RECORD in order that those who may have missed the article will have a chance to read it, because it is the kind of thing we need to be reading.

Mr. President, I ask unanimous consent that Lloyd Shearer's penetrating story in the July 14 Parade be printed in the RECORD.

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

LOWELL THE LION-HEARTED: A PROFILE OF SENATOR WEICKER OF WATERGATE FAME

(By Lloyd Shearer)

WASHINGTON, D.C.—Before Watergate, Lowell Weicker, Jr., 43, first-term Republican Senator from the Democratic state of Connecticut, enjoyed one signal physical distinction: at 6 feet 6 he was the tallest member of the U.S. Senate.

Today, maverick Weicker, by virtue of his Watergate committee behavior and oratory, had developed another distinction, a moral one which positions him as the most vocally idealistic member of the U.S. Senate.

While cynics and diehards have sought to rationalize the evils of Watergate in terms of traditional politics, i.e., "They all do it . . . Politics is a dirty business . . . Every other administration has done the same things, sold out to big business, wiretapped enemies, pulled fast ones for major campaign contributors. . . ."—man-mountain Weicker has doggedly rejected the infection of such rapidly spreading moral jaundice.

"I don't want to hear that everybody does it," he bellows. "I come from the state of Connecticut, and I can only relate to the experience I've had in politics and government, [three terms in the state assembly, one term in the U.S. House of Representatives, 3½ years in the U.S. Senate] and believe me, everybody does not do it.

"This country is a decent place, peopled by honest, decent men, and that includes politicians. To say 'Everybody does it,' is to describe a pervasive rottenness that just doesn't exist in the United States, and I refuse to believe that it does.

"Do you know what to me was the most surprising, profound, and meaningful revelation of Watergate?" he asks. "It was," he declares, his words tumbling so fast that they trip over each other, "the incredible abuses committed by our law enforcement and intelligence community—the FBI, the Justice Department, the Internal Revenue Service, the CIA, the Secret Service, the military.

SOMETHING NEW

"Influenced by the White House, the abuses of these agencies have been unparalleled, at least to my knowledge, in the modern history of this country."

Removing his spectacles, rubbing his bright blue eyes, running the fingers of his right hand through his sand-color hair, Weicker asserts: "We can live with or without Richard Nixon. To me he is no more important than the four Cuban-Americans or any other individuals involved in Watergate. Individual guilt or innocence is something that has and will be determined by the judicial process, or, in the case of the President, by the Congress.

"In my judgment the major lesson of Watergate is that we cannot live with government agencies that are influenced or pressured to impose conformity of thought and action upon the people of this country by equating dissent with disloyalty.

"I pick up a newspaper," Weicker explains in mild outrage, "and I read that several weeks ago the FBI investigated Don Santarelli who happens to be a former law enforcement official himself. Santarelli is a

Nixon loyalist, if you will, yet he makes a speech in Norfolk, Va., in which he questions police crime statistics.

GETTING ANGRY

"Some people obviously disagree with him; so they pressure the FBI into sending an agent down there to check out what it was he said.

"Now I'm getting damn mad about all this business. The FBI has many valid functions to perform, but checking out citizens who disagree with them is not one of them.

"The same thing with the IRS. It has many valid functions to perform, but auditing and harassing American citizens on a so-called political enemies list is not one of them either. Neither is it the damn business of the IRS to audit the taxes of anyone who attends a rock festival."

(It was Lowel Weicker who, conducting his own investigation, revealed early this year a startling status report of a special compliance group organized inside the IRS in 1969, to collect information on all persons or groups advocating so-called extremist views.)

"Do you realize," Weicker says, "that this special compliance unit was supposedly set up to keep tabs on terrorist, subversive, and militant organizations. Yet in the hundreds of documents we examined, there wasn't one terrorist, one subversive, on militant individual or organization. The list consisted of Lowell Weickers, people like you and me."

Senator Weicker, who attended Culver Military Academy as a boy and later served as a lieutenant in the Army (1953–55), is a friend of the military. He has also supported Nixon's Vietnamization policies, "but how in heaven's name," he explains, "can anyone read Department of Defense surveillance reports about Army agents breaking into a guy's room in Berlin, an American civilian, and finding an autographed picture of George McGovern on the wall and not get angry?

"Now, gosh darn," he fumes. "I think it's incredible that our military men in Berlin have enough time on their hands to go chasing around, investigating American civilians who are guilty of the great crime, supporting Sen. George McGovern.

WHITE HOUSE MEMO

"Let me give you another example," he continues. "I write a column for weekly newspapers in Connecticut, and in a column I wrote several months ago, all I did was to reprint a memo written on White House stationery—and to me "The White House, Washington, D.C., is an address which has always represented integrity, honor, and decency.

"The memo was from Jack Caulfield to John Dean. In black and white, it sets forth a contemplated breaking and entering and burglary of the offices of Potomac Associates, one of those think-tanks. That memo speaks for itself in a thousand different, awful ways.

"It sure drives me up a wall when I think of all those guys over at the White House in 1972 who wore American flag lapel pins while they advocated burglary, wiretapping, committed perjury, impugned the patriotism of those who disagreed with them and tossed due process into the shredder."

BLAMES THE PUBLIC, TOO

Weicker blames not only the Nixon Administration and its unquestioning fanatics for Watergate, but he also blames the American electorate. "The quality of political ethics in a democracy," he states, "is determined by the voting public. In 1972 the electorate demanded peace at any price, quick answers to complex problems. It sought to protect accumulated wealth rather than expand opportunities for the poor.

"My feeling is that we have reached the point now where we have to decide what kind of democracy we want.

"Democracy," he declares, "is bloody inefficient, especially when it comes to law and order. The motif of the Constitution and the Bill of Rights is the importance and dignity and liberty of the individual, the freedom to blossom and flower and develop and grow and experiment as a person.

"If law and order is the prime requisite of our society, then there are other forms of government which are far more efficient. Our Constitution does not guarantee a structured peace. In fact it guarantees trouble, because it encourages a nation to strive, to seek out trouble, to find out where the raw spots are.

"I remember Martin Agronsky, the newsman here in Washington, telling me about one of his last interviews with the late Supreme Court Justice Hugo Black. Martin interviewed Black after the Supreme Court handed down a group of decisions which made it more difficult to convict criminals. Justice Black said, 'Martin, the whole Bill of Rights makes it more difficult to convict in America. It is far more difficult to convict a man if he has the right to a jury trial, the right to counsel. One of the major purposes of the Constitution and the Bill of Rights, our system of justice and its principles, is to make it damn difficult to close the prison doors on an American."

FOLLOW THE CONSTITUTION

Weicker maintains, "We've had less law and order in this administration, because people departed from the Constitution. Those guys over at the White House thought to voice dissent was to be disloyal, that those of us who disagreed were traitors. I'll tell you this, most of the time we've gone wrong in this country, we've gone wrong because we departed from the U.S. Constitution and its spirit and tried to do things differently."

It is inevitable that any Republican who so forcefully criticizes an incumbent Republican administration will stimulate retaliation. Weicker's mail advises him, among other things, to "go back to Russia where you obviously come from," to "stop betraying your country," and to "quit shooting your mouth off, because you're nothing but a stupid, silly jerk without an ounce of patriotism."

The Senator finds the equation "Disagreement equals disloyalty" particularly vexing. "Such logic," he points out," reflects the attitude of the Nixon Administration which sought to "get" the guys who disagreed with their policies.

THE PRESIDENT S SUPPORTERS

"Last year in February," he narrates, "I was invited to the White House for a 'Peace with Honor' reception. I learned that invitations were extended, not to the whole Congress in celebration of getting us out of Vietnam, but only to those of us who had supported the President's position. Since the reception was designated 'Peace with Honor' the implication was clear—those who had disagreed either did not want peace or they were dishonorable men and women.

"Apparently it never occurred to the White House that the people who doubted the correctness of our role in Vietnam were just as patriotic and helpful in getting us out of the quagmire as were the President and his supporters.

"Just thinking about that got me so mad I refused the invitation, and I haven't been asked back since. My role in Watergate," he adds, "was not one to endear me in the hearts and minds of the palace guard who extend White House invitations. No matter—I couldn't care less. No man should place popularity above principle."

Weicker suspects that "I'm never going to be anybody's darling—the Republican Party's or the Democratic Party's because I'm too outspoken, and I prize my independence too highly." Which is why he insists he has no designs on higher political office. "I don't want to be Vice President. I don't want to be President. All I want is to remain a U.S. Senator. I behaved the way I did in Watergate out of principle, not because I wanted to make a name for myself and climb the political ladder. I saw evil, and I exposed it.

"Hell, I'm no wild-eyed liberal who hates Nixon and everything on the conservative side. I supported Barry Goldwater very vigorously in 1964, and in 1968 I delivered four of our delegates to Richard Nixon. People who doubt my loyalty to the Republican Party forget the summer of 1972.

"There was a young Republican from Mississippi, Gil Carmichael, well-qualified, sensitive, intelligent, progressive, who was runing against Jim Eastland. I have nothing against Senator Eastland, but he's a Democrat. Carmichael, far more conservative than I am, truly representative of Mississippi, was a superb opposition candidate, but Agnew and Nixon abandoned him. They wouldn't support a Republican against a Democrat. I, myself, I had to go around the Senate and get 12 other Senators to come out in Carmichael's behalf. We found out during the Watergate hearings that there was a White House strategy to abandon certain Republican candidates when they were running against Democrats who were in tight with Nixon, and Jim Eastland is of course one of those Democrats.

"Then during the same summer, if you recall, there was the Youth for Nixon organization. I saw their operation in New Hampshire; and I considered it pretty much of a fraud operation. I called up Bob Dole [Senator Dole was Republican National Chairman], and I told him that insofar as Connecticut was concerned, I wanted the Young Republicans separated from the Committee to Re-Elect the President and placed under the Republican National Committee. The way that Committee to Re-Elect the President maneuvered—you could smell them a mile off."

Lowell Weicker, who describes himself as "scrappy, competitive, honest, and independent," has the wherewithal to remain so.

NO NICKNAME

He was born into a wealthy family in Paris on May 16, 1931, and christened Lowell Palmer Weicker Jr. "I've never had a nickname. People have always called me Lowell."

Weicker is the second son of Lowell P. Weicker and the former Mary Bickford Paulsen. His father was manager of foreign operations for the family business, E. R. Squibb & Sons, the well-known pharmaceutical house, at the time baby Lowell was born.

"My grandfather, Theodore Martin Weicker," the Senator explains, "came from Darmstadt, Germany, to this country about 1890 or so. He was a graduate chemist from the University of Heidelberg, and he had a job as U.S. branch chief for Merck & Co. He met Dr. Squibb, a pharmacist in Brooklyn, and together they set up what was to become a most profitable business. Grandfather Weicker acquired a controlling interest around 1904 or '05 and served as a leading officer of the company until he died in 1940."

CITY AND COUNTRY HOUSES

Weicker and his two brothers and sister were reared in New York City (Park Avenue), Long Island (Oyster Bay) and Connecticut (Greenwich), attended a series of expensive private schools. Lowell went to Buckley, Culver Military, prepped at Lawrenceville, entered Yale where he rowed, debated, majored in political science. One of his classmates was William F. Buckley, the vocabularian, TV performer and conservative columnist.

After graduating from Yale in 1953, Weicker served in the Army for two years, then entered the University of Virginia Law School, where he was graduated in 1958.

In 1953 he married Marie Louise "Bunny" Godfrey, a "Navy brat" from Rye, N.Y., whom he claims to have met at a Phi Gamma Delta houseparty at Yale. After "Bunny" was graduated from Connecticut College, having majored in psychology, they met again in

Paris. She went to work as a researcher at Fortune magazine, gave it up to marry Weicker and spend the next five years at Fort Sill, Fort Bragg, and Charlottesvillle, Va., where the first Weicker child, Scot, was born. The Weickers have two sons, Scot and Gray, and an adopted son of sorts, Brian Bianchi. Brian's parents were close friends of the Weickers. When they died recently, the Senator and his wife asked Brian to move in with them. They have since become his legal guardians.

Lowell Weicker entered politics two years after he was admitted to the Connecticut bar in 1960. He was elected to the Connecticut state assembly for three terms, simultaneously worked as Greenwich's First Selectman, the equivalent of mayor, and earned good marks in the suburb of the millionaires by keeping the local tax rate low.

In 1967 he decided to run for Congress. He campaigned long and hard—"I lost 35 pounds in the campaign"—but won the seat in the House, representing Connecticut's Fourth Congressional District.

As a freshman legislator, Weicker drafted an amendment to the Housing and Urban Development Act of 1969, insisting upon the replacement of demolished housing units on a one-for-one basis. The legislation was passed, earning Weicker the reputation of being a "comer."

Three and a half years ago, "even though it meant facing my eighth election in eight years," Weicker decided to run for the U.S. Senate seat held by the late Sen. Thomas Dodd, a politician with an inordinate liking for money and alcohol. In a three-way general election against Dodd, who ran as an independent and Joe Duffey, who ran as the Democrat, Weicker, representing the Republicans, was elected with 42 percent of the vote. Duffey, who got 34 percent, and Dodd, who received 24 percent, killed each other off, allowing Weicker to win with only a plurality.

HIS COMPANIONS

It was the veteran Hugh Scott, Senate minority leader, who recommended Weicker for the Watergate committee and thereby brought him into national prominence. The other two Republicans on the seven-man committee was the quick-tempered, hapless Edward Gurney of Florida and the diminutive front-runner Howard Baker of Tennessee.

Of these three it is probably Weicker whose performance was most memorable, particularly his emotional outburst on June 28, 1973 that "Republicans do not cover up . . ., do not . . . threaten, do not commit illegal acts. And God knows, Republicans don't view their opponents as enemies to be harassed." It was a brief but moving speech which prompted an immediate, enthusiastic ovation by spectators in the Senate Caucus Room.

During the course of Watergate, Weicker, relying on his own team of researchers, supervised a separate investigation of relevant scandals. His men uncovered scads of incriminating documents—on the IRS; on the U.S. Army files on politically active Americans in Germany; on the Nixon domestic intelligence plan originated by Tom Charles Huston, a White House aide, and subsequently vetoed by J. Edgar Hoover because it was patently illegal; on the dirty tricks engaged in by Nixon politicos, and on much more, all of which he released to the full Senate committee. And all of which transformed him from a relatively unknown Senator into a national figure.

OPPOSES PARTISAN JUSTICE

As a result of his Watergate research, Weicker says, "I'm seriously thinking that the Attorney General of the United States should be elected by the people instead of being appointed by the President. Attorneys General are elected in about 40 states and territories, and I'm inclined to believe the same should hold true in the federal government. We can live with partisan politics in this country but not with partisan justice. The Attorney General of the U.S. should be held accountable for his actions by the people and the greatest accountability is achieved through the electoral process."

Weicker believes, too, that Presidential aides like H. R. Haldeman and John Ehrlichman should be confirmed by the Senate. "Men like those," he points out, "had far more power than Cabinet members who have to be confirmed. The Senate should have some basic information beforehand about the men the President proposes to place in positions of power and influence. If that had been the case I can assure you that I wouldn't have voted to confirm a hater like Bob Haldeman."

CAREFUL STRATEGY

Although he is on occasion blunt and characteristically outspoken, Weicker does his homework before he takes a position on anything. He is a responsible man who thinks problems through, which is the same way he plays tennis. Strategy lies behind his strokes, just as thought lies behind his words.

"There are many people," he concedes, "who are far more gifted than I am in looks, intelligence, charm and a lot of other qualities. But I tell you this, I try hard, I fight hard, I work hard, and despite Watergate, I remain an incurable optimist."

ACQUISITION OF MARCOR CORP.

Mr. BROOKE. Mr. President, on June 18, in the CONGRESSIONAL RECORD, I commented on the proposed acquisition by the Mobil Oil Corp. of Marcor Corp., the parent company of Montgomery Ward and the Container Corp. I also asked for unanimous consent to insert in the RECORD the text of a letter of inquiry I had sent to Mr. Rawleigh Warner, Jr., chairman of the board of Mobil Oil.

I have now received a reply from Mr. Warner and ask unanimous consent that it be printed in the RECORD following these remarks.

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

MOBIL OIL CORPORATION,
New York, N.Y., June 28, 1974.

Senator EDWARD W. BROOKE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BROOKE: This is in reply to your letter of June 18 concerning Mobil's possible acquisition of a major interest in Marcor. I am glad to have the opportunity to give you the facts, and I am particularly pleased that you touched on the relationship of earnings to investments.

I believe the attached copy of a letter to our shareholders that is going into the mail today is self-explanatory. I should like to make a few additional points in order to be fully responsive to your letter.

You say it has been suggested that a significant fraction of the proposed acquisition will be financed by Mobil's 1973 profits. This is demonstrably not the case, and could not possibly be. Our capital and exploration outlays in 1973 exceeded our profits of $849 million by approximately $485 million; which is to say, an amount equivalent to our entire earnings last year and close to half a billion dollars more has long since been spent. Nothing, I think, could better make the point that you raise: that higher oil company profits than in the past are needed to fund increased exploration and drilling costs and other costs. Since we would use other sources of money to acquire a major interest in Marcor, there is no inconsistency involved.

The only constraints we see on future investments in the oil business are those imposed by government. In view of the rhetoric directed against the oil industry, and the manifold threats of punitive legislation against it, it strikes me that the wonder is not that oil companies may be looking into diversification opportunities, but rather that they are continuing to invest record sums in the oil business.

I hope this information will be helpful to you. If you have further questions, please let me hear from you again; I consider this a very important matter and one on which people need facts. If you wish to pursue it further, we will arrange for one of our senior people to visit with you in Washington.

Again, I thank you for writing and for giving us the opportunity to put the facts before you.

Sincerely,

RAWLEIGH WARNER, Jr.

MOBIL OIL CORP.,
New York, N.Y., June 28, 1974.

TO ALL MOBIL SHAREHOLDERS:

As many of you know, Mobil has announced that it is considering the acquisition of a major interest in Marcor Inc., the parent company of Montgomery Ward & Co., Incorporated and Container Corporation of America.

We believe we have sound reasons for this move. Marcor management has performed well under difficult circumstances and has made substantial progress over the years, against very tough competition. We believe the resources and strengths Mobil can provide would enable Marcor to be even more competitive. The acquisition of a major interest in Marcor would put us into business fields different from those we are now in, with different business cycles. It also would offer us the opportunity to obtain a new and substantial source of income in the United States. In 1973 we purchased 1,235,000 shares of Marcor, which represents about 4.5% of the total shares of Marcor common stock outstanding.

The announcement of what we are considering has understandably raised a number of questions, which I will try to answer for you in this letter.

We have no intention of withdrawing from the oil business, nor in fact even of minimizing our role in oil. The vast majority of our capital and other expenditures will continue to be made in the oil business and in related energy businesses for as long ahead as we can see into the future. We cannot, however, ignore the many charges that have been directed at the oil industry by politicians and some segments of the communications media, nor the fact that more than 3,000 bills have been placed before the Congress with the intention of inhibiting the oil industry in one way or another.

Mobil has had a formalized diversification policy for a number of years. We have conducted a thorough analytical study, and Marcor emerged as a company that meets the many rigorous tests we applied—including the need for the strengths we can bring to it to make it an even stronger competitor.

While a diversification investment necessarily lies outside the energy business, we have no intention of becoming a multifaceted conglomerate. We are considering this step because we are satisfied that this would be a fine investment for your company and one that could over the years ahead, add immeasurably to the over-all strength of the Mobil organization and thus to your investment in Mobil.

Now let me enlarge on these points a bit.

With respect to our continuing investment in the oil business, we are still planning to spend a record $1.5 billion on capital and exploration outlays in 1974, in addition to the possible acquisition of Marcor. Our outlook for the five-year budget period immediately ahead is for continued record expenditures,

assuming that the government of the various countries in which we have interests don't do things that will dramatically interfere with our ability profitably to produce oil and to transport it, refine it, and market it. Our capital expenditures will respond appropriately to such opportunities to earn attractive rates of return as may be afforded us by the governments of both producing and consuming countries. We are optimistic that we will have opportunities to earn such rates of return on substantial amounts of capital in the oil business.

I said earlier in this letter that, as the result of our long and detailed analysis, we are favorably impressed with Marcor management and we consider this a sound investment. It follows then that if we prove successful in this acquisition, it is our intention to work with and support that successful management team and to help provide it with the resources it needs to become even more competitive. We would, of course, play a role appropriate to a substantial and concerned investor and owner. Since we believe in the Marcor management, we also believe its members would continue to be as enthusiastic as they are now and would see that equal or greater opportunities lie ahead for them.

This is in the nature of a preliminary explanatory letter to you. While your board of directors has accepted in principle the desirability of this investment and diversification, we have not yet reached a conclusion on the price to be offered for Marcor stock. But with our long-term debt at only 16% of our invested capital, we are satisfied that we have the financial flexibility to make this acquisition and still continue to take advantage of such opportunities as are made available to us in the oil business.

I would like now to address myself to some of the derogatory comments that have been directed at the oil industry and specifically at Mobil. These revolve around such charges as "extortionate" or "obscene" profits, failure to spend enough on oil in the United States, and failure to build enough refining capacity in this country.

In 1973 our net income represented 7.4% of revenues—that is to say, 7.4¢ out of every dollar—and our rate of return on average total assets was 8.5%. In each instance this was the highest figure, by a major factor, in the past 10 years; and in our view these key indices of profitability are neither extortionate nor obscene.

To the charge that we have been investing more money overseas than here, it should be understood that each of the past 10 years has shown a higher percentage of such outlays in the U.S. and Canada than in all the rest of the countries where we have interests. This is true with respect both to capital investments and to exploration expenditures.

In the period beginning with the federal lease sale held in December of 1970, Mobil has spent more money on offshore leases in the Gulf of Mexico than any other oil company—$850 million, including $330 million so far in 1974 alone.

It should also be known that your company constructed the most recent large new U.S. refinery, in Joliet, Ill., the biggest ever built from scratch in this country. Further, we are now in the process of trying to expand and modernize our refinery at Paulsboro, N.J. By the time we hope to have received all the necessary clearances and permits from the various federal and state agencies involved, we will have committed more than $80 million in the clear hope that we shall receive those permits that will allow us to spend more than $300 million on that expansion and modernization.

In light of the charges made against us, I cannot help but feel that the Senators and Congressmen who have been attacking the oil industry in general and Mobil in particular would serve their country better by increasing the opportunities and improving the climate for investment in oil than by making what we believe are ill-informed statements and by threatening punitive legislation against oil companies. To cite only two specific examples, the Congress could move to open up the outer continental shelf offshore our East and West coasts to oil exploration, and it could facilitate the siting and expansion of refineries in this country.

We in Mobil management would not want you to think we are immune to the criticism being leveled at us. We are not, but neither are we frightened by it. Rather, we believe the Marcor investment would represent a right move for your company; that it could only help to strengthen the organization; and that we are most hopeful of bringing this diversification move to a successful conclusion.

When and as we have more to report, we shall be pleased to do so.

Sincerely,

RAWLEIGH WARNER, Jr.

Mr. BROOKE. Mr. President, I have again written Mr. Warner restating two issues outlined in my earlier discussion. I ask unanimous consent that this letter also be permitted in the RECORD.

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

U.S. SENATE,
Washington, D.C., July 18, 1974.

Mr. RAWLEIGH WARNER, Jr.,
Chairman of the Board, Mobil Oil Corporation, New York, N.Y.

DEAR MR. WARNER: Thank you for your response to my letter concerning the proposed acquisition of Marcor Corporation by Mobil Oil and for supplying me with a copy of your letter to Mobil shareholders. As I had placed my original letter to you in the Congressional Record of June 18th, I am inserting your response in today's Record, together with this letter and some additional comments.

My original letter and statement were motivated by two concerns. First is the continuing trend toward the concentration of economic power in the United States. It seems to me that traditional free-market forces are less able to operate as decisionmaking is concentrated in fewer and fewer hands. The social and economic impact on individual citizens of an increasing feeling of impotence and of their inability to affect their own fate imposes on government the obligation to act in behalf of the public interest to maintain a balance between corporation profit motives and as free a market place as can be obtained in our mixed economy.

My second concern is more specific. I must tell you that the information you supplied relative to the relationship of profits, the need for increased capital to finance exploration and drilling costs, and the Marcor acquisition, was less than compelling. It appears irrelevant to discuss which dollars are used for drilling costs and which for acquisitions. The point is that Mobil has generated sufficient capital and cash flow for both purposes, and at a time when the public is paying the highest prices in history for your products.

To argue that high profits are necessary for expanded drilling and exploration while stating that the capital for acquisition comes from other sources is puzzling. Without unusually high prices, the other capital sources would have to be utilized for that portion of exploration and drilling costs now covered by profits. To further suggest, as you do in your letter to your shareholders, that "Senators and Congressmen . . . would serve their country better by increasing the opportunities and improving the climate for investments in oil . . ." is to ignore that fact that you have yet to demonstrate a reasonable justification for your present rate of profit increase or to rebut my earlier suggestion that increased profits are being used to increase economic power rather than expand exploration for new energy sources.

Sincerely,

EDWARD W. BROOKE.

Mr. BROOKE. Mr. President, I must add, Mr. President, that I am concerned about the implications of the stated intentions of the management of the Mobil Oil Corp. to move this acquisition to a successful conclusion. I assume that the Justice Department's Antitrust Division is already researching the affair. And I hope my colleagues, Senators HART, and HRUSKA will consider utilizing the Antitrust and Monopoly Subcommittee of the Judiciary Committee to investigate fully the relationship between increased oil company profits and the utilization of those profits to increase the concentration of economic power in an economy already capable of sustaining double digit inflation and a high rate of unemployment simultaneously.

LAMAR SIZEMORE

Mr. TALMADGE. Mr. President, last Monday, citizens of the city of Atlanta and people throughout all Georgia were saddened by the untimely passing of Lamar Sizemore, one of Atlanta's foremost attorneys, an outstanding civic and business leader, and a man of considerable influence in government and politics in Georgia for many years.

During my administration as Governor of Georgia, Mr. Sizemore served as an assistant attorney general, and over the years we developed a very close personal relationship. Lamar Sizemore was a man of great intelligence and insight, and a gentleman of unquestionable honor and integrity. Atlanta and Georgia have lost a great leader, and I have lost a great friend. I mourn his passing and extend my deepest sympathy to the Sizemore family.

There appeared in the Atlanta Constitution and Journal news articles and editorials of Mr. Sizemore's passing, and I bring these to the attention of the Senate and ask unanimous consent that they be printed in the RECORD.

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

[From the Atlanta Constitution, July 17, 1974]

SIZEMORE—MANY DIDN'T REALIZE HIS INFLUENCE

(By Sam Hopkins)

Atlanta attorney Lamar Sizemore could be such an unassuming man with his slow countrified drawl that probably many of his friends never realized the vast influence he had on state government down through the years.

Sizemore, who died of a stroke Monday night while on a business trip to New York, often was the "mastermind" behind many political events and the confidant of governors, U.S. senators and legislative leaders.

Atty. Gen. Arthur Bolton Tuesday called Sizemore "one of the most ethical lawyers" he had ever known and a man "who had more guts than any 10 men I knew."

The latter reference was to the fact that Sizemore nine years ago suffered an earlier

stroke that left him partially paralyzed, but yet he afterwards increased his business activity.

Sizemore personally plotted the campaign strategy for Jimmy Bentley's successful race against Compt. Gen. Zack Cravey back in 1962 and then helped Bentley structure the reorganization of the department which many people felt had fallen into disrepute.

Bentley recalled Tuesday that Sizemore did all of this "without compensation."

"Lamar was completely unselfish," Bentley said, "whether he was putting together a political campaign or a political concept. He never wanted to take the credit for anything, and he knew all the major personalities on the Georgia political scene for 25 years. He moved in all the circles of political power."

Bentley added, "Lamar deserved the front row, but he always sat on the back row because that's where he wanted to be."

Sizemore, knowledgeable sources say, was probably as instrumental as anyone else in the appointment of several federal judges through his close friendship with Sen. Herman Talmadge and the late Sen. Richard B. Russell, both of whom trusted his judgment and political skill.

In fact, two close friends of Sizemore's said he could have been a federal judge himself if he had wanted it.

"Talmadge and Russell would have both accepted him as a judge," one friend said. Under the political party patronage system, the U.S. senators in a state must approve of all nominees to the federal bench.

The late House Speaker George L. Smith of Swainsboro was particularly close to Sizemore and often called on him for advice and counsel on legislative and political matters.

A skilled attorney, Sizemore many times through the years was sought out to write legislative bills for the House and Senate.

U.S. Undersecretary of Agriculture Phil Campbell, who was formerly state agriculture commissioner, was particularly close to Sizemore.

Campbell recalled Tuesday that years ago Georgia had one of the weakest milk laws and that Sizemore drew up "one of the tightest Grade A milk laws in the nation.

"But I had to wait five years to get it passed," Campbell said. "That bill sat in the left-hand top drawer of my desk for five years while I was agriculture commissioner until I could catch the dairy people off guard and get it passed."

The statute is still considered the "toughest Grade A milk law in the nation," Campbell said.

Sizemore also was the "mastermind" behind the "Battle of the Budget" in the legislature back in the early 1960's when Ernest Vandiver was governor.

Down through the years governors had eroded the power of the legislature in controlling the appropriation and spending of state revenue.

But in the "Battle of the Budget" the legislature finally wrested control of the budget from the governor and since then has retained the authority of spelling out how state money must be spent.

Back at the time, another of Sizemore's close friends, former state Treasurer Jack Ray, was chairman of the House Appropriations Committee.

Back in the mid-1960's Sizemore was considered the unofficial "general counsel" for what was known as the State Capitol "Clique"—a group of elected state officials who formed a closely knit political force.

The "Clique"—once referred to as the "Wiregrass Mafia"—included Campbell, Bentley, Ray and Public Service Commission Chairman Crawford Pilcher.

For their own political reasons, the "Clique" members, all longtime Democratic figures, suddenly announced they were switching to the Republican Party.

It has been unofficially reported that Sen. Herman Talmadge—who was Sizemore's closest friend—also had planned to switch parties at the time but changed his mind at the last minute, apparently from the political instinct that it might be the wrong move.

Whether Talmadge ever really contemplated that or not, it could have been disastrous if he had because most of the newly turned Republicans were either defeated or forced to retire, with the exception of Campbell, who accepted the Washington job with the U.S. Department of Agriculture.

"Lamar Sizemore," one close friend recalled, "was not only a great guy and one of the really ethical lawyers in the business, but he was as good a political strategist as this state's ever seen."

Another friend commented. "He was a real student and worker at the game of power politics, and as far as I know he never got anything out of it personally. He probably did more to change political history in Georgia than anyone else."

Sizemore, who had been counsel for the state Democratic party and counsel for the Governor's Commission on Economy in Government back in the early 1960's, was a trustee of Mercer University where he received his A. B. and law degrees.

Members of the Mercer's board of trustees will serve as special honorary pallbearers at Sizemore's funeral Thursday.

Funeral services will be held at 11:30 a.m. Thursday at the Patterson Spring Hill Funeral Home in Atlanta, with burial at Arlington Memorial Park in Sandy Springs.

The family asked that in lieu of flowers memorial gifts be made to Mercer University.

Sizemore was to have taken a key part at a meeting of the Mercer trustees in Atlanta Thursday morning. Because of his death, the meeting has been cancelled. Sizemore was chairman of the Atlanta committee for Mercer's capital funds drive.

[From the Atlanta Constitution, July 17, 1974]

LAMAR SIZEMORE

Lamar Sizemore died this week at the ripe young age of 53 and, though he never personally sought any elected office, he probably knew and understood and influenced as many things in Georgia state politics and government as any single individual over the past couple of decades or so.

He was liked and respected by political enemies, as well as friends, and for good reasons.

He possessed sheer raw intelligence in abundant amounts and coupled that with a consistent courtesy and personal charm and quick wit. His judgment and advice were valued by a good many people in government, and he exercised considerable influence for this reason alone, not because he himself held any particular position or public office.

This newspaper, often as not, ended up on the opposite side of things in relation to attorney Sizemore. But he was worthy of respect. And it can be fairly said of him that he loved his state and his country and believed in the political processes and helped make them work.

[From the Atlanta Journal, July 16, 1974]

SIZEMORE RITES TO BE ANNOUNCED

Funeral arrangements for Lamar W. Sizemore, 53, a senior partner in the law firm of Heyman and Sizemore, are incomplete and will be announced later.

Sizemore of 93 Clarendon Ave., Avondale Estates, died Monday, apparently of a stroke, while on a business trip to New York.

He moved to Atlanta in 1950 and in 1953 accepted an appointment as assistant attorney general under the administration of former Gov. Herman Talmadge. He administered the state's Subversive Activities Law and investigated and prosecuted persons and organizations suspected of plotting or acting to overthrow the federal or state government. He was the secretary of the Georgia Democratic party and a member of the national party's credentials committee in 1968 when a group of black state politicians challenged the regular contingent's right to represent the state in the national Democratic convention. He supported the regular delegation, chosen by then-Gov. Lester Maddox and state party chairman James Gray.

Sizemore was counsel for the Governor's Commission on Economy and Reorganization in 1959 and 1960.

He was graduated from Mercer University in 1941 with an A.B. degree and in 1948 he received his L.B. degree from the Mercer Law School.

He was chairman of the Atlanta Committee of Mercer University Capital Fund Drive and was named to Mercer's board of trustees in December 1973.

At the time of his death, Sizemore was a member of the Atlanta and American Bar Associations, the Federal Bar Association, the International Bar Association, the State Bar of Georgia, the Lawyer's Club of Atlanta and the Association of American Life Insurance Counsel.

He was director and general counsel of Interfinancial, Inc., an Atlanta-based holding company with wide spread insurance and related interests, director and general counsel of the Atlanta and West Point Railroad, general counsel of the Georgia Railroad, director and general counsel of Gray Communications Systems, Inc.; director of the Western Railway of Alabama, director of Purolator Services, Inc. and director and general counsel of the Hamilton Bank and Trust Co.

He was a deacon and active member of the First Baptist Church of Decatur and a member of the Board of Trustees of the Richard B. Russell Memorial Library Foundation. He was also a member of the Kappa Sigma Phi Alpha Delta Legal Fraternity, the Capital City Club and the Commerce Club.

Surviving are the widow, Mrs. Elizabeth Pickron Sizemore; sons, Lamar Sizemore Jr., Gregory Sizemore, Alan Sizemore, all of Atlanta; daughter, Kathy Sizemore of Atlanta and brother, Dr. Julian J. Sizemore of Columbus.

EDUCATION BENEFITS FOR VIETNAM VETERANS

Mr. DOLE. Mr. President, I wish to hail the President's signing of Public Law 93–337, which extends the time period in which a veteran must use his education benefits from 8 to 10 years. I believe that this significant step is tangible proof of the President's commitment to give Vietnam veterans "* * * an opportunity to enjoy not only our public blessings, but also the real benefits of peace—the education, the jobs, the housing, the medical care, the many other advantages that make America a great Nation," as he promised in his March 31 statement on Vietnam Veterans Day.

It is particularly important to note that the President overruled the objections of the Office of Management and Budget and disregarded a formal veto message that had been prepared. Fiscal responsibility is of critical importance; however, I am in concurrence with the President and the majority of Congress in viewing benefits for Vietnam veterans as an investment in America's future. It is an investment that will more than repay by far our initial investment. We will benefit directly from increased tax

revenues and more productive employment coming from better trained veterans.

As I have stated previously, I do not believe that the President will veto the new GI bill increases proposed by Congress. I believe that this is particularly true in regard to the tuition assistance provision of S. 2784, now under consideration in conference committee.

The principal intention of the tuition assistance provision is to give all Vietnam-era veterans an equal opportunity to enter education and training programs and to enable hundreds of thousands of Vietnam-era veterans to use their benefits for the first time. There is room for disagreement as to how much benefits for veterans already in school under the GI bill should be increased, but clearly there should be no disagreement that all Vietnam-era veterans should have an equal opportunity to enter schools.

Many of us benefited from tuition payments after World War II and in my opinion, we should not deny them to today's veterans. I hope the House conferees will recognize the President's actions as an indication that they are at liberty to act on the tuition assistance provision as they judge proper, without regard to the threat of a veto. I urge the House-Senate conference to act swiftly and favorably on the tuition assistance provision so that thousands of Vietnam-era veterans may begin making plans to enter education and training programs this September.

PERFORMANCE ROYALTIES: LONG OVERDUE JUSTICE FOR MUSICAL ARTISTS

Mr. WILLIAMS. Mr. President, for a number of years, I have supported, and in fact, introduced legislation to provide for royalty payments for musicians, other artists and recording companies when their talents are used for public performance. That concept is shown as performance royalty.

The distinguished minority leader, Mr. HUGH SCOTT, is another who has felt most strongly that a sound recording is a unique rendition of a piece of music and that the varied talents that make it possible should be compensated when the recording is played publicly for profit. Mr. HUGH SCOTT was a leading voice in the Copyright Subcommittee and in the full Judiciary Committee when it considered this provision in S. 1361. It is now embodied as Section 114 of S. 1361.

The section represents a considerable compromise from the performance royalty rate as originally proposed. Initially, it was suggested that 2 percent of annual gross revenues of broadcast stations would be a fair basis for unlimited use of copyrighted recordings. This was approved by the subcommittee.

The rate, as reported, now would require 39 percent of all stations to pay only 1 percent with the remaining 61 percent paying lesser amounts. The performance rate for the latter would be a flat $250 a year for stations with income of $25,000 to $100,000 and $750 a year for stations with income of $100,000 to $200,000. Stations with gross revenues of less than $25,000 pay nothing.

The minority leader's thoughtful and persuasive remarks on the subject are contained in his Separate Views accompanying the report on S. 1361.

Because those views are a clear and concise explanation of an important principle, I ask unanimous consent that they be printed in the RECORD at this point.

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

PERFORMANCE ROYALTY (SEC. 114)

I would particularly like to comment on Section 114 of S. 1361. This section requires users of copyrighted sound recordings for profit to pay a performance royalty to those who make a creative contribution to recorded music—performing artists, musicians and record companies. Although a copyright was granted to sound recordings by Congress in 1971, the issue of a performance royalty was deferred until Congress' consideration of the Copyright Revision Bill. Under section 114, entities like broadcasters, juke box operators, and background music services that make use of the recorded music would have to pay a small royalty to the artists for the right to play it.

For many years I have felt very strongly that the musical artist deserves a reward for his creative efforts. Thirty years ago when I served in the House of Representatives, I introduced H.R. 1570 (78th Congress) which would have established a performance right in sound recordings. Later in the 80th and 82nd Congresses I introduced similar bills that would mandate a performance royalty for the musicial artists.

I very strongly support the inclusion of the performance royalty in the present Copyright Revision Bill. Although I realize that the broadcasters, especially, have objections to paying any fee to artists, I believe the principle is important and should be supported. The argument has been made in opposition to the royalty that radio stations give free publicity to record companies and the artists who make the records. I think this argument misses the point. The real issue is whether or not a person who uses creative talents should receive compensation from someone else who takes them and profits from them. More than 75% of the air time during which advertising is sold is spent playing music. I believe if the artist's creative efforts are used in this way that he is entitled to some compensation. The performance royalty in Section 114 establishes a small payment for the right.

It should be noted that the concept of rewarding creative efforts is not at all unprecedented. Presently, the radio and television industries make yearly payments to organizations representing the individuals who compose music. The fees paid to ASCAP, SESAC, and BMI for the composers are far in excess of what the Copyright Bill sets out for a performance royalty. I find it indisputable that the creative efforts of the musical artist who performs are equally as valuable as those of the individual who writes the music. In fact, it is the special creative talents of the musical artist which really bring a particular musical composition to life. In light of this, it is an anomaly that the performers or record companies get *nothing* for their contributions to irreplaceable programming material.

I find it significant that almost forty countries have established performing rights in recordings. These nations have acknowledged the necessity to reward the creativtiy of their gifted musical artists. It should be no less important for us in the United States. It is particularly key to recognize performing rights because of the unique form of activity it entails. We all know by name the famous musical artists who remain popular year after year. Unfortunately, most musical performers have a very short productive life. It is an industry in which tastes and public attitudes toward a certain type of music can literally change overnight. Some artists have only one popular song and are never successful again. If the song is played again at a later time, the artist should be entitled to share in the benefits it bestows on the broadcasters. An example of a song which has endured over a long period is Bing Crosby's rendition of "White Christmas". There must be hundreds of versions of this song, but it is Mr. Crosby's special treatment which is continuingly popular at Christmas each year. He, like any other artist, should share in the fruits of his creative effort even after the actual sale of his records diminishes.

During numerous discussions prior to the Judiciary Committee meeting, there were many statements made to the effect that small radio stations, especially, could not afford to pay a performance royalty. I argued that most stations could easily pass on the 2% rate to their advertising sponsors. For example, if the rate for one hour of advertising was $100, then the rate would go to $102. This clearly would not be an exorbitant increase. However, I do realize that the very small radio station might be in a situation where it could not pass along the 2% rate. Therefore, in the Judiciary Committee I moved to lower the rate (2%) which the bill had originally set. The new formula which was approved gives a substantial measure of relief to over 60 percent of the radio stations in the country. The four percent of the nation's radio stations that have net advertising receipts of less than $25,000 a year would pay no performance royalty at all. Stations with between $25,000 and $100,000 a year from net advertising receipts would only pay a blanket $250 each year. It is significant to note that about 27 percent of all radio stations would fall under the $100,000 figure. For those stations with yearly net advertising receipts between $100,000 and $200,000, only a flat $750 fee a year would be due. In that $100,000–$200,000 range approximately 34 percent of the nation's radio stations are included. Finally, for all stations with above $200,000 a year in net advertising receipts, a royalty of 1% of those net receipts would be due each year. The total revenues under the formula as revised at my recommendation would be significantly less than one half of what revenues would have been under the original 2% royalty rate.

In conclusion, I want to emphasize that the creation of a performance right for sound recordings is entirely consistent with the overall policy approach of the Copyright Bill to foster and protect the creative arts. In Section 116, the bill creates a new performance right for composers when juke boxes use compositions embodied in sound recordings, and Section 115 has been changed to increase the fees record companies must pay composers for use of their music in a recording. Most significantly, the bill establishes new rights in the case where a cable television station picks up broadcast material from the air and retransmits it. Under Section 111, the cable television station must pay a copyright fee under a compulsory license to the copyright owners. I would suggest on the same rationale which the broadcasters have been using to establish liability for the copyrighted material taken by cable systems that broadcasters and others similarly should have to pay for copyrighted musical performances they use for their programming.

Senator Hart has indicated his desire to join me in my views on the performance royalty.

NATIONAL MEDICAL ASSISTANTS' WEEK

Mr. DOMINICK. Mr. President, on June 19, 1974, I introduced Senate Joint Resolution 217, to designate the third week of September of each year as "National Medical Assistants' Week." The American Medical Association House of Delegates recently met in Chicago, and adopted a resolution supporting the American Association of Medical Assistants. I ask unanimous consent that the resolution be printed in the RECORD.

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

AMERICAN MEDICAL ASSOCIATION HOUSE OF DELEGATES Resolution: 109 (A–74)

Introduced by: Frank A. Rogers, M.D. Delegate, California

Subject: American Association of Medical Assistants

Referred to: Reference Committee H (Charles L. Leedham, M.D., Chairman)

Whereas, The American Association of Medical Assistants is not only an outstanding professional organization dedicated to the education and self-improvement of medical assistants, but is the one and only professional organization endorsed and continuously supported through liaison activities by organized medicine at all levels; and

Whereas, It is recognized that the loyalty and allegiance and devotion of the members of this organization to their doctor-employers and to organized medicine in the majority of instances goes well beyond the common grounds of employer-employee relationship; and

Whereas, The Medical Assistants Association is probably the most constant, able and devoted ally of the medical profession; and

Whereas, The American Association of Medical Assistants is a nonprofit organization, totally pledged against ever becoming a union, therefore be it

Resolved, That the American Medical Association hereby commend the American Association of Medical Assistants for their devotion and accomplishments in the field of medical assistant education, both locally and nationally; and be it further

Resolved, That the American Medical Association request all state medical associations to continue active, formal support of this organization and further urges individual physicians to pay the dues of their medical assistants so that membership in this most important and worthwhile organization will continue to grow.

THE CONGRESS AND STRATEGIC ARMS

Mr. FULBRIGHT. Mr. President, the recent summit has underscored the need for the Congress to take the lead in providing broad, constructive guidance in the quest for effective and comprehensive arms control. The process of normalizing relations between the Soviet Union and the United States would have benefited greatly if meaningful agreements had been reached during the recent talks to limit or reduce the strategic offensive arms of the two sides. Despite the apparent last-minute endeavors of the President and the Secretary of State to get good strategic arms agreements, the most positive result of the summit in terms of the arms race was the arrangement by the two sides to resume the SALT talks in August and to provide the two negotiating teams with institutions arising out of the summit.

It was no surprise that further strategic agreements limiting offensive weapons were not achieved at the summit. There was no agreed American negotiating position and no unanimity on the American side as to what should or could be achieved. If we cannot agree among ourselves, we would be wrong to expect that good, comprehensive SALT agreements might somehow be worked out at the 11th hour.

I do not fault the President or the Secretary for their basically fruitless attempts to achieve arms agreements. But I believe their difficulties demonstrate clearly the need for Congress to take a strong hold in the development of broadly abused strategic policies and positions. The proposals which could then be presented in negotiations could lead to the strategic limitations which are now so imperative.

The Senate has played a strong advisory role in regard to strategic issues in the past. I recall Senate Resolution 211, which was introduced by Senator BROOKE and 39 cosponsors in July 1969. In its final form, the resolution urged the President to propose a mutual moratorium on multiple independently targeted reentry vehicles—MIRV's. In its report, the Committee on Foreign Relations noted that a suspension of flight testing of MIRV's would be important to a successful suspension of MIRV deployment. This suspension was viewed by the committee as an "essential element" of a wider suspension of further deployment of all offensive and defensive strategic nuclear weapons. The Senate approved Senate Resolution 211 by a vote of 72 to 6 on April 9, 1970.

The Senate's advice did not bring on the sort of agreement sought. Had the Senate's advice prevailed, the United States and the Soviet Union would be far better off today. And billions of dollars would have been diverted to far better uses.

The need for firm guidance from the legislative branch is particularly acute now. Members of the Congress are in a unique position to take into consideration all aspects bearing upon our strategic military programs—the needs and perceptions of the American public and our allies, foreign policy considerations, the economic situation of the United States and other countries, and the impact of military programs upon our economies and available resources.

Failure to apply this knowledge to the development of independent perspectives can lead to acquiescence in narrow judgments. This problem can be seen in the way the Congress tends to accept and to approve military judgment in the strategic area. The military services, by nature, attach the gloomiest possible significance to Soviet strategic programs. They assume the worst possible outcome for the United States of all strategic endeavors of the Soviet Union. I do not fault them for this because it is their charter to assume the worst may occur and to defend us in the most difficult of circumstances. However, I do fault the Congress when it accepts these judgments as growing from a complete and impartial analysis of the issues.

The military are not alone in having a confining perspective. Narrow judgments can be held by all men—including Members of the Congress. It is not unknown for narrow judgments to be central themes in attempts to secure personal political gains. Technologists support the advance of technology—often with scant regard for the political and military implications of their projects. Scientists in weapons laboratories justify to themselves any other programs which will keep them funded—and busy—such as mini-nukes and newer, more deadly MIRV's.

Acceptance of narrow judgments, in the case of strategic arms limitation questions, has led us to spend a great deal of time worrying about what the Russians could do under agreements we might make with them. We brood about the possibility of Soviet cheating and put together all sorts of dizzying calculations as to what the Soviet Union will do under this or that provision of some possible agreement.

In the midst of these Byzantine calculations, we lose sight of the larger, most critical strategic issue now facing us—what the Russians and the United States will do if there are not further comprehensive agreements limiting and reducing strategic programs.

Let us think for a minute about what will happen if we do not have effective controls. The United States will deploy more accurate and more powerful warheads on its missile forces. There will be a completely new submarine fleet. We may—in paroxysms of fear—reverse our considered strategic policies of the past and emulate the Soviet Union by developing advanced ICBM's capable of thrusting huge throw weights in a nuclear war, and we may rush into a huge new bomber program. The Russians, if our darkest fears are realized, may deploy a whole new generation of land-based missiles. They could follow the lead we are setting with our Trident program and develop a new generation of submarines. They could suddenly become interested in bombers and build a competing bomber fleet.

Both sides could be engaged in a ruinously expensive quest for a superiority which could not be achieved. There is no doubt that this quest would lead to a mutual arms spiral which would enhance and embellish the fears on both sides. The insecurities of the present time would be as nothing compared to the insecurities of the 1980's, if present trends continue.

If we are going to face arms control questions realistically and work to achieve strong agreements, we must divest ourselves of the mistaken idea that we are somehow inferior in strategic arms. It is simply not true.

When SALT I was concluded in 1972, the United States had 5,888 nuclear warheads in its strategic arsenal, as compared with 2,220 in the Soviet arsenal. Since that time, the United States has added more than 2,000 strategic warheads. The Soviet Union force has been increased by less than 400 warheads. This huge difference in favor of the

United States will continue at least through the term of the interim agreement on strategic arms. I have no reason to doubt that a substantial edge in nuclear warheads will be maintained well into the 1980's.

At some point, the Soviet Union may have a larger number of submarine-based missiles than the United States but they will have to retire land-based missiles in equal number to achieve a wide lead. Despite any Soviet advantage in total launchers, the United States has now—and will maintain for some years—a major lead in the numbers of warheads the submarines can deliver. All Soviet strategic missiles on submarines hold one warhead each. By contrast, some of our submarine missiles—the 496 missiles being deployed on Poseidon submarines—can carry 10 warheads each. The less sophisticated Polaris submarines carry A–3 missiles with three warheads each.

We have more than 400 strategic bombers. Most of these are B–52's with a typical force loading of four nuclear bombs and eight nuclear short-range attack missiles each. Our bomber force can carry nearly 4,000 separate nuclear warheads now. The Soviet bomber force of 140 planes—100 of which are powered by slower, turboprop engines—carries an estimated 250 warheads.

As if this were not enough, we have 15 aircraft carriers capable of delivering nuclear weapons on the Soviet Union, as well as hundreds of forward-based aircraft able to strike the Soviet Union.

The main Soviet advantage is in the numbers of land-based missile launchers and in overall throw weight. We must realize that the warheads the launchers carry—not the launchers themselves—constitute the threat.

Of course, the launchers and the throw weight could become a considerable threat in the 1980's if the arms race is unchecked. Similarly, the Russians will find the U.S. arsenal even more frightening in the 1980's if we continue without cease to build upon our advantages.

We do not—and will not—gain political or economic advantage through pressing strategic programs. And the Soviet Union will not gain political or economic advantage through strategic developments.

The only sane course for the two sides is restraint. For our mutual good, we must find ways as soon as we are able to control and to reduce our strategic arsenals.

I agree completely with the point made by the Secretary of State in his press conference in Moscow following the recent summit when he said:

If we have not reached an agreement well before 1977, then I believe you will see an explosion of technology and an explosion of numbers at the end of which we will be lucky if we have the present stability—in which it will be impossible to describe what strategic superiority means. And one of the questions which we have to ask ourselves as a country is what, in the name of God, is strategic superiority? What is the significance of it, politically, militarily, operationally, at these levels of numbers? What do you do with it?

If this prospect is not to become reality, we must move now to make a broad strategic agreement a reality. We must stop upping the ante by pursuing programs which tend to move us away from agreement, rather than toward it. There are those who are not really interested in bringing the arms race to a close. We have an obligation to be attentive to their proper concerns, but we must not fall into the trap of avoiding—out of narrow fears—the kind of agreements which can save us.

I do not wish to imply that I believe dealing with the Russians is an easy task. Obviously, they can take a hard line with us just as we can with them. However, our side must be able to approach the Soviet Union with soundly based, comprehensive proposals which represent the considered consensus of American leadership.

We cannot afford to continue with a situation in which we cannot achieve agreement with the Soviet Union because we cannot agree, even among ourselves, as to what we must seek.

CAPTIVE NATIONS WEEK—AND DÉTENTE

Mr. HRUSKA. Mr. President, the week of July 14th through the 20th marks the 15th anniversary of the celebration of Captive Nations Week. It is proper that we remember this important occasion for it reminds us that America still powerfully symbolizes the values and traditions of independence, freedom, justice and human rights.

The very progress that has been made in United States-Soviet relations does not diminish the need for us to remember those peoples of Eastern Europe who have been burdened by communism for so long. In fact, it enhances it.

Writing in the 1830's, a young Frenchman named Alexis de Tocqueville made the following observation:

The American struggles against the obstacles that nature places before him; the Russian is at grips with humanity. The one combats wilderness and savagery, the other combats civilization decked in all its armament: moreover, the conquests of the American are won by the plowshare, those of the Russian by the sword.

To attain his end, the first depends on the interest of the individual person, and allows the force and intelligence of individuals to act freely, without directing them. The second in some way concentrates all power of society in one man.

The one has liberty as the chief way of doing things; the other servitude.

Their points of departure are different, their paths are divergent; nevertheless, each seems summoned by secret design of providence to hold in his hand, some day, the destinies of half the world.

Those words, written over 140 years ago carry the essential differences between the United States and the Soviet Union. We do not sanction repression. We do not condone violation of human rights. We still carry the banner of freedom in the world. Yet, we cannot escape the fact that we, the United States and the Soviet Union, occupy space on one planet and to a very great degree hold the destiny of the world in our hands.

Any effort at cooperation and understanding, no matter how insignificant it may at first appear, is bound to have positive effect for those who share that planet with us. As we progress with this process, there is also a great need on our part to insure that the peoples of Eastern Europe are not forgotten.

Hopefully, when the Soviets feel secure, then perhaps they will no longer feel the necessity to rule the peoples of the Baltic States and Eastern Europe with an iron hand. When ideas can begin to flow between the United States and the Soviet Union, then perhaps they can begin to trickle throughout the Communist world. That is the great hope for détente.

ADOPTION OF SENATE-PASSED VERSION OF COMMUNITY DEVELOPMENT MEASURE URGED BY 19 SENATORS, 28 MAYORS

Mr. HUMPHREY. Mr. President, 19 Senators and 28 mayors have apprised the conferees meeting on the Housing and Community Development Act of 1974 that they will reconsider their support for this legislation, unless the final version of the measure more nearly conforms to the Senate passed bill.

In a letter to Senate and House conferees, initiated by Senators BIDEN, STEVENSON, and me, the 19 Senators said:

We believe the House bill is particularly deficient in the objectives it sets and in its formula for the allocation of community development funds.

Both the House and Senate bills recognize, as they should, the legitimate and growing needs of our suburban areas for community development assistance. But the House bill does so at the expense of both large and small cities that have worked hard and effectively over the years to reverse the decay and decline in their communities.

We believe that this is unwise and unfair to those who have worked hardest and longest to create a momentum to make their cities more liveable. Both needs must be served, not one at the expense of the other.

Mr. President, we urged the conferees to adopt two principles in their effort to work out an acceptable compromise between Senate and House passed bills:

First, adequate funding should be provided to permit all communities, regardless of size, to participate in the community development program.

Second, those cities that have participated effectively in community development programs in the past should have those efforts continued with the full support of the Federal Government.

These cities, we feel, should not be penalized by congressional adoption of an arbitrary formula, one that allocates funds without regard to need or demonstrated capacity.

Mr. President, we also strongly objected to the termination under the House-passed bill, of the existing public housing, homeownership, and rental assistance programs and urged that they be adequately funded for at least 2 more years.

The cosigners of this letter believe that the Senate bill has the strong support of the vast majority of the American people and that the threat of a veto by the administration should not prevent Congress from doing what is necessary.

Our letter concluded by informing the conferees that:

As supporters of the Housing and Community Development Act of 1974, when it was passed by the Senate last March, we must appraise you of our intention to seriously reconsider our support for this legislation, unless the provisions and principles (outlined in the letter) are included in the version of this bill reported by the conference.

Those signing the letter to the conferees, in addition to Senators HUMPHREY, BIDEN, and STEVENSON, were Senators HUGH SCOTT, JOHN V. TUNNEY, DICK CLARK, RICHARD S. SCHWEIKER, THOMAS F. EAGLETON, JENNINGS RANDOLPH, FLOYD K. HASKELL, JAMES ABOUREZK, WALTER F. MONDALE, PHILIP A. HART, CHARLES H. PERCY, J. BENNETT JOHNSTON, DANIEL K. INOUYE, EDWARD M. KENNEDY, JACOB K. JAVITS, and THOMAS MCINTYRE.

Mr. President, Congressman DONALD M. FRASER and I submitted petitions yesterday to the House and Senate conferees on behalf of 28 mayors, outlining their specific objections to the House-passed version on the Housing and Community Development Act.

Providing leadership on the petition effort are Minneapolis and St. Paul, Minn., mayors, Albert J. Hofstede and Lawrence Cohen. Their support includes Mayors Joseph Alioto, San Francisco, Calif., president of the National Conference of Mayors; Coleman A. Young, Detroit, Mich.; Kenneth A. Gibson, Newark, N.J.; Richard F. Walsh, Kansas City, Kans.; Richard J. Hatcher, Gary, Ind.; Henry Maier, Milwaukee, Wis.; and Gary A. Greenough, Mobile, Ala., among others.

Mr. President, I ask unanimous consent that the letter to the conferees from 19 Senators, and the petition from the 28 mayors, which was transmitted to the conferees, be printed in the RECORD.

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

U.S. SENATE,
Washington, D.C., July 17, 1974.

Hon. JOHN SPARKMAN,
Chairman, Committee on Banking, Housing and Urban Affairs, Dirksen Senate Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: We wish to bring to your attention our deep concern regarding H.R. 15361, the House passed version of S. 3066, the Housing and Community Development Act of 1974.

With regard to its Community Development provisions, we believe the House bill is particularly deficient in the objectives it sets and in its formula for the allocation of Community Development funds.

The Senate bill establishes Community Development block grants to be spent in accordance with specified national priorities. This is to insure that the Federal taxpayers' dollars are spent where the need is greatest. By failing to establish clearly defined priorities, the House bill would permit dissipation of scarce Community Development resources. It is essential that the Senate concept be retained.

Both the House and Senate bills recognize, as they should, the legitimate and growing needs of our suburban areas for community development assistance. But, the House bill does so at the expense of both larger and smaller cities that have worked hard and effectively over the years to reverse the decay and decline in their communities. We believe that this is unwise and unfair to those who have worked hardest and longest to create a momentum to make their cities more liveable. Both needs must be served, not one at the expense of the other.

We urge the conferees to adopt two principles in their effort to work out an acceptable compromise in conference.

First, adequate funding should be provided to permit all communities, regardless of size, to participate in the community development program.

Second, those cities that have participated effectively in Community Development programs in the past should have those efforts continued with the full support of the Federal government. These cities should not be penalized by Congressional adoption of an arbitrary distribution formula, one that allocates funds without regard to need or demonstrated capacity.

With regard to the Housing provisions of the House passed bill, we strongly object to the termination of the existing public housing program and the home ownership and rental assistance programs (Section 235 and 236). We seriously doubt that the Section 23 program, by itself, will adequately meet the urgent housing needs of low and moderate income people.

While this new approach warrants testing, we strongly urge the conferees to authorize the continuation of the existing programs for at least two more years.

We believe that these programs should be adequately funded during that period.

And, the improvements to these programs contained in the revised National Housing Act should be adopted.

These three steps are essential to any new housing legislation. We urge the Senate conferees to hold firm to these minimum requirements.

To maintain momentum in community development in our hard pressed urban areas, and to help meet the housing needs of low and moderate income Americans, we urge you to retain these provisions of the Senate passed bill.

We believe that the Senate bill has the strong support of the vast majority of our people and that the threat of a veto by the Administration should not prevent Congress from doing what is necessary.

As supporters of the Housing and Community Development Act of 1974, when it was passed by the Senate last March, we must apprise you of our intention to seriously reconsider our support for this legislation, unless the provisions and principles mentioned above are included in the version of this bill reported by the Conference.

Sincerely,

HUBERT H. HUMPHREY, ADLAI E. STEVENSON III, JENNINGS RANDOLPH, RICHARD S. SCHWEIKER, JAMES ABOUREZK, HUGH SCOTT, EDWARD M. KENNEDY.

JOSEPH R. BIDEN, JR., THOMAS F. EAGLETON, CHARLES H. PERCY, JOHN V. TUNNEY, JACOB K. JAVITS, WALTER F. MONDALE, DICK CLARK.

FLOYD F. HASKELL, PHILIP A. HART, DANIEL K. INOUYE, J. BENNETT JOHNSTON, THOMAS J. MCINTYRE.

U.S. SENATE,
Washington, D.C., July 17, 1974.

Hon. JOHN SPARKMAN,
Chairman, Committee on Banking, Housing, and Urban Affairs, Dirksen Senate Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: Mayors Al Hofstede and Lawrence Cohen, of Minneapolis and St. Paul, Minnesota, have asked that I transmit to you the enclosed petition signed by twenty-eight mayors urging that certain provisions be included in the Housing and Community Development Act (S. 3066) now in Conference.

I hope that the Senate conferees will give full consideration to the concerns raised by these mayors.

Best wishes.

Sincerely,

HUBERT H. HUMPHREY.

To the members of the Conference Committee on Community Development Legislation and to the members of the Senate and House Appropriations Committees:

We, the undersigned mayors, are concerned about pending community development legislation, and in particular, a number of provisions in the House Bill (HR15361). While many of the differences between the Senate and House versions are negotiable in conference committee, there are some issues regarding both funding and substantive legislation which have serious consequences for many of our nation's cities and which, if not resolved, will seriously jeopardize our support of community development legislation.

It is essential that an effective and responsive community development law be enacted by the Congress of the United States. Virtually everyone in the housing and community development fields will acknowledge that these programs need to be improved.

WHAT MAKES A GOOD BILL?

There are a number of basic criteria that community development legislation should meet. These are the criteria that any mayor or public official with any basic knowledge of the development process would identify as the minimum ingredients to make community development work. These are:

1. There should be adequate funding for all communities, irrespective of size, with funding levels based on a reasonable assessment of need. Above all, prior levels of funding should not be arbitrarily reduced.

2. The transition from categorical to special revenue sharing programs should be orderly and transition funding should be adequate and not deducted from block grant settlements.

3. The flow of incremental Federal grants for community development should be guaranteed so that multi-year development efforts may proceed without being delayed by waiting for federal money.

4. Housing for low and moderate income families should be provided as a fundamental and inherent part of the community development process in amounts sufficient to meet overall community needs.

5. Federal pre-application requirements should be held to a minimum; however, removal of slums and blight and ability to produce housing for low and moderate income families should be maintained as national priorities.

We urge you to prepare a conference bill which recognizes these criteria. Specifically, appropriations and community development legislation must embrace, at a minimum, the following:

1. Transition funding for cities with ongoing programs must be maintained at those levels established during FY–1970 to FY–1973. Additionally, such funding should be appropriated to cover the duration form July 1, 1974, until such time as a replacement program is fully implemented.

2. Funding under the community development act must be reasonably related to need. Accordingly, cities with both demonstrated need and with established experience levels should not have their entitlement arbitrarily reduced by a mechanistic formula. Experienced cities with populations under 50,000 should not be penalized by elimination of direct entitlement, under the formula.

3. Community development programs cannot succeed without concurrent housing assistence programs for low and moderate income families. Existing programs which have worked should not be eliminated in favor of a new and untested replacement, (Section 23), and therefore, such existing programs should be funded and extended until the new program has been operational for at least a year and has proven itself as a viable alternative.

Since the passage of the Housing Act of 1949, significant progress has been made in meeting our community development needs.

Let us not throw out this legacy by adopting deficient legislation.

MAYORS SIGNING COMMUNITY DEVELOPMENT ACT LETTER

ORIGINAL

1. Albert J. Hofstede, Minneapolis, Minn.
2. Wallace E. Holland, Pontiac. Mich.
3. Donald E. Johnson, Muskegon, Mich.
4. Paul R. Soglin, Madison, Wis.
5. Richard J. Hatcher, Gary, Ind.
6. Joseph L. Alioto, San Francisco, Calif.
7. Bartholomew F. Guida, New Haven, Conn.
8. Paul C. Visser, Flint, Mich.
9. Richard F. Walsh, Kansas City, Kans.
10. Norman Y. Mineta, San Jose, Calif.
11. Coleman A. Young, Detroit, Mich.
12. Robert W. McGraw, Rockford, Ill.
13. Kenneth A. Gibson, Newark, N.J.
14. Doris A. Davis, Compton, Calif.
15. Lyman S. Parks, Grand Rapids, Mich.

SUBSEQUENT

16. Richard E. Olson, Des Moins, Iowa.
17. Jerry J. Miller, South Bend, Ind.
18. Lawrence Cohen, St. Paul, Minn.
19. Ted C. Wills, Fresno, Calif.
20. Henry W. Maier, Milwaukee, Wis.
21. Edward Zorinsky, Omaha, Nebr.
22. Ivan A. Lebamoff, Fort Wayne, Ind.
23. George A. Athanson, Hartford, Conn.
24. Jerry M. Patterson, Santa Ana, Calif.
25. Gary A. Greenough, Mobile, Ala.
26. James H. McGee, Dayton, Ohio.
27. Thomas P. Ryan, Jr., Rochester, N.Y.
28. Gordon Johnston, Tacoma, Wash.

THE CONSUMER PROTECTION AGENCY ACT

Mr. JAVITS. Mr. President, I ask unanimous consent to have printed in the RECORD a group of editorials favoring the Consumer Protection Agency.

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

[From Business Week, Apr. 6, 1974]

A CONSUMER SPOKESMAN

Businessmen understandably are somewhat nervous about the drive to create a federal agency charged with looking out for the interests of the U.S. consumer. But the legislation taking shape this week in the House deserves the support of business as well as the various groups that now speak for the consumer.

Basically, the bill would create an "ombudsman" to represent consumer interests before Congress and most federal regulatory agencies, including the Federal Trade Commission, the Food & Drug Administration, the Interstate Commerce Commission, and the new Product Safety Commission. Consumer interest as defined in the bill would include everything from quality to availabiilty and adequacy of choice.

There is a danger, of course, that another agency would simply multiply the red tape and increase the delays that already frustrate businessmen when they deal with the government. But it is also possible that the new agency could help speed the regulatory process by improving input and clarifying issues.

Beyond that, a consumer agency could improve the level of debate between business and the consumerists. By putting a sharp focus on the vague charges the consumer groups now feel free to make, it could show business where its real problems are. And by equalizing the balance between well-financed, well-organized business groups and the often disorganized consumer spokesmen, it could help restore public confidence in the regulatory process.

The chances of getting a fair and workable bill adopted may be better now than they will be after election. There is no telling what part consumer unrest will play in next November's voting. But as Representative Frank Horton (R-N.Y.), a co-sponsor of the bill, says, "Prudence dictates moving when the situation is stable and the factors understood."

[From the Washington Star-News, July 3, 1974]

CONSUMER BILL FACES FILIBUSTER

(By Sylvia Porter)

The 1974 Consumer Protection Agency Act—potentially the most important consumer protective legislation in a half-century—is heading for a bitter fight and probably a filibuster when it reaches the Senate floor after Congress' July 4 recess.

The data-gathering role of the CPA is a "dangerous" tool which "might be used to persuade other agencies to agree with the consumer advocate viewpoint," says the powerful U.S. Chamber of Commerce.

The agency could be "a distruptive force empowered to wander to and fro through the halls of government and . . . to engage administration agencies in guerrilla warfare," adds Sen. James B. Allen, D-Ala., who led the filibuster that defeated the bill in 1972 and who, with Government Operations Committee chairman Sam J. Ervin, D-N.C., is likely to lead the filibusters in 1974.

It's a "bad idea whose time has come and gone" and a too powerful "Caesar within the federal bureaucracy," declare other opponents getting set up kill the legislation again.

What's this bill all about? Briefly, the CPA would:

Serve as the consumer's watchdog both within and outside the federal regulatory agencies; represent you at formal and informal proceedings held by other federal agencies; refer complaints to appropriate sources;

Appeal anti-consumer decisions and rulings in the courts and subpoena information from federal agencies if the CPA deemed it relevant to your health or safety;

Distribute important information on consumer products and services and encourage both public and private product testing.

It would, in sum, be the consumer's first independent nonregulatory agency at the top levels of government.

In the words of Sen. Charles H. Percy, R-Ill., it would "temper the arrogance, cynicism and callousness of those who would deceive, cheat, injure or even kill buyers and users of goods and services."

It would, in the words of Rep. Ben Rosenthal, D-N.Y., "give consumers equal clout with business when federal decisions are made affecting the health and economic well-being of the public." It would, in the words of Sen. Frank Moss, D-Utah, halt the "inclination by the regulators to simply do what industry asks."

Would it develop into a huge and costly new federal bureaucracy? Not with a budget of $15 million and a small staff of lawyers (although, of course, it could grow).

Would it hurt business and hamper the work of the federal regulatory agencies by permitting the consumer's agency to participate in and challenge decisions made by the regulators?

Presumably, only fraudulent businesses would be threatened; the CPA would not have the power to issue regulations.

Since the law does not require that agencies notify the public that certain investigations or informal procedings are taking place, many issues are decided before consumers even know they are being considered. Where the agency decides not to act, consumers may never know an investigation even took place.

Consumers have no organized lobby before Congress.

If anything, you are appallingly undersupplied with time, money and organization to represent your interests before the federal agencies which make critically important decisions for you.

[From the Fort Wayne (Ind.) Journal Gazette, May 27, 1974]

A CONSUMER REPRESENTATIVE

The consumer at last may have a voice in the government policy-making process if a bill that would create a Consumer Protection Agency clears its final hurdles. The bill, which already has passed the House, recently was reported favorably by the Senate Government Operations Committee, and should reach the Senate floor by the end of the month.

Special-interest pressure against the bill has been understandably intense. A National Association of Manufacturers lobbyist calls it the "worst bill I've seen in 33 years in Washington," and other business community spokesmen warn ominously of institutionalizing "Naderism" within the federal bureaucracy. Ironically, these comments comprise the bill's strongest endorsement. Ralph Nader, a long-time consumer-protection advocate, presumably has the public interest more at heart than business and lobbyists.

The new Consumer Protection Agency would have a relatively simple task in shielding consumer interests against the onslaught of big-business pressures. It essentially would act as a consumer advocate before other federal agencies. Presently there is no spokesman for the consumer in proceedings that often directly affect him. Hearings normally feature the federal agency on one side and the representatives of special interests on the other. Because the pending legislation would give the consumer a role in determining the outcome of events tied to his interests, the bill's opponents argue the agency would have direct regulatory powers over industry—an argument that isn't substantiated by the facts.

The already-passed House bill, for example, very clearly empowers the consumer agency only to appear at formal and informal proceedings of other agencies, to appeal decisions of other agencies to the federal courts under restricted circumstances, to request other agencies to subpoena information of interest to consumers from business, to obtain such information directly from businesses and publicize hazards, and to serve as a clearinghouse of consumer complaints and request enforcement actions by other agencies.

The regulated industries, however, traditionally have enjoyed close relationships with the regulatory agencies, such as the Food and Drug Administration, the Interstate Commerce Commission, and the Federal Aviation Administration. Any proposal that endangers this friendly arrangement by permitting another agency to intervene on the consumer's behalf is considered a threat. Appeals to the courts and forced disclosure of information also are unsettling to many corporations.

The lobbyists' contention that all business or all industry is opposed to the new agency is undercut by some major defections. Montgomery Ward and its parent firm, Marcos, totally support the consumer proposal, and several other companies, including Motorola and Zenith, also endorse it. "If you're ever going to support any piece of consumer legislation," a Wards vice persident advised a recent business conference, "support this one."

The same advice could apply to the senators who soon will be taking up the bill. A filibuster already is threatened, and big business is gearing its lobbyist forces for one of the biggest propaganda barrages Congress has seen. Who really speaks for the consumer-voter should be evident after that legislative battle.

[From the Providence (R.I.) Bulletin Apr. 15, 1974]

HOPE FOR CPA

For more than 10 years consumer advocates have sought to establish an independ-

ent Consumer Protection Agency (CPA) funded by Congress. Last Wednesday, the House of Representatives voted 293 to 94 to move ahead with caution and meanwhile the Senate is considering similar legislation.

This may be the year in which Congress ends its vacillation on this issue but it is still too early to forecast. In 1970, the Senate passed a similar measure overwhelmingly only to see the House counterpart killed in the rules committee. In 1971, positions reversed. The House gave strong support to CPA but in 1972 three attempts to end a Senate filibuster failed.

Opponents argue on two main fronts: one, that at least 33 federal agencies are now engaged in activities related to consumer interests and this constitutes adequate protection in the marketplace; and two, that further allocation of governmental power to consumers could lead to unwarranted harassment of business and industry and to a resulting backlash with unfavorable consequences for the consumer himself.

Why, then, is there a need for CPA? Is it another political boondoggle to win votes back home, another concession to the empire-building of bureaucracy? Neither possibility can be dismissed out of hand. The political implications of consumerism are awesome for the senator or representative forced to take a stand. And there is a little question that CPA would require a staff of several hundred initially and that the agency's workload could be expected to grow.

But CPA can be justified on other grounds. Despite the wide diversity of consumer activity in government, including the Federal Trade Commission, Food and Drug Administration, Securities and Exchange Commission, Office of Consumer Affairs, the President's Committee on Consumer Interests, and numerous other departmental offices and divisions, not one has the scope of political independence to function as a national consumer spokesman and to coordinate the aims and activities of other government agencies.

The House-passed bill would grant no regulatory powers to CPA. To obtain information from other agencies it would have to prove relevance to consumer affairs. Its right to seek judicial review would be limited, and initially funding would be for three years, enabling Congress to re-evaluate the agency at the end of that time.

CPA would be authorized to receive and evaluate complaints, gather and disseminate consumer product information and promote research.

Several years ago, Atty. Gen. Louis J. Lefkowitz of New York State, voiced the view held by many Americans and since supported by glaring examples of corruption in government. "Existing fragmented and piecemeal enforcement and regulation by scores of federal bureaus and agencies," he said, "plays into the hands of special interest groups with vested interests who are more concerned with the status quo than with new programs designed with the consumer in mind. It is absolutely imperative that the federal government take appropriate action now to regulate and police the economy of our affluent society for the benefit and protection of the consumer."

CPA, in our view, should be regarded as an experiment, not a panacea, aimed at balancing commercial and consumer interests with greater precision and fairness. The milk price scandal, the wheat deal with Russia, the current indictments charging high government officials with exercising improper influence over regulatory agencies—these are some of the reasons why many believe that CPA is needed to advocate and press for the rights of consumers. It ought to be given a chance.

[From the Frankfort, Ky., Journal, April 19, 1974]

CONSUMER PROTECTION

Better a compromise Consumer Protection Agency (CPA) than none at all—and CPA legislation, which finally seems ready to flower, comes just at a time when American consumer confidence needs a boost.

The consumer confidence index has dropped 40 points since last fall, according to a business fact-finding organization, the Conference Board. The Albert Sindlinger telephone poll reports the severest decline in confidence in 25 years. Meanwhile, Mrs. Eunice Howe has resigned her nearly four-year chairmanship of the President's consumer advisory council in dissatisfaction with White House consumer efforts.

"I believe the time has come to set in motion transition from advice to action on national consumer policy . . . ," she says. "It is my fervent hope that in resigning I might add some small, small stimulus to an overwhelming vote by both houses for the passage of a consumer protection agency bill."

Such bills have been offered for several years, always thwarted with the help of opposition by industry. But the more enlightened businessmen are beginning to recognize a mutuality of interest with consumers. And the compromise CPA legislation now emerging omits some of the sterner measures favored by consumerists, such as the right to intervene in lower governmental decisions. "I firmly believe that legitimate business has nothing to fear from this legislation," says Rep. Frank Horton, leading Republican on the House Government Operations Committee which recently gave overwhelming approval to a CPA bill, later passed by the House.

Restrictive amendments were included, but the House defeated a weaker bill favored by Mr. Nixon. If the expected Senate approval comes through, the final legislation could go to the President by summer.

A vigorous consumer protection agency could help to restore consumer confidence by assuring the public of representation when federal industry regulatory agencies make decisions on such matters as safety and standards.

[From the Los Angeles, (Calif.) Times, Apr. 14, 1974]

THE CONSUMER DESERVES TO BE HEARD

The Senate should do this year what it did in 1970, and pass legislation to establish a consumer-protection agency. The House has already acted, approving a strong and carefully drawn bill providing that the interests of consumers will be represented in proceedings of other federal regulatory agencies.

The need for such representation is clear. Everything done by regulatory agencies directly or indirectly affects consumers. The consumer viewpoint deserves to be heard.

Under the House bill, the consumer agency would simply have the rights currently available to other parties in federal administrative procedures. The agency would serve as advocate, not regulator. Private consumer groups are free to appear now in many proceedings, but the new agency would have the expertise, resources and access to information that these groups frequently lack.

For example, the consumer agency could request that products whose safety or efficacy had been seriously questioned be tested by appropriate government agencies, and the results made public. It could testify and seek information when hearings are held on such things as sanitation standards in food-processing plants, or on petitions to increase airline fares. It could ask another government agency to initiate a proceeding, and if that request were denied, the reasons would have to be made public.

Among other things, the agency would serve as a central registry for consumer complaints and industry responses, and its files would be open to the public. The agency would have access to all information within other federal agencies but, quite properly, special restrictions would be placed on access to trade secrets or information received on a confidential basis.

Both the powers given to and the limitations imposed on the consumer agency in the House bill make sense. It is hard to think of any good reason why there should not be competent and vigorous advocacy on behalf of consumers—and that is all of us—in the proceedings of regulatory agencies, which annually make hundreds of decisions touching on how much the public will pay for things or how well public health and well-being will be safeguarded.

The consumer interest is seldom completely ignored in these proceedings, but neither is it always forcefully represented. A consumer protection agency would serve that necessary function.

[From the Roanoke (Va.) World-News, Apr. 30, 1974]

PROTECTING THE CONSUMER

According to the Conference Board, a business fact-finding organization, the consumer confidence index has dropped 40 points since fall. There are many reasons for this, of course. But one of them is the consumer's ongoing suspicion that government regulatory agencies are stacked to his detriment and to the advantage of business and industry.

Legislation now before the Congress should go far toward allaying that fear. It would create a Consumer Protection Agency that would serve as the consumer's voice before those government agencies that deal with consumer matters.

The new agency would have no regulatory powers of its own. It would perform the services of an advocate—seeking court action on the actions of other agencies that appear to be anti-consumer, soliciting action by other agencies on behalf of the cosumer, and so forth.

The House bill creating the Consumer Protection Agency has survived numerous assaults in committee and on the floor itself. Though not as strong as it began, the legislation is viable. Its survival is, we think, a testimony to the strength of the desire of the American consumer for a certain voice in Washington. The Senate should keep this in mind as it considers similar legislation this month.

Certain elements of the business community have a history of opposition to such legislation. More enlightened businessmen, however, realize they have nothing to fear from a Consumer Protection Agency so long as they are not trying to cheat or otherwise abuse the consumer.

Their colleagues ought to come around. To oppose creation of an agency that would do nothing more than give the consumer a reasonable voice, is to give the appearance that you have something to fear from such an agency.

[From the St. Louis (Mo.) Post-Dispatch, Apr. 13, 1974]

A BILL FOR CONSUMERS

Once again, a bill to establish a federal Consumer Protection Agency has advanced in Congress, and once again the same tired arguments, which in the past have proved successful, are being raised in opposition to it. Since legislation to create such an agency first passed the Senate in 1970 (only to be killed that year by the House Rules Committee), the fundamental question has been whether the office should have sufficient authority to adequately represent the inter-

est of consumers or whether it should exist in little more than name only.

Under a bill approved by the House, the agency would have an array of considerable powers. While it would lack regulatory authority of its own, the CPA would take part in formal rate-making proceedings of such agencies as the Interstate Commerce Commission and it would participate informally on policy-setting deliberations of the Federal Food and Drug Administration and other such offices. Most importantly, it would be authorized to intervene on behalf of consumers in court cases, although to do so it would need the judge's approval.

As usual, the agency is being opposed by business groups led by the U.S. Chamber of Commerce. Principally the objections center on the court powers that would be given the CPA, a grant of authority that its critics say would be abused by endless appeals of regulatory rulings. Yet the House bill is carefully drawn to prevent irresponsible litigation. As things now stand, consumers, unlike big business, have no special advocate among the federal agencies. It is far past time to remedy this unequal situation and the way to do this is through passage of the CPA bill.

[From the Des Moines (Iowa) Tribune, June 1, 1974]

CONSUMER AGENCY BILL

The bill setting up a Consumer Protection Agency has cleared the Senate Government Operations Committee after passing the House on a 293–to–94 vote early in April.

The House-passed bill would give the consumer agency authority to obtain consumer information from businesses, to publicize hazards and questionable practices, to request enforcement action from other government agencies and to appeal decisions of other agencies to federal courts.

Trade associations, notably the National Association of Manufacturers and the National Association of Food Chains, are leading lobbying efforts against the bill. Their main objections center on the agency's license to intervene in consumer matters before such other agencies as the Food and Drug Administration, Interstate Commerce Commission and Federal Aviation Administration, with which regulated industries usually have cultivated good relations.

But the trade associations appear to be having difficulty maintaining a united front. Several companies—Montgomery Ward, Motorola and Zenith among them—have declared support for the bill.

While not as strong as they originally had hoped for, the bill is satisfactory to most consumer groups. It is a reasonable compromise that would give consumers a much-needed sounding board in the federal government. It merits a fair trial.

[From the Atlanta (Ga.) Journal, May 28, 1974]

NECESSARY VOICE

There has been a long history of efforts to establish a consumer office in Washington, effectively opposed for a variety of reasons.

But it is an idea whose time may be about to arrive after years of adjustments and debates.

The Consumer Protection Agency Act has been passed out of the House, come out of two committees in the U.S. Senate and is expected to be on the Senate floor for consideration around June 10.

There is some speculation that the bill will face a filibuster in the Senate once it is brought up. The time and effort put into struggling for evolution of a consumer agency since Sen. Estes Kefauver introduced a bill in 1961, deserve a better fate than that.

The legislation before the Senate would establish a Consumer Protection Agency as an independent, nonregulatory body, representing the interests of consumers before other federal agencies and courts.

The bill has drawn strong support from consumer groups who feel it necessary because consumer interests have lacked the continuing effective representation that other interests have produced in arguing their cases.

An independent advocate agency of the kind proposed would be a far better approach than the creation of Cabinet-level Department of Consumer Affairs proposed at one time in 1969 by Sen. Gaylord Nelson. Nelson's department would have been cast in both an advocate and regulatory role.

The combination of the two would have led to numerous attacks on the department's credibility and heavy-handed bureaucracy.

The Senate Committee on Commerce in its report on the pending Consumer Protection Agency Act emphasized that the pending legislation specifically avoids combining the two roles. "It has no authority to alter any other agency's regulatory authority. It has no authority to initiate a judicial proceeding for the enforcement of any other agency's authority. The CPA is primarily an advocate."

That is as it should be. Regulatory agencies themselves can supply only a modicum of consumer advocacy. In some cases, in fact, they have appeared genuinely unaware that important consumer interests are affected by their decisions.

There is a strong desire for better representativeness and checks and balances in Washington. The creation of a consumer advocate agency will at least assure citizens that important consumer issues will be given full attention and consideration when regulatory agencies weigh the balance of interests in their decision making.

[From the Denver (Colo.) Rocky Mountain News, Apr. 16, 1974]

HELP IS ON THE WAY

For a long time now, many concerned citizens have felt that much is left to be desired in the cozy and often secret relationships between federal regulatory agencies and the industries they are charged with regulating.

Often, too, their suspicions have been well-founded.

Now, after years of delay, Congress seems about to establish a Consumer Protection Agency. Legislative work is expected to be completed before summer, and President Nixon has already given his commitment in favor of such an agency.

Although some of the original proposals for the agency's powers have been watered down in order to muster enough support from Congress, it still would have wide-reaching prerogatives to act as a sort of consumer ombudsman, a gadfly roaming through the government with enough sting to intervene in any federal agency activity that might affect the nation's consumers.

Many industry lobbyists feel that the agency would be just one more nuisance, an impediment to doing business. Others, however, agree that it could weed out dishonest business practices and thereby help restore consumer confidence in the goods that industry produces.

Certainly some such free-wheeling outfit, with no commitments except to the interests of consumers, is long overdue. After all this time, we hope it lives up to its advance billing.

[From the New York Times, July 16, 1974]

CONSUMERS' VOICE

For the third time in four years the Congress is attempting to create an institutional voice for consumer interests in Washington, to balance the well-organized activities of business lobbies and trade associations. Only the prospect of a filibuster, perhaps starting today, seems to stand between this much-needed legislation and Senate passage, following last April's overwhelming approval by the House of Representatives.

The bill would create a Consumer Protection Agency, a relatively small bureau whose function would be to present the consumer viewpoint in hearings and other proceedings before Federal regulatory agencies. It would have no regulatory power of its own.

In any administrative procedure, the presentation of advisory voices is the best guarantee against domination by one or another vested interest. "Consumers" are no monolithic or exclusive bloc of society, any more than is "business." Yet for too long an imbalance has existed in Washington that allowed the business-financed trade organizations to present their viewpoints on any issue pending in regulatory proceedings, without an equally coherent and informed presentation of how decisions might affect consumers. The Consumer Protection Agency is aimed at correcting this imbalance, not at imposing a veto power or superagency control.

In 1972 similar legislation passed the House, but was filibustered to death in the Senate. The leader of that filibuster, Senator James B. Allen of Alabama, has signaled his intention of trying to repeat his previously successful obstructionism. But this issue cannot be allowed to fail once again on a procedural ploy; the Senate owes the electorate a straightforward vote on its merits.

FOOD FOR THE NEEDY

Mr. HUMPHREY. Mr. President, I would like to call attention to an article, "Food for the Unfed," by Coleman McCarthy, which appeared in the Washington Post on July 17.

Mr. McCarthy tells us correctly that the plight of the poor is not a new problem. Unfortunately, it no longer creates a sense of alarm in us when we are told that we should attune our attention and understanding toward feeding the underfed. Americans are constantly being subjected to one "crisis" or another. But as he so aptly states, the "sleeping overfed" must be awakened to the gravity of this moral dilemma which is becoming more acute every day.

I have submitted a resolution in the Senate to sound the alarm on the situation that former Senator Tydings personally witnessed in Calcutta. It is easy to contrast the starving of India with our own food problem of how to avoid eating too much. But it is another matter for our Government to help initiate the decisive action required to address the urgent problems of hunger and starvation in the world.

Unfortunately, this administration cannot seem to make up its mind on its response to the food crisis. The media, the public, and citizens such as Mr. Tydings have been calling for positive action. Mother Teresa eloquently outlined the need before the recent Senate Foreign Relations Committee hearings on the world food resolution, Senate Resolution No. 329.

We now have the opportunity to provide the necessary leadership and make a moral commitment to aid the helpless

poor. I only hope that this chance will not be passed up in favor of easy rhetoric.

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:

FOOD FOR THE UNFED

(By Colman McCarthy)

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 ominously 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 plicymakers. "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 needed to produce it, grain that could be directly feeding people.

The call to give us 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.

THE BRITISH MIRACLE

Mr. PELL. Mr. President, 10 years ago when we were devising legislation to create for the first time in our Nation a National Endowment for the Arts, I gave special attention to the examples set in this very important area by foreign governments. Especially, did we consider the Arts Council of Great Britain. Its work stemmed from efforts made during the darkest days of World War II, and from a nation's recognition that the arts have an abiding significance to civilization which temporary severe hardships and tragedy cannot alter. Indeed, there was a clear recognition of the inspirational value of the arts in a time of desperate trouble.

Today our own Federal program to support the arts has increased in scope and importance. A year ago in this Chamber I had the opportunity of managing through to successful conclusion, legislation to reauthorize this program at increased levels of funding, unprecedented in our own history. I regret that these levels were not sustained by the Congress, but I am convinced that the initiatives taken by the Senate—by a better than 2-to-1 margin, after 2 days of discussion and debate—were of immense importance to the future of this program, and to raising our national sights to its true value.

The Senate-passed bill of a year ago would have authorized $140 million for support of the arts for the fiscal year just beginning—a figure reduced by the Senate-House conference to $100 million, and by this administration to a request for $82 million. Despite such reductions, a healthy increase in funding for both the Arts Endowment and its sister partner, the National Endowment for the Humanities, are prospects to which we look forward. I have urged full funding at the congressionally authorized level—$100 million for each endowment.

And I urge such levels with particular reference to the growth of Government support for the arts in Great Britain.

As a recent article in the New York Times points out, Great Britain is spending currently over $100 million a year for the arts. The British are providing that support with a population one-fourth the size of ours, and with a gross national product one-twelfth the size of our own. Were we to compare favorably with them we would be spending up to $1.2 billion annually through the National Endowment of the Arts.

The article in the Times is entitled "The British Miracle." The article emphasizes the remarkable vitality of the arts in Britain—a vitality which has produced world-wide acclaim, not to mention competition which often places our own creative artists at a disadvantage.

Mr. President, this is an article to which we should all give thought.

It was brought to my attention in particular by the thoughtfulness of one of my constituents, Mr. James O. Barnhill of Providence in my home State of Rhode Island. I ask unanimous consent that the full text be printed in the RECORD at the conclusion of my remarks.

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

THE BRITISH MIRACLE

(By Anthony Lewis)

LONDON, June 26.—Over the post-war years we have had the German Miracle, the Italian, the Japanese—the spurts of economic growth that made those countries newly rich. The British read about all that and longed for an economic miracle of their own, something to end the long slow slide down the international prosperity tables.

No economic magic has turned up here so far, unless it is the vision of North Sea oil in the future. But there has been a miracle of another kind, one that is not often men-

tioned but that is reason enough for the British to feel a sense of achievement. That is their record in the arts.

Visitors to this country are always struck by the extraordinary richness and variety of theater, music and dance. They may assume that it has always been thus in Britain, but it has not. The rich cultural life has been made possible by a transformation, in the last 25 years, of public and official attitudes toward the arts.

Before World War II, official interest in the performing arts was largely confined to censoring them. Shaw was just one of many who complained of an atmosphere hostile to creativity in ideas or forms. For 100 years and more efforts to build a national theater had got nowhere.

Today the British Government spends about $42 million a year on subsidies for theater, music and dance. Another $58 million goes to museums and galleries, and $4 million for the Film Institute. Other significant sums are spent by local governments, for building new theaters or subsidizing repertory companies.

The figure of over $100 million in national Government support for the arts is astonishing, considering Britain's size and economic situation. In the United States, Federal spending on aid to the arts is $61 million in the current fiscal year—a lower figure in a country with four times the population and about twelve times the gross national product.

Account must also be taken of the British Broadcasting Corporation, in a way the most significant cultural phenomenon in this country. While the public television stations of America struggle against official parsimony, the B.B.C. has revenues of $33 million a year from license fees imposed by Parliament. The B.B.C. carries on a good music network, its own orchestras, drama and a general creative program that makes its television output the most interesting in the world.

Of course artistic excellence need not depend on public money. One example of an institution that survives on private support is the incomparable Aldeburgh Festival, with its roots in the villages and churches and mysterious countryside of East Suffolk. To hear the music of Benjamin Britten or Henry Purcell in Aldeburgh is to feel the connection of land and art.

But there can be no doubt that the performing arts generally require public subsidy today to survive on a level above the frivolous. It is no accident that the plays of Harold Pinter, Tom Stoppard, David Storey and Edward Bond have usually been produced by the subsidized theater companies: the National, Royal Shakespeare and Royal Court. A new National Theater, an exciting building designed by Denys Lasdun and being built by the national and London governments, is nearing completion on the south bank of the Thames.

In the end it is not buildings or statistics that matter but particular artistic experiences. And so it is appropriate to anchor this attempt at describing something that Britain does well, very well, in the writer's experience of one performance.

It was Verdi's "Falstaff," played at the royal opera house, Covent Garden, the other evening with Tito Gobbi in the title role. "Falstaff" used to be considered an oddity; now performances are beseiged. More and more people have come to see this work of Verdi's eightieth year as an ultimate use of music and drama to express human weakness and glory, failure and aspiration.

The crucial thing about the character of Falstaff is that he is not a buffoon. Vain, yes, and gullible, and deceiving, but with a reservoir of wisdom and dignity and force; the force of life, for Falstaff is the symbol of life, of humanity with all its imperfections. That, at least, was what Verdi and his librettist, Boito, saw in the character. They perhaps saw more than Shakespeare.

The other night Tito Gobbi was all those things. He was the butt of the Windsor wives and their outraged men, but he remained larger than any of them; he remained in control. When he sang of how he had been slim enough to slip through a ring when he was page to the Duke of Norfolk, he sang of all our regretted yesterdays, but with spirit undimmed by physical change.

A great performance is always a small miracle. That the arts thrive as they do in this country is a larger one.

MISSING SERVICEMEN IN SOUTHEAST ASIA

Mr. BARTLETT. Mr. President, I believe my colleagues in the Senate will find interesting a report on our missing servicemen in Southeast Asia. I ask unanimous consent that there be printed in the RECORD a letter, dated July 9, 1974, from GILLESPIE V. MONTGOMERY, a Member of Congress from the 3d District of Mississippi.

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

HOUSE OF REPRESENTATIVES,
Washington, D.C., July 9, 1974.

DEAR COLLEAGUE: At the encouragement of the Defense Department and because of my own personal interest, I again went to the Far East during the Fourth of July Recess, this time only to seek information on the missing in action and the bodies of Americans not recovered from Southeast Asia.

I hope that you will be able to take just a few minutes to read this report, as I think that it will help update you on this sad and frustrating situation in which we find ourselves.

SOUTHEAST ASIA

There are 1140 Americans classified as missing in action and 1226 who were killed in action but whose bodies have not been recovered from communist zones.

The key to the whole situation is for the communists to let United States or neutral country identification teams go into the communist zones and recover our dead at the crash and grave sites and find out what happened to those who cannot be found in or near aircraft crash sites.

Not only did I meet with our Americans working on the MIA problem in Southeast Asia, but I also met with leaders of friendly governments in Laos and South Vietnam and with the Viet Cong in Saigon, the communist leaders in Laos (Pathet Lao), the First Counselor of the North Vietnamese Embassy in Laos, and the military attaches of India and Australia.

I asked only two questions of both the communist and the friendly representatives: First, Do you know of any Americans, military or civilian, classified as MIA who are still alive? Second, When are you going to let American or neutral identification teams go to crash sites and recover remains or determine if the pilot and/or crew got out of the plane? This is what I found out:

SOUTH VIETNAM

Ambassador Martin; the US representatives and Republic of Vietnam reprsentatives to the Four Party Joint Military Team (FPJMT); Col. Son, the Provisional Revolutionary Government (Viet Cong) representative to the FPJMT; B/G Ulatoski, Commander of the US Joint Casualty Resolution Center, all stated that they know of no Americans—military or civilian—classified as missing in action who are still being held captive in South Vietnam.

I asked the communists (Viet Cong) in Saigon, "When will you permit identification teams to inspect crash sites and bring home our dead for proper burial?" I was told that recovery of bodies was a little detail and they would not permit Americans to go to the sites. (Under the Paris Accords, we should be permitted to do this.)

Captain Rees, a member of an unarmed US identification team of our Joint Casualty Resolution Center, was murdered in cold blood by the Viet Cong on December 15, 1973, at a crash site in South Vietnam. Under the Paris Accords, we are required to notify the Viet Cong of intended site investigations, which no doubt helped them set up the ambush of Captain Rees's team; of course, since then no American teams have been sent out.

Any mention of Southeast Asia in the Congressional Record is read by the communists. They were quite disturbed by the Huber-Zablocki resolution (H. Con. Res. 271), which passed 374 to 0. The North Vietnamese and Viet Cong sometimes receive information from the Record before our own times receive information from the Record before our own members of the Four Party Joint Military Team in Saigon.

LAOS

I had long talks with the Deputy Prime Minister of the Coalition Government and the Minister of Economics, both communists (Pathet Lao). They were emphatic that the only American alive and held captive in their zone is Mr. Emmet Kay, an American civilian pilot captured after the ceasefire. I was told that he would be released as soon as the prisoner exchange between the Pathet Lao, the Royal Laotian Government, and the North Vietnamese could be worked out.

I met with General Michigan, India Army, who is head of the ICCS, and the Military Attache of the Australian Embassy. They both had only recently visited Sam Neva, Headquarters for the Pathet Lao in Northern Laos, and stated that they knew of no other Americans alive in Laos other than Emmet Kay.

General Vang Pao of the Royal Laotian Army told me he knew of no Americans still alive. He did mention that when he is permitted to go into communist areas, his group would be able to recover two American bodies.

The Deputy Prime Minister said the Pathet Lao would not permit American or other identification teams to go into their zone until the people were better acquainted with the new government and there was peace throughout Laos.

We pointed out in both Laos and Vietnam that time will destroy the crash sites and make finding the site and recovery of bodies impossible.

Since our government recognizes the new Laotian government, it is my understanding from US A.I.D. officials that Pathet Lao, as members of the coalition government, would be eligible for US aid. Ambassador Whitehouse assured me, however, that not one nickel of US aid would go into the communist zone of Laos until we had been given an accounting of our missing and have recovered the bodies of our men killed in Laos.

NORTH VIETNAM

I requested to go into North Vietnam, but my visa was turned down by them. However, I did meet with the Counselor of the North Vietnamese Embassy in Vientiane, Laos. He stated that there were no Americans still held captive in North Vietnam and that no search and identification teams would be permitted in North Vietnam until there was peace throughout Southeast Asia and the US had withdrawn its 24 thousand soldiers dressed as civilians in South Vietnam.

When the JCRC team went to Hanoi and picked up the bodies of 23 Americans who died in captivity in North Vietnam, there was a 24th body but the North Vietnamese would not release the remains of that Amer-

ican because they said he did not die in captivity.

CAMBODIA

The press corps in Saigon gave me pictures and descriptions of the 19 American and third country correspondents who are missing in Cambodia. I gave copies of these brochures to the three communist groups while in Saigon and asked that they give us information on these men. I did not go into Cambodia.

SUMMARY

(1) We tried so hard to develop evidence that Americans are still alive in Southeast Asia, other than Emmet Kay, but could not. The only way to be sure is for identification teams to go into the communist zones and search.

(2) I believe that the North Vietnamese have made good records of the American crash sites in North Vietnam, that the Viet Cong have some records, not as complete, and that the Pathet Lao have no records.

(3) The communists are not going to let us search the crash and grave sites until we bring some type of pressure on them. Time works against us since evidence at the site is very perishable in the tropical environment.

(4) The coalition government in Laos has a fighting chance of working. However, North Vietnam is going to continue fighting in South Vietnam and will not withdraw from Laos, in my opinion.

(5) The South Vietnamese are fighting well and are also giving us good assistance in resolving cases of the missing U.S. personnel that they can get to.

(6) In order ever to have peace in South Vietnam and in all of Southeast Asia, the major powers—Russia, China, and the U.S.—are going to have to reach an agreement on the continued supplying of these Southeast Asian nations with military aid.

(7) As elected officials and individuals, we must intensify and continue the public pressure for a full and factual accounting of MIA's and return of known dead. This appears to be the only tactic that has an effect on the other side.

Sincerely,

GILLESPIE V. MONTGOMERY,
Member of Congress.

P.S. I have requested a Special Order for Tuesday, July 16, and would urge you to join with me in discussing this important matter and showing that Members of Congress are vitally concerned about the plight of our missing servicemen.

CONSUMER PROTECTION AGENCY ACT

Mr. BAYH. Mr. President, I am pleased to add my support, as a cosponsor, to S. 707 to establish a Consumer Protection Agency. This landmark legislation reflects an awareness of consumer concerns within Government and business and is aimed at assuring that American consumers are listened to in matters affecting their health, safety, and their pocketbooks.

The most important function of the CPA will be to represent consumer interests before Federal agencies and courts. It will participate as an advocate in Federal agency proceedings to speak for the financial, safety, and health interests of consumers. The CPA will also be authorized, where necessary to protect consumer interests, to seek judicial review of an agency proceeding which by law is subject to review.

The CPA will in no respect have the power to regulate the activities of businesses. It will have no authority to issue regulations and orders governing the way individuals and businesses live or work. It will have no authority to force other Federal agencies to take any particular regulatory actions.

On the contrary, the CPA will act solely as an advocate and spokesperson for consumer interests.

Whenever we experience skyhigh mortgage rates or highly inflated price rises or fare hikes, when we have a meat shortage or a gas crisis, when we have a political milk deal or international wheat deal—the consumer is usually the first to feel the squeeze and often the last to be heard.

In part the consumer experiences these misfortunes because the agencies and departments of the Federal Government have often failed to have adequately put before them the needs and concerns of the consumer in the course of the decisionmaking process.

This legislation will guarantee that henceforth there will be someone in Washington to speak for consumers in the halls and hearing rooms of the Federal Government. This should help end some of the public's mistrust of Government.

The CPA bill is one of the most important pieces of consumer legislation ever to come before the Congress. It has been exhaustively considered since 1969. The Senate has twice before, in 1970 and 1972, considered on the floor legislation creating a Consumer Protection Agency. The Senate passed legislation by a vote of 74 to 4 in 1970 and in 1972 a final vote on the merits of the bill was prevented by filibuster. In both those years, as I do today, I support the CPA. This year, the House has already passed the CPA bill by a vote of 293 to 94.

Mr. President, since the CPA bill was considered in the Senate in 1972, my colleagues have undertaken extensive efforts to answer the criticisms expressed about the bill. This bill is expressely designed to insure that in protecting the consumer, the Agency does not unduly burden business and that the regulatory process is made more fair, expeditious, accountable, and responsive to the needs of consumers. It contains many safeguards to protect the responsible businessmen and not obstruct the orderly process of government.

Included among them are the following:

1. The CPA will have no regulatory authority. The CPA can not overrule, veto or impair any Federal agency's final determinations. CPA cannot institute enforcement proceedings against alleged violators of law, or impose fines or other penalties. No authority granted to the CPA may be construed to supersede, supplant, or replace the jurisdiction, functions or powers of any other agency to discharge its own statutory responsibilities. Sec. 3(2), Sec. 17(b).*

2. Limitations on CPA intervention. CPA may intervene as a party in formal agency proceedings, but the Administrator must exercise discretion to avoid unnecessary involvement. He must refrain from intervening as a party unless he determines that participation to that extent is necessary to adequately represent an interest of consumers. Where the submission of written views or information or the presentation of oral argument would suffice, he must limit his involvement accordingly. Sec. 7(a).

3. Protection against disruption and delay of agency proceedings and activities. When intervening or participating in agency proceedings, the Administrator must comply with the host agency's statutes and rules of procedure. Sec. 7(?) When submitting oral or written views in an informal agency activity, the Administrator must do so in an orderly manner and without causing undue delay. Sec. 7(b).

4. Protection against misuse of a host agency's compulsory process. Where CPA seeks to use an agency's subpoena authority for discovery purposes, the host agency retains discretion and control over the CPA's access to such authority. The host agency has discretion to deny CPA's request if it "reasonably determines" either than (1) it is not relevant to the matter at issue, (2) it would be unnecessarily burdensome to the person specified, or (3) it would unduly interfere with the host agency's discharge of its own statutory responsibilities. Sec. 7 ( ).

5. Limitations on CPA's Power to Issue Interrogatories to Business. The Administrator's authority to gather information from businesses through the use of interrogatories may not be exercised to obtain data which (1) is available as a matter of public record, (2) can be obtained from another Federal agency, or (3) is for use in connection with his intervention in any pending agency proceeding involving the person to whom an interrogatory is addressed. Sec. 11 (b)(2). Interrogatories may not be directed to businesses unless required to protect the health or safety of consumers or to discover consumer fraud or other unconscionable conduct detrimental to consumers. Moreover, any interrogatory must be relevant to a legitimate inquiry and not unnecessarily burdensome to the person to whom it is addressed.

6. Protection against arbitrary, capricious or vindictive intervention by the CPA. The Administrator is required to set forth explicitly and concisely in a public statement the interest of consumers which he is representing, and, to the extent practicable, any substantial interest of consumers which he is not representing, in any formal agency or court proceeding. Sec. 14(g). Any party to a proceeding or participant in any activity in which the Administrator took part may, where judicial review of the final agency action is otherwise accorded by law, obtain judicial review on the ground that the Administrator's intervention or participation resulted in prejudicial error. Sec. 14(e)(1)(8).

7. Protection against publicity of frivolous consumer complaints against a business, its products or services. Upon receipt of consumer complaints which the Administrator has determined are not frivolous, the CPA must notify the companies named and afford them a reasonable time to comment before complaints may be publicly displayed. When placed on public display, these complaints must be displayed together with any comments received. Sec. 10(c).

8. Limitations on CPA's access to information held by other federal agencies. Federal agencies may deny CPA access to classified information and restricted data whose dissemination is controlled pursuant to the Atomic Energy Act; policy and prosecutorial recommendations intended for internal agency use only; information concerning routine executive and administrative functions, personnel and medical files, and information which agencies are expressly prohibited from disclosing to another federal agency.

9. Protection against CPA access to income tax records. There is no authorization in this act to any federal agency to divulge the

* All Section references to bill as reported by the Government Operations Committee, May 28, 1974.

amount or source of income, profits, losses, expenditures, or any particular thereof, set forth or disclosed solely in any income return, or to permit the Administrator access to any Federal income tax return. This will insure that records which are now treated as confidential by the IRS with respect to access by other federal agencies will be treated in the same manner with respect to the CPA. Sec. 11(d).

10. Protection against disclosure of confidential information relating to business practices and trade secrets. Federal agencies may deny CPA access to trade secrets and other confidential business information if the agency could not have obtained the information without an agreement to keep it confidential and if the failure to obtain the information would seriously impair the carrying out of the host agency's program and CPA's access to it would be likely to cause substantial competitive injury to the person who provided it. Sec. 11(c)(6). Where CPA is given access to this information by another agency, CPA may not disclose it to the public. Where CPA obtains this data from a source other than another agency, it may disclose it only in two very limited circumstances: (1) when required to protect the public health or safety; or (2) in a manner designed to preserve confidentiality, to Congress, the courts, or another agency. Sec. 12(c).

11. Protections against disclosure to the public of false or misleading information regarding a business. CPA is directed to take all reasonable measures to insure that any information it discloses is accurate and not misleading or incomplete. If it is, CPA is required to promptly issue a retraction, take other reasonable action to correct the error, or release significant additional information which is likely to affect the accuracy or completeness of information previously released. Sec. 12(d).

12. Protection against "surprise" disclosures to the public of information likely to injure the reputation or good will of a business. The CPA is required, as a matter of course, to give prior notice to businesses likely to sustain injury due to release of information and to afford an opportunity to comment or seek injunctive relief, unless immediate release is necessary to protect the health or safety of the public. Sec. 12(d). In releasing information naming products or services CPA must make clear when all products have not been compared and CPA may not indicate expressly that one product is a "better buy" than another.

Mr. BAYH. Business can and should support the bill also. The following questions and answers address some business comments on the bill:

Q. Would CPA create more unnecessary bureaucracy unresponsive to consumers?

A. CPA is a response to the fact that the existing bureaucracy has been closed to those without power, money, and organization. CPA would "break in" to the bureaucracy, carrying the views of consumers who have been unable to penetrate the agencies making crucial decisions affecting them. Rather than increase bureaucracy, CPA would help to make it more responsibe to citizen interests.

Q. Would CPA be a super agency with powers never before given to a Government agency?

A. CPA would have absolutely no power to regulate, to impose penalties, to grant or deny licenses, or to make rules. It would serve simply as an advocate. CPA would have no greater right to obtain information from business or from other agencies than other government agencies.

Q. Would CPA radically alter the way Government relates to business?

A. To the extent that Government and business have reached closed-door decisions without giving due consideration to the consumer interest as defined in the bill would present relationship. However, CPA would not change the regulatory responsibilities of other agencies nor would it prohibit business and other interested parties from communicating with these agencies. CPA would simply open the door on these deliberations, exercising its right to participate to the same extent as other interested parties.

Q. Would CPA mean more delay and red tape for business?

A. CPA would be bound by the same procedural rules and time limits which apply to business and other parties to agency proceedings. CPA would simply enter an ongoing agency proceeding or activity, in accordance with the rules of the host agency. Also, the CPA will have limited resources ($15 to 25 million)—less, for example, than the Defense Department's public relations office; and it would therefore be able to participate in only a relatively few carefully chosen cases.

Q. Would CPA be a "dual prosecutor"?

A. CPA would have no power to decide the outcome of a case or to impose any fines or other penalties. Its rights in enforcement proceedings would be the same as those of other parties, i.e., the same rights to advocacy, discovery, cross-examination of witnesses, and presentation of evidence.

Q. Would CPA harass business with "fishing expeditions"?

A. CPA is given limited power to gather consumer-related information by sending interrogatives (i.e., questionnaires) to those engaged in business activities which substantially affect consumers' interest. Business can challenge these requests in court and they will be enforced only if CPA can show that they seek information that substantially affects consumer health or safety or which is necessary to discover consumer fraud or other unconscionable conduct detrimental to consumers. They will not be enforced if the recipient shows that they are excessively burdensome. Moreover, CPA cannot use this power if the information is already available publicly or from another agency. CPA has no independent subpoena power, but it does have the same right to ask a host agency to use its subpoena power during an agency proceeding as any other party has under the Administrative Procedure Act. CPA may also request that an agency issue a subpoena relevant to an informal agency activity, but the host agency will issue the subpoena only if it is relevant and not excessively burdensome either to the host agency or to the recipient.

Q. Could CPA expose trade secrets?

A. CPA employees would be subject to the same criminal penalties for unauthorized disclosure of trade secrets and other confidential information which apply to employees of other federal agencies. CPA would not be authorized to disclose trade secret or other information acquired from another agency if that agency stated that the information is exempt from disclosure under the Freedom of Information Act. Where CPA acquired trade secret information from another source, it could be disclosed only if necessary to protect the public health and safety.

Q. Would CPA have unique rights to seek judicial review of agency decisions which would open all agency decisions to "second guessing"?

A. No. CPA can seek judicial review of decisions in which it did not participate. However, participation in an agency proceeding is not a prerequisite for standing to seek review of the agency's decision. Any person who is "aggrieved" by a decision may seek judicial review of that decision whether or not he participated below. Where consumer viewpoint, CPA would change the statutory standing and it may initiate judicial action or intervene in an ongoing case, as any "aggrieved" party could. Prior to initiating judicial review of decisions in which he did not participate, however, CPA must petition the host agency for rehearing or reconsideration, even in cases where other interested parties would not be required to so petition. Thus, CPA's ability to seek review of these decisions to "second guessing" to which they are not already subjected.

Q. Would CPA make informal negotiations between Government and business impossible?

A. No, but CPA would participate in these non-structured activities by presenting written or oral submissions in an orderly manner and without causing undue delay. The Federal agency would have to give full consideration to these submissions. Such orderly participation does not make negotiations impossible. It merely assures that the decision-makers are cognizant of the impact proposed negotiated agreements will have on consumers before negotiations are concluded.

Q. Would CPA result in less consumer protection by increasing costs and reducing choice in the marketplace?

A. CPA would have no power to take products off the market or to set standards which products must meet. To the extent that products on the market are unsafe or ineffective, the consumer interest may warrant bringing these facts to the attention of the appropriate regulatory agency. CPA could petition the agency to act, but the regulatory agency would decide whether action was warranted, as they do today. If in fact a product is unsafe, consumer interests and common justice require that this fact be raised.

Mr. BAYH. This legislation cannot by itself guarantee the public will regain its faith in the integrity of the Government. Nor can it cure inflation or guarantee that no consumer will ever be overcharged or defrauded again. But it represents an important effort in that direction.

Yet, the great majority of American businesses have nothing to fear from the bill. The CPA will help to protect their good name and promote the consumer's faith in American business generally. It will help end the practices of a few that may give a whole industry a bad name.

I support the fundamentals of this bill and the basic concepts it contains and hope that the Senate after a reasonable time for debate will act favorably on the legislation.

Mr. President, I ask unanimous consent to insert in the RECORD at this point a copy of an editorial in support of the CPA which appeared in Business Week.

The PRESIDING OFFICER. There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From Business Week, April 6, 1974]

A CONSUMER SPOKESMAN

Businessmen understandably are somewhat nervous about the drive to create a federal agency charged with looking out for the interests of the U.S. consumer. But the legislation taking shape this week in the House deserves the support of business as well as the various groups that now speak for the consumer.

Basically, the bill would create an "ombudsman" to represent consumer interests before Congress and most federal regulatory agencies, including the Federal Trade Commission, the Food & Drug Administration, the Interstate Commerce Commission, and the new Product Safety Commission. Consumer interests are aggrieved, CPA is given include everything from quality to availability and adequacy of choice.

There is a danger, of course, that another agency would simply multiply the red tape and increase the delays that already frustrate businessmen when they deal with the government. But it is also possible that the new agency could help speed the regulatory process by improving input and clarifying issues.

Beyond that, a consumer agency could improve the level of debate between business and the consumerists. By putting a sharp focus on the vague charges the consumer groups now feel free to make, it could show business where its real problems are. And by equalizing the balance between well-financed, well-organized business groups and the often disorganized consumer spokesmen, it could help restore public confidence in the regulatory process.

The chances of getting a fair and workable bill adopted may be better now than they will be after election. There is no telling what part consumer unrest will play in next November's voting. But as Representative Frank Horton (R–N.Y.), a co-sponsor of the bill, says, "Prudence dictates moving when the situation is stable and the factors understood."

SENATOR RANDOLPH STRESSES EQUAL OPPORTUNITY FOR THE HANDICAPPED—COMMENDS U.S. NEWS & WORLD REPORT

Mr. RANDOLPH. Mr. President, I bring to the attention of the Senate an article in the July 22, 1974, issue of U.S. News & World Report " 'New Deal' for Handicapped in Jobs, Housing, Recreation . . ." The story states an improvement of the status in the areas for some handicapped individuals.

I am gratified that with the support of my colleagues, Federal legislation has been approved in the areas of education, rehabilitation, and housing for the handicapped. The Subcommittee on the Handicapped, which I have the responsibility to chair, has been involved in the development of regulations on transportation, architectural barriers, and consumer protection issues involving hearing aids and the distribution of energy supplies.

Despite these advances, which will guarantee equal opportunities for the same handicapped individual in many areas, I agree with those who state that all the problems of the handicapped will not be solved quickly. We must continue our efforts until we have reached a goal of equal opportunity for all handicapped Americans.

I commend U.S. News & World Report for bringing to the attention of the public information about the social and economic concerns of handicapped individuals. 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:

"NEW DEAL" FOR HANDICAPPED IN JOBS, HOUSING, RECREATION . . .

Fresh hope for better jobs—and a better life off the job—is dawning for the nation's 11 million physically and mentally handicapped persons.

Under pressure of rising militancy among these Americans, Government and business now are moving more boldly than ever before to bring them into the mainstream of the nation's economy and social concerns.

Spending on vocational rehabilitation is being stepped up. Jobs are opening to the handicapped in business and industry. At the same time, a major effort is under way to adapt housing, transportation and recreation facilities to needs of the handicapped—now often turned away because of their condition.

PLENTY OF COMPLAINTS

Experts in this field warn that the problems of such Americans will not be solved quickly. Complaints of unfulfilled promises still run high among the handicapped.

Yet there is growing determination to bring a "new deal" for these people who, in the past, have had to live in whole or partial dependency save for a fortunate few who "made it" through exceptional ability, family resources, hard work—and luck.

Much of this drive centers on the plight of many of the 320,000 disabled veterans of the Vietnam War—aimless, jobless and embittered. But it also extends generally to the blind, the deaf, the crippled, and the mentally retarded.

It is the handicapped themselves who are making sure that the nation becomes aware of their problems.

Their new mood was signaled a year ago when several hundred persons—many in wheel chairs—kept an all-night vigil at the Lincoln Memorial, in the capital, to protest a presidential veto of a rehabilitation bill passed by Congress.

Today, unwilling to languish on the fringes of U.S. society, the handicapped are lobbying, filing legal actions, and demonstrating in the new spirit of what some call "crutch power."

In the words of a U.S. official:

"The handicapped are going the way of the blacks and the Indians in demanding civil rights; the right to determine their own destinies."

About 100 handicapped persons, in wheel chairs and on crutches, gathered recently at a midtown intersection in New York City, causing a 3½-hour traffic jam at midday until they won an exemption from the State's odd-even gasoline-sales program.

MEASURE OF REGULATION

In Berkeley, Calif., two young disabled militants rebelled at what they regarded as overregulation of their lives by hospital officials. The pair forced the University of California to begin a special program for handicapped students with federal help under the program for aid to minority education.

In Florida, an organization calling itself WARPATH—World Association to Remove Prejudice Against the Handicapped—has threatened a major airline with a lawsuit, claiming that its president was taken off a scheduled flight because an agent did not think a person in a wheelchair should fly.

Jeffrey Friedman, a young law student, sued the commissioners of Cuyahoga County because, being in a wheel chair, he could not enter public buildings in downtown Cleveland. Result: All existing county-owned buildings and all future construction must have ramps and other features for the handicapped.

A paraplegic's legal suit is forcing Washington, D.C., to install elevators for the handicapped at all stations—at a cost of 65 million dollars—in the subway system now being built.

A major prop for this militancy is the Rehabilitation Act of 1973 and Department of Labor regulations. They add up to this:

Any company with a business contract of more than $2,500 with the Federal Government—an estimated half of all business enterprises in the United States—must take "affirmative action" to employ and promote the handicapped who are qualified.

Any handicapped individual can file a complaint with the Department of Labor if he feels that a business has failed to comply sufficiently with "affirmative action."

The Federal Government itself is a major employer of handicapped people.

At the end of 1973, over 2,000 severely handicapped people were employed in the executive branch after being hired under special, noncompetitive procedures, for jobs paying from $5,017 to $20,677 a year.

Of this number, more than a third, most of them deaf, were employed by the U.S. Postal Service, mostly as distribution clerks—unbothered by the consistently high noise level in that category of work.

The Internal Revenue Service employs 93 blind people in its offices across the country to answer taxpayers' questions—on the telephone or face to face.

IN WATERGATE CASE

A number of deaf-mute teen-agers are employed as messengers by the Watergate Special Prosecution Force.

Eighteen States have programs similar to the federal one for hiring handicapped people.

Furthermore, the Federal Government is paying 80 per cent of the States' costs of vocational-rehabilitation programs. Total federal spending for vocational rehabilitation—including disabled veterans—now comes to about 1 billion dollars a year.

During the fiscal year that started July 1, well over a million beneficiaries will be involved.

One reason for rising outlays—in addition to inflation—is concern over the status of many disabled veterans. Says Robert H. Ruffner of the President's Committee on Employment of the Handicapped:

"Many of the disabled young veterans are turned off. They see no future for themselves. They've got to be reached, encouraged and motivated. . . .

"Some employers just don't want the handicapped around. Some employers say 'They are too different,' or 'They will upset the other employes.' "

To help remedy that situation, the Veterans Administration has mailed out queries to 55,000 out of the 320,000 disabled Vietnam War veterans about their employment status and whether they need help in finding a job. So far, 12,000 have asked aid in finding a job or in job improvement.

Meanwhile, U.S. Government efforts to find jobs for veterans—disabled ones especially—continue to meet with frequent criticism as inadequate. Norman B. Hartnett, employment director of the Disabled American Veterans, told a Senate subcommittee on April 30, 1974:

"[The Department of] Labor's manpower administration officials have been insensitive to the needs of job-seeking veterans, and their indifference has been manifested by inadequate funding, insufficient staffing, intolerable delay, and an absence of innovative programs to enhance employment and training prospects for veterans.

"Further, the 'special emphasis' program for the employment of qualified disabled and Vietnam-era veterans by federal contractors may be best described as "Too little! Too late! Too lamentable!' because of woefully weak and totally inadequate regulations, and a lack of enforcement."

EMPLOYERS TAKE A HAND

In response to such criticism, the National Alliance of Businessmen, in co-operation with the Veterans Administration and the U.S. Employment Service, has been finding jobs for 10,000 disabled Vietnam War veterans. Reports of 4,424 placements were received during a recent 11-month period.

Numerous private business firms are actively involved in the effort to hire the handicapped. A few examples: Du Pont, the chemical-industry giant, employs more than 1,400 handicapped people in various occupa-

tions. A recent study showed that 91 per cent rated average-or-better in job performance when compared with the total employe population.

A recent three-year program of the Institute of Industrial Launderers to employ mentally retarded workers in its plants from coast to coast has yielded these results: More than 600 individuals received training; only 10 had accidents—nine of them minor—on the job. Ninety-four per cent had perfect attendance records.

Jeno's, Inc., a Duluth, Minn., food-processing firm, employs about 1,000 persons—about half of them with physical and mental impairments. On the payroll are deaf, blind, amputees, paralyzed and others. They hold positions at nearly all levels of the firm's operations.

Several Fairchild electronics plants are hiring the handicapped. One, on a Navajo Indian reservation in New Mexico, employs about 300 handicapped workers out of a total of 800.

The plant makes high-quality semiconductor devices used in virtually all types of electrical systems, including those for U.S. space programs.

CLEANEST BUILDINGS

In Portland, Oreg., an association of building owners and managers teamed up with a union local and a rehabilitation center to arrange for mentally retarded people to clean up office buildings at night. Result is said to be the cleanest downtown office buildings in the history of the city.

What about those Americans too severely handicapped to support themselves by working?

As of January, 1974, about 2 million such individuals were drawing disability checks averaging about $183 a month under the regular Social Security program. Some 1.3 million persons were drawing federal checks under a Supplemental Security Income program. Average payment is a little over $106 a month, augmented in many cases by payments from State welfare programs.

Summing up the trend, Bernard Posner, executive director of the President's Committee on Employment of the Handicapped, says:

"We see that people with some kinds of handicapped conditions still don't share in the good life. Among them are those with stigmatic conditions such as epilepsy and mental illness; those with disabilities which impede communications: blindness, deafness, cerebral palsy; those with disabilities that worsen as time goes on: multiple sclerosis, muscular dystrophy. So we have a long way to go."

Yet, he adds, the future for many handicapped Americans is increasingly hopeful. One reason: the worsening shortage of applicants for service jobs where relatively low status and pay often result in a high turnover rate.

QUALITY OF WORKERS

Said Mr. Posner: "It's no wonder that employers are increasingly turning to the qualified mentally retarded people as a way of filling such jobs with reliable workers." Parallel efforts are under way to improve the lives of the handicapped by removing many physical barriers.

The New Jersey housing finance agency recently ruled that all buildings it finances must be free of architectural barriers such as steps, narrow doors, inaccessible bathrooms, and elevators that cannot accommodate wheel chairs. The decision affects hundreds of millions of dollars' worth of multifamily housing.

In North Carolina, the State building code was recently amended to provide that 1 out of every 10 residential units in apartment projects be made accessible to handicapped occupants—including adjustable work areas in the kitchens, redesigned bathrooms, and electrical outlets mounted at a height that can be reached from wheel chairs.

The recently-launched San Francisco Bay Area rapid-transit system has aids for the handicapped such as elevators at 34 stations, wide car aisles for wheelchair access, ramps instead of steps, accessible rest rooms, and even Braille directional symbols for the blind.

Amtrak, the national railroad system, has established a policy of considering the requirements of the handicapped in designing new facilities. This involves level walks without steps, ramps and handrails, phones and water fountains at wheel-chair level, raised platforms at stations that meet the level of cars.

SPECIAL BUSES, TOO

The Department of Transportation is providing funds to three bus manufacturers to design a new kind of city bus more accessible to the handicapped and the elderly through reduced floor height, wider doors and advanced lift and ramp-design for boarding.

The National Park Service has issued a special National Park guide for the handicapped—who also benefit from transcripts of audio programs and lectures for the deaf; Braille markers and plastic contour maps for the blind; ramps, handrails and guardrails for visitors in wheel chairs; and oxygen, plus trained personnel to administer it, for heart patients at high-altitude spots.

In such ways, Government and private initiative—often under the pressure of militant "crutch power"—are moving to create brighter prospects and a better life for the nation's handicapped.

PROFILE OF AMERICA'S HANDICAPPED

About 11,265,000 Americans aged 16 to 64—one out of every 13 in that age group—are classified as physically or mentally handicapped beyond the normal range of human differences.

By category:

Retarded—3.5 million.

Paralyzed or physically deformed—1.8 million.

Cardiacs and hypertensives—1.4 million.

Advanced arthritis—1 million.

Deaf (totally or partly)—900,000.

Blind (totally or partly)—700,000.

Others—2 million.

More facts, based on the 1970 census, and excluding handicapped in institutions—

IN EDUCATION

Compared with the population at large, more of the nation's handicapped failed to complete the eighth grade—22 per cent compared with 14 per cent for total in U.S. Fewer of them—5 per cent against 9 per cent for the total population—completed four years of college or more.

IN INCOME

21 per cent of U.S. handicapped persons were living below the poverty level, compared with 14 per cent for the population as a whole.

IN JOBS

About 42 per cent of the adult handicapped were employed, compared with 53 per cent of the total adult population.

THE THIRD UNITED NATIONS LAW OF THE SEA CONFERENCE

Mr. PELL. Mr. President, I am sure that many of you are aware that the Third United Nations Law of the Sea Conference is now underway in Caracas, Venezuela. This conference hopes to deal not only with a regime governing the exploitation of the natural resources of the seabed, but with a broad range of related issues, including the breadth of the territorial sea, passage through international straits, fishing and the conservation of the living resources of the sea, the preservation of the marine environment and scientific research.

If successful, this conference could mark a new era of international cooperation and could create an independent source of economic assistance for developing nations. If a failure, this conference could mark the beginning of a dangerous period of jurisdictional and worldwide power conflicts. The recent fishing controversy between Great Britain and Iceland and the Aegean Sea Continental Shelf boundary dispute between Greece and Turkey are indicative of what the future holds for the world community if an agreement on these issues is not soon concluded.

The U.S. position on these issues has been generally positive and constructive. The original U.S. proposal, submitted to the United Nations in 1970, provided the basis for a farsighted and equitable international agreement. Since that time the United States has consistently bargained in good faith and made the compromises necessary to advance the negotiations.

Ambassador John R. Stevenson's recent conference speech indicating that the United States is willing to accept a conditional 200-mile economic resource zone is another example of the willingness of the United States to advance the efforts of international cooperation.

In this regard, I highly commend Ambassador Stevenson for his brilliant work in seeking to achieve a consensus.

Mr. President, I hope that the Senate will continue to support the U.S. delegation in their effort to obtain an international agreement which will protect not only the resource interests of the United States, but the long-term overall welfare of the entire international community. I ask unanimous consent that Ambassador Stevenson's 200-mile economic zone statement be printed in the RECORD.

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

ADDRESS BY AMBASSADOR JOHN R. STEVENSON

Three Auguries of a Successful Conference. Mr. President, the practical and favorable working conditions which the Venezuelan Government has so graciously provided are the first of three auguries of a most successful conference. The other two are the adoption on schedule by consensus of the rules of procedures, and second, the constructive, moderate tone and the developing consensus on substance reflected in the statement given in the last two weeks.

Adoption of Rules of Procedure. The adoption of the rules of procedure on schedule by consensus was significant because these rules are a reasonable accommodation between those who wished to avoid premature voting and those who were concerned because it showed what inspired, firm and sensitive leadership; as provided by you, Sir, can do in reconciling differences and leading us to a generally acceptable result. You have set a high standard for our committee chairmen, but knowing and respecting all of them as I do, I am convinced that the team of Engo, Aguilar, Yankov and Beesley will live up to this challenge. The conference has selected its leadership with care and with great wisdom.

Moderate and Constructive Tone of General Debate. Our delegation has noted with a growing sense of appreciation and optimism for the future, the generally moderate, constructive tone of the statements made in the course of the last two weeks. Only very few delegations have departed from this general pattern, misrepresenting past events and the present positions of some delegations, including our own.

We are not here to engage in mutual recriminations. We must roll up our sleeves and get down to the practical business of drawing up a generally acceptable constitution for the oceans before disputes over conflicting uses of the same ocean space and unilateral action by individual states put such agreement out of our reach.

Growing Consensus on Limits of National and International Jurisdiction. In the course of listening to and reading the statements made during the last two weeks. I have been struck by the very large measure of agreement on the general outlines of an overall settlement. Most delegations that have spoken have endorsed or indicated a willingness to accept, under certain conditions and as part of a package settlement, a maximum limit of 12 miles for the territorial sea and of 200 miles for an economic zone, and an international regime for the deep seabed in the area beyond national jurisdiction.

The United States has for a number of years indicated our flexibility on the limits of coastal state resources jurisdiction. We have stressed that the content of the legal regime within such coastal state jurisdiction is more important than the limits of such jurisdiction. Accordingly, we are prepared to accept, and indeed we would welcome general agreement on a 12-mile outer limit for the territorial sea and a 200-mile outer limit for the economic zone provided it is part of an acceptable comprehensive package, including a satisfactory regime within and beyond the economic zone and provision for unimpeded transit of straits used for international navigation. Coastal state economic jurisdiction beyond 200 miles with which the Conference must deal: jurisdiction over the resources of the continental margin when it extends beyond 200 miles and jurisdiction over anadromous fish such as salmon, which originate in coastal rivers but swim far out into the ocean before returning to the stream of their birth to spawn and die.

A number of states have expressed the view that under the continental shelf convention and the continental shelf doctrine of customary international law as interpreted by the International Court of Justice, they have rights over the resources of the continental margin and that they will not accept any law of the sea treaty which cuts off the rights at 200 miles.

Other states are reluctant to reduce the common heritage of mankind by recognizing coastal state jurisdiction beyond 200 miles. Still others, including the United States, have suggested an approach which gives coastal states the limit they seek, but provides, through uniform payments of a percentage of the value of production, for the sharing by other states in the benefits of the exploitation of the nonrenewable resources in part of the area. This would seem to be an equitable basis for an accommodation.

With respect to salmon, the views of my country are well known. This species of fish depends for survival on the maintenance at considerable economic cost of a favorable environment in coastal rivers and streams, and can effectively be conserved and managed only if caught, when returning to the fresh waters of its origin, in the internal waters, territorial sea or economic zone of the host state. The very survival of this species of fish may depend on the action we collectively take at this conference.

Consensus on limits of national and international jurisdiction is conditional on the nature of coastal and international regimes within these limits. The statements to date make clear that in the case of a large number of states whose agreement is critical for an effective, generally acceptable treaty, the growing consensus on the limits of national jurisdiction i.e., a maximum outer limit of 12 miles for the territorial sea and of 200 miles for the economic zone—is conditional on a satisfactory overall treaty package and, more specifically, on provisions for unimpeded transit of international straits and a balance between coastal state rights and duties within the economic zone.

Territorial Sea. With respect to the coastal states' right to establish a territorial sea of up to a maximum of 12 miles, it is the view of many delegations, including our own, that general recognition of this right must be accompanied by treaty provisions for unimpeded passage through, over and under straits used for international navigation. The formulation of treaty language which will maintain a nondiscriminatory right of unimpeded transit while meeting coastal state concerns with respect to navigational safety, pollution and security will be one of the second committee's most important tasks.

Economic Zone. Our willingness and that of many other delegations to accept a 200-mile outer limit for the economic zone depends on the concurrent negotiation and acceptance of correlative coastal state duties.

The coastal state rights we contemplate comprise full regulatory jurisdiction over exploration and exploitation of seabed resources, non-resource drilling, fishing for coastal and anadromous species, and installations constructed for economic purposes.

The rights of other states include freedom of navigation, overflight, and other non-resource uses.

With respect to the zone as a whole, we contemplate coastal state duties to prevent unjustifiable interference with navigation, overflight, and other non-resource uses, and to respect international environmental obligations. With regard to the seabeds and economic installations, this includes respect for international standards to prevent interference with other uses and to prevent pollution. With regard to fishing, this includes a duty to conserve living resources.

For the seabeds, we also contemplate a coastal state duty to observe exploration and exploitation arrangements it enters into.

For fisheries, to the extent that the coastal state does not fully utilize a fishery resource, we contemplate a coastal state duty to permit foreign fishing under reasonable coastal state regulations. These regulations would include conservation measures and provision for harvesting by coastal state vessels up to their capacity and could include the payment of a reasonable license fee by foreign fishermen. We also contemplate a duty for the coastal state and all other fishing states to cooperate with each other in formulating equitable international and regional conservation and allocation regulations for highly migratory species, taking into account the unique migratory pattern of these species within and without the zones.

The negotiation and elaboration of these duties is a critical responsibility of the second committee.

With respect to the related assertions by a number of states of coastal state plenary jurisdiction over scientific research and vessel-source pollution throughout the economic zone, the statements made clear that the willingness of many delegations, including my own, to negotiate on the basis of conditional acceptance of a 200-mile economic zone does not include acceptance of a requirement of coastal state consent for scientific research and coastal state control over vessel-source pollution within the zone.

For our part, we believe that, as an alternative to coastal state consent, a series of obligations should be imposed on the researcher and his flag state to respect coastal state resource interests in the zone. The obligations would include advance notification, participation, data sharing, assistance in scientific research technology and in interpretation of data, and compliance with applicable international environmental standards.

Vessel-source pollution presents a troublesome problem to the entire international community, including coastal states. At the same time, interference with freedom of navigation must be prevented. We believe international standards enforced by flag and port states, with provision for specific additional coastal state enforcement rights, can accommodate these legitimate interests. In this connection, we believe the coastal state may be authorized to take enforcement action in emergencies to prevent imminent danger of major harmful damage to its coast, or pursuant to a finding in dispute settlement that a flag state has unreasonably and persistently failed to enforce applicable international standards on its flag vessels. Of course, flag and port states would retain their right to set higher standards.

While important differences in our positions remain to be resolved in this session, we are heartened as we embark in these negotiations by the realization that most states want to ensure both effective prevention of vessel-source pollution and protection of navigational freedoms.

We hope that the third committee can make major progress in producing agreed articles on these scientific research and pollution questions.

International Seabed Regime Beyond National Jurisdiction. Just as coastal state rights within the zone must, if we are to reach agreement, be balanced by duties, the international authority's jurisdiction over the exploitation of the deep seabed's resources—the common heritage of mankind—must be balanced by duties that protect the rights of individual states and their nationals—most critically in our view their right to nondiscriminatory access under reasonable conditions to the seabed's resources on a basis that provides for the sharing of the benefits of their exploitation with other states.

The statements made do indicate that there are substantial differences among us in our interpretation and proposed implementation of the common heritage principle. Both developing and developed countries have many aspirations concerning the common heritage; in some cases these are in harmony and in others they are not. My delegation believes that on a variety of issues which seem on the surface to present a wide gulf we are closer together than we think. Let us employ every possible method of work to ensure that we find these points of harmony and proceed at once to reflect this harmony in draft articles. This we believe is the principal task before the first committee at this session.

Interest of Landlocked and Geographically Disadvantaged States. Most prior speakers have referred to the desirability, indeed the necessity, of providing special benefits in a comprehensive Law of the Sea treaty for the landlocked and geographically disadvantaged states. The most widely supported proposals are that landlocked states' right of access to the sea and special rights in the fisheries of adjacent coastal states be recognized.

Although these recommendations do not directly affect the United States, we applaud coastal states' willingness to provide these benefits as part of an overall equitable and

widely acceptable settlement and, we will, of course, support such provisions.

Much more controversial is the proposal of some landlocked and other geographically disadvantaged states that they participate in the benefits of the exploitation of nonrenewable resources—principally petroleum and natural gas—of the continental margin, either through a direct right of access to neighboring coastal states' continental margins or by the establishment of limits of coastal state jurisdiction that will keep some of the continental margin outside of coastal state control and within the common heritage.

It is my delegation's view that, as part of a satisfactory and widely acceptable treaty, an equitable and perhaps the most practical accommodation in this area may well be to provide for coastal states' exclusive rights in the continental margin, but also to provide for international payments from mineral resources at a modest and uniform rate in the area beyond 12 miles or the 200 meter isobath, whichever is further seaward. These payments would be used primarily for developing countries, including developing landlocked and other geographically disadvantaged states. Landlocked and other geographically disadvantaged states should not expect that sharing in the benefits from deep seabed hard minerals alone could make a significant contribution to their economies.

Compulsory Dispute Settlement. Mr. President, my government believes that any law of the sea treaty is almost as easily susceptible of unreasonable unilateral interpretation as are the principles of customary international law. This is particularly true when we consider that the essential balance of critical portions of the treaty, such as the economic zone, must rest upon impartial interpretation of treaty provisions. One of the primary motivations of my government in supporting the negotiation of a new law of the sea treaty is that of making an enduring contribution to a new structure for peaceful relations among states. Accordingly, we must reiterate our view that a system of peaceful and compulsory third-party settlement of disputes is in the end perhaps the most significant justification for the accommodations we are all being asked to make.

Objectives for the Caracas Session. It is the view of my delegation that the conference should strive to adopt an entire treaty text this summer. What is required to do so is not so much technical drafting as the political will to decide a relatively small number of critical issues. Once these decisions are made, the number of treaty articles required to implement them for the territorial sea, straits and the economic zone would not be large. The deep seabed regime will require more articles, and the first committee should concentrate on the preparation of agreed articles whenever this is possible.

What an electrifying and heartening development it would be for the international community, and what a deserved tribute to our Latin American host, if we could adopt an agreed text this session!

If we do not at least try to reach agreement on the treaty this summer, we may well not even achieve the basic mimimum required to finish next year and in the interim prevent further unilateral action prejudicial to the success of the conference.

The minimum objective for Caracas, as we see it, is to complete treaty texts on most, if not all, of the critical articles—the territorial sea, straits, the economic zone, the seabed regime and the authority's functions pollution from ocean uses, and scientific research. To achieve this objective, it is critical to recognize now that neither a statement of general principles, nor articles which define the rights of coastal states and of the seabed authority without defining their corresponding duties, would be satisfactory, or indeed at all acceptable, to a number of delegations including our own.

As I indicated at the outset there is already a very general agreement on the limits of the jurisdiction of coastal states and the seabed authority provided we can agree on their corresponding obligations. It is the negotiation of these duties that should be the main thrust of the negotiations this summer.

This is not, as some delegations have implied, an attempt to destroy the essential character of the economic zone—to give its supporters a juridical concept devoid of all substantive content.

On the contrary, the coastal states' exclusive control over the nonrenewable resources of the economic zone is not being challenged. In the case of fisheries, coastal state management and preferential rights over coastal and anadromous species would be recognized. The principal of full utilization will ensure that renewable resources which might not otherwise be utilized will give some economic benefit to the coastal state and help meet the international community's protein requirements. Agreed international conservation and allocation standards for the rational management of tuna should in the long run benefit coastal states which seek to engage in fishing these species and would maintain the populations of the tuna that migrate through their zone. Finally most states are prepared to agree to coastal state enforcement jurisdiction with respect to resource exploitation within the economic zone.

Gentlemen, we have come to Caracas prepared to negotiate on these critical questions. They are not merely the legal fine print to be filled in once general principles have been agreed, but the very heart of the conditional consensus we are well on the way to achieving. Years of preparation have brought us to the moment when we must complete the task that we have undertaken. We must not let this opportunity pass.

Thank you, Mr. President.

NEW TAX BREAKS FOR BUSINESS?

Mr. HUMPHREY. Mr. President, I would like to call the attention of the Senate to an article appearing in the Wall Street Journal of July 12 dealing with administration thinking on economic policy.

After months, even years, of inaction and standing pat with its tight money policy, the administration now seems to be moving toward an initiative in the direction of new and expanded tax subsidies to industry. These subsidies would be intended to stimulate investment and expand capacity.

It is clear that capacity constraints in many industries have limited growth and are a prime cause of inflation in 1974. Let me point out, however, that the existence of capacity constraints and rising prices themselves provide the strongest possible incentive for corporations to invest in new facilities. In fact, corporate investment has been the strongest component in this year's otherwise weak economy. Firms producing new machinery and equipment are booked up solid for many months into the future. Additional incentives would not add materially to those that already exist and, if they did, they would just extend the waiting time for delivery and help to drive up the prices of machinery and equipment even faster.

The only sector for which such expansion incentive might make sense is the machine tools and equipment sector itself, which is very slow to expand even in the face of heavy demand, because of the exceptionally cyclical nature of that business. This is the real bottleneck in the manufacturing sector of the economy. It would I believe, be a mistake to extend new tax subsidies indiscriminately to other investors.

Mr. Rush, the President's economic counselor, is quoted as saying that corporate cash flow—profits plus depreciation allowances—is not nearly sufficient to provide all the funds needed for investment. Even without any background as an economist. Mr. Rush should know that this is a thoroughly spurious and deceptive argument. Corporations do not expect to finance investments exclusively from cash flow. On average, 50 percent or more of industrial investment in this country is financed with borrowed capital.

It seems absurd to me that the Federal Reserves continues to run an unprecedentedly tight money policy with interest rates well above 10 percent, and that the administration simultaneously would consider measures to subsidize spending in the only really strong sector of the economy; namely, business investment. This combination is inconsistent. The proposal would add new corporate loopholes to the tax code, and we all know very well how difficult—how almost impossible—it is to close these loopholes once they exist.

I am glad to hear that Mr. Rush has agreed to testify at the mid-year hearings of the Joint Economic Committee, and I shall welcome the opportunity to clarify some of these issues with him at that time.

Mr. President, I ask unanimous consent that the article referred to above be printed in the RECORD.

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

DEMAND FOR MORE TAX INCENTIVES TO SPUR INDUSTRIAL EXPANSION PRESENTED TO NIXON

WASHINGTON.—The top White House economic policymaker reacted sympathetically to "a strong demand" by corporate executives that the government provide more tax incentives to spur industrial expansion.

Kenneth Rush, economic counselor to President Nixon, said the plea for business tax incentives was a major message that he and the President received in a White House meeting with 25 businessmen and economists. After the session, which lasted more than two hours, Mr. Rush told newsmen that while the Nixon administration firmly opposes any tax cut for individuals as inflationary, he considers tax incentives for industry as "noninflationary" because they would increase productive capacity rather than increase consumer demand.

The session, billed as the start of a new presidential effort to establish a "dialog" on inflation and the economy with various groups, didn't indicate any important new economic initiatives are in the works. Mr. Rush indicated the group generally endorsed the administration's policies, though they expressed concern about double-digit inflation and are "unhappy" about the troubled state of financial markets.

From the corporation chiefs, who included the heads of such companies as General

Motors Corp., Du Pont Co., U.S. Steel Corp., and Sears Roebuck & Co., the President and his aides heard "a strong demand for increasing the cash flow" of corporations through new tax preferences, Mr. Rush said. The businessmen suggested such moves as an increase in the investment tax credit, accelerated depreciation allowance and other write-offs against their federal income taxes.

The White House official, who said he would receive in writing and study the specific proposals of the meeting's participants, didn't commit the administration to support any new tax incentives for industry. But he indicated that the administration's opposition to tax cuts didn't necessarily apply to tax-reducing incentives for capital expansion.

"MUST HAVE HEAVY INVESTMENT"

"We must have heavy investment in new facilities by industry" to build the industrial capacity needed to overcome inflation-breeding shortages, Mr. Rush said. Corporations' current cash flow—profits plus depreciation allowances—aren't "nearly sufficient" to provide the funds needed for expansion, he said.

"A tax cut for individuals means increased demand without increased production," the official said. But a tax incentive that spurs industrial expansion would contribute to the fight against inflation, he contended.

President Nixon "didn't volunteer an opinion" on the businessmen's ideas for tax incentives, Mr. Rush said. "This was primarily a listening exercise," he added. Mr. Rush also indicated that the administration's position on tax incentives for industry won't be determined until a current study on future capital needs is finished. The study isn't likely to be done before the end of the year.

The official said he came away from the meeting encouraged that "the business people and the economists felt we are on the right track as of today" in pursuing an anti-inflationary economic policy.

SUGGEST AN EASING OF FED POLICY

"The businessmen felt the underpinnings of the economy are strong," Mr. Rush said. But "they are quite unhappy with the prime rate, with the state of the (stock) market, and the weakness in the bond market," he said. Another participant said that some businessmen suggested an easing of the Federal Reserve Board's monetary policy so that interest rates would decline.

There wasn't any discussion of the problems of the housing industry, one of the weakest sectors of the economy, Mr. Rush said. Several housing and home-financing trade associations publicly complained that they hadn't been invited to the White House to offer their views.

On another subject, Mr. Rush said he didn't think the credibility of the administration's anti-inflation position would be hurt by the President's decision to sign a veterans' education-benefits bill that's expected to add more than $700 million to federal outlays in the current fiscal year. Although the White House has stressed that its searching for ways to cut the budget, the President decided to sign the veterans' bill because Congress probably would have overridden a veto, Mr. Rush explained.

The official also minimized the impact of a $700 million addition to federal spending. "The amount involved here isn't of such a nature to have an impact on inflation," he contended.

NATIONAL ENERGY AND ENVIRONMENT POLICIES CAN BOTH BE WELL SERVED—SENATOR RANDOLPH URGES EPA CLARIFICATION ON COAL RECONVERSION—CITES TIMES ARTICLE

Mr. RANDOLPH. Mr. President, enactment last month of the Energy Supply and Environmental Coordination Act of 1974 was a realistic response by the Congress to the need for adjustment to present and anticipated energy situations.

This measure was developed deliberately and accommodates energy and the environment to each other in a workable manner. It establishes a procedure by which some electric generating plants could be converted from oil or natural gas to coal as a fuel. This conversion could take place, however, only under conditions designed to protect public health.

Mr. President, I regret that since passage of that act there has been misunderstandings about both its intent and effect. An article in the July 11 editions of the New York Times on the impact of this measure included information that was at variance with that we had received during consideration of the act.

Today I sent a letter to John R. Quarles, Deputy Administrator of the Environmental Protection Agency, describing the facts as I understand them and asking for that agency's plans for implementing the Energy Supply and Environmental Coordination Act.

Mr. President, I ask unanimous consent that the New York Times article and my letter to Mr. Quarles be printed in the RECORD.

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

LIMITED COAL USE IS SEEN FOR UTILITIES—U.S. AIDE SAYS FEW PLANTS MEET RULES

(By Edward Cowan)

WASHINGTON, July 10.—The second-ranking official of the Environmental Protection Agency says that "only a few" East Coast electric utilities will qualify, under new statutory standards to fuel their boilers with coal rather than oil.

John R. Quarles, the Deputy Administrator, acknowledged in an interview last week that one recent analysis by the agency put the number of eligible power stations at two. Mr. Quarles did not endorse that number, saying the question was still under study.

Under the Energy Supply and Environmental Coordination Act of 1974, signed by President Nixon on June 22, the Environmental Protection Administrator has wide latitude to restrict utility conversions to coal from oil. The bill was a result of the recent oil shortage.

Within the agency, sentiment is against such conversions because the available coal will be relatively high in sulphur content and few utilities have ordered or installed chemical "scrubbers" to keep sulphur oxides from escaping into the air.

In response to what the agency regards as an intensifying campaign by utilities for the installation of tall chimneys as an alternative to "scrubbers," E.P.A. physicians and scientists have made a new study. It tentatively concludes that "failure to control sulphur oxides emissions will result in thousands of excess deaths and millions of excess illnesses" during the period 1975–80.

"Excess" means deaths in addition to those that would occur if the emission and ambient air standards of the Clean Air Act are met.

However, the study itself acknowledged several important caveats" and said the findings were "clouded by significant scientific uncertainties involving many key aspects of the sulphur oxides problem."

A copy of the study, labeled "preliminary draft." was made available to The New York Times.

Among the tentative findings were that failure to meet air standards would lead to 6,000 "excess or premature deaths" a year, aggravated heart and lung disorders in elderly persons, more frequent attacks of asthma among persons afflicted with that ailment and 400,000 to 900,000 attacks a year of "acute respiratory disorders like croup, acute bronchitis and pneumonia" among otherwise healthy children.

STANCE OF UTILITIES

The document was made available to rebut arguments by some electric utilities, most notably the American Electric Power Company, that the Clean Air Act should be amended to sanction "tall stacks, monitoring" and "so-called intermittent controls" of sulphur emissions as an alternative to strict emission limitations.

"Intermittent controls" would be a temporary shutdown of a generator or temporary use of stand-by stocks of low-sulphur coal.

A. Joseph Dowd, a vice president and general counsel of American Electric Power, which generates 93 percent of its electricity from coal, told the Senate Public Works Committee on May 13 that under normal atmospheric conditions "tall stacks disperse emissions so widely in the atmosphere that their ground level concentrations are innocuous to human health."

The E.P.A. view is that such "dispersion" merely shifts the problem because eventually the sulphur oxides are changed into sulphuric acid, which falls as "acid rain."

Mr. Quarles recalled in the interview that during last winter's oil shortage "conversion captured a lot of publicity." In fact, he noted, a number of obstacles have become clear, including the unavailability of reliable supplies of coal, the growing fear of a coal shortage next winter and technical problems of adapting to coal.

Federal Energy Administration officials said an initial December estimate that 48 East Coast oil-burning utilities could convert to coal within a year had been scaled back to 14 utilities having 22 generating units. Of the 14, five or six could convert within a few weeks if they could find coal, one expert said.

"The industry hasn't responded with the alacrity expected," Mr. Quarles commented. He acknowledged that his own agency as well as state and local environmental regulators had figured in the hesitation.

BALKING ON CONTRACTS

The utilities, he said, do not want to sign long-term contracts to buy coal until they are sure what air standards are going to be. Without such contracts, the coal companies will not open the new mines necessary to provide additional large volumes of coal.

Mr. Quarles said that "the country does need to use its coal" and that "from my viewpoint, giving heavy emphasis to environmental concerns, it probably would be desirable to have more conversions."

In most cases, that means installation of scrubbers to trap sulphur oxides, Mr. Quarles said. The largest coal-burning utilities, American Electric Power and the Tennessee Valley Authority, oppose scrubbers, he noted.

"Many in the industry believe they should not be required to install continuous reduction technology," Mr. Quarles commented. "There is a widespread belief that this is an unsound thing to do." The opponents have said that the scrubbers are not reliable and that installation costs would be high.

"There is some merit to their position as to the degree of development of the technology," Mr. Quarles said. Consequently, he went on, the E.P.A. would not insist on having scrubbers installed by every plant that failed to meet the Clean Air Act's July 1, 1975, "deadline" for satisfying air standards.

"I hope to avoid a knock-down, drag-out

confrontation," Mr. Quarles said. "There has been some tendency within the industry to dig in their heels." He cited newspaper advertisements by American Electric Power saying that scrubbers created great volumes of sludge and that tall stacks would be cheaper and just as good.

"Many power plants can dispose of sludge," Mr. Quarles said. "They might have to buy some land or build some dikes. We already dispose of a lot of sludge in this country."

U.S. SENATE,
Washington, D.C., July 18, 1974.

Hon. JOHN R. QUARLES,
Deputy Administrator, Environmental Protection Agency, Washington, D.C.

DEAR MR. QUARLES: On June 26, 1974, the President signed the Energy Supply and Environmental Coordination Act of 1974. This measure represented a wholesome reconciliation by the Congress between national energy and environmental policies. Its successful implementation will represent a first step towards energy self-sufficiency through the increased use of domestic coal supplies consistent with the protection of public health and long-term environmental goals.

The success of this undertaking depends on the adoption of an affirmative stance towards the realistic implementation of this statute. I have discussed with John Sawhill, the Administrator of the Federal Energy Administration, the need to expeditiously designate those electric power plants that will be considered as potential candidates for conversion from oil and natural gas to coal. I was assured by Administrator Sawhill that his Agency would adopt a positive approach because of the significant contribution that this statute can supply in achieving the goals of Project Independence.

I am concerned by the recent article in the New York Times by Edward Cowan entitled, "Limited Coal Use Is Seen for Utilities," (a copy is attached) which reports you as saying "only a few" East Coast electric utilities will qualify for conversion from oil to coal under the criteria contained in the Energy Supply and Environmental Coordination Act. This information does not coincide with the preliminary data furnished to the Committee on Public Works by Roger Strelow, Acting Assistant Administrator for Air and Waste Management, by letter of May 31, 1974.

The letter indicated that some twenty-three electric power plants involving forty-two boilers conceivably might be converted provided, in some instances, additional particulate and/or sulfur oxide control systems are installed. It must be noted that a requirement for additional controls can be required by the Administrator of the Environmental Protection Agency as a condition of any conversions ordered by the Administrator of the Federal Energy Administration. This authority was intended to insure the protection of public health.

Thus, I am equally concerned by the statement in the New York Times article alluding to a draft EPA study that tentatively concluded that "'failure to control sulfur oxide emissions will result in thousands of excess deaths and thousands of excess illnesses' during the period 1975–80." Even if this is theoretically possible, it cannot occur under the provisions of the Energy Supply and Environmental Coordination Act.

I would appreciate an indication of the plans of the Environmental Protection Agency for the implementation of this Act and whether the Times' article accurately indicates your position or that of your agency.

With best wishes, I am,

Truly,

JENNINGS RANDOLPH, *Chairman.*

CHILDREN: A CASE OF NEGLECT

Mr. HUMPHREY. Mr. President, there is a scandal in health care for children in America and I want to commend ABC News for airing this shocking problem last night in an excellent documentary entitled, "Children: A Case of Neglect."

I have consistently worked to improve nutrition and preventive health care for our children. It is about time our Government shows some compassion for the millions of children who are neglected and mistreated. ABC documented a shocking picture of health care for children, that demands public attention.

We are the wealthiest nation in the world and in the history of mankind by any standards. We spend more than $94 billion on health care in America, but we have a two-class medical system. It is first class health care for those who can afford insurance or can afford to pay in advance for care. But it is second class for those who must rely upon free clinics, emergency rooms at crowded hospitals, and our overcrowded neighborhood health centers.

We have at least two acute barriers to good health care for our children. Price is the most abrasive barrier of them all. Some 25 percent of American children under 21 get inadequate medical care. Twenty million children are medical indigents. They come from the inner cities from families that earn less than $6,000 a year. They can not afford even basic health care.

A second barrier to good health is the shortage of doctors, especially in central cities and rural areas. Right here in our Nation's Capital, in Kingsman Park, which has a population of 85,000, people must make appointments 3 months in advance to see a doctor. It has only one general practitioner and he has a case load of 9,500 patients. Again, the children get little or no health care.

In some low-income areas within a few blocks of this Senate chamber, almost 33 percent of pregnant mothers get no prenatal care. A baby can be born in Iceland, Japan, Canada, Sweden or nine other nations that are not as wealthy as ours, and that baby has a better chance of surviving its first year than one born here. This is outrageous. Something must be done.

Mr. President, I shall address the crisis in child health care in further remarks in the Senate in the near future. At that time I shall present recommendations on specific legislative actions which can and must be taken without delay.

I applaud ABC News for this vitally important public service in presenting the story of the urgent need for extension and improvement of child health care in America. I wish to take this opportunity to mention those who have participated in the development and presentation of this program: Herb Kaplow, narrator; Brit Hume, investigative reporter and coauthor; Pamela Hill, coauthor and producer-director.

Mr. President, I ask unanimous consent that the text of this outstanding program be printed in the RECORD at this point.

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

ABC NEWS CLOSEUP ON CHILDREN: A CASE OF NEGLECT

HERB KAPLOW. Each year, there are about 12 million American children who never see a doctor. Why?

The infant death rate in this country is higher than in 13 other nations. Why?

Seven years after enactment of a government program to detect and treat children's illness, only about 10 per cent of the eligible children have even been examined. Why?

TORA MAE COLLINS. It wouldn't be so bad you know, if it was a grown-up because a grown-up can stand it, but a little child can't.

HERB KAPLOW. America is thought of as a nation of indulgent parents whose children get the best care money can buy. Americans themselves like to believe this nation cares for the health and happiness of its children.

HOP SPRIGGS. We had to let our children go on with round worms and they had got so bad on that one of them at least, had vomited up a large worm which could have easily could have taken its life.

Well, they get so they won't eat and they cough a whole lot and these are the symptoms that we've learned ourselves that causes it, its worms you see.

HERB KAPLOW. Some Americans are convinced that the children of poverty receive better care through Welfare and Medicaid than the children of those who pay their own medical and food bills.

Mrs. ROWE. The police said that boy's seriously ill said just go on, just get him to the emergency room and we took them to the emergency room and that doctor would not hardly come and he said could you deposit three days' pay cause we didn't have insurance. They'd asked me.

I said no, not at this time. He said, just take him home and give him some aspirin. It scared my husband to death. He had taken convulsions. We had to hold him in bed.

HERB KAPLOW. Many Americans assume that even the poorest children can be well fed and healthy if only their parents will take advantage of assistance programs.

Mrs. FITCH. Well, we don't have no care for Mitchell. He cries every night and I have to prop his legs up on pillows. He can hardly walk. I really don't know what's really wrong with him. You know I'd love to have him checked by doctors.

HERB KAPLOW. This is a program about a stark painful reality. It's about families who find it difficult or impossible to pay for medical care for their children and so it's about inadequate care or no care at all.

This is a program about the price children and their families are forced to pay because of this.

HOP SPRIGGS. It's very hard to have to stand by and see your children go without things that they really need, you know what I mean? It's not because we don't want to do it. It's just because we can't do it, you see.

HERB KAPLOW. This hour is about some of America's children and about five programs of the federal government that were designed to help them. It is about the inadequate care these children receive when they are sick. It is about their need for regular care.

It is about children who sometimes do not survive. It is not a program about the majority of American children who often get the best care money can buy but about a minority which is not as small as it may seem.

No one knows for sure but the most authoritative estimate is that each year there are about 12,000,000 children in this country who receive no medical care.

After three decades of remarkable general improvement in the health of America's

children they are still beyond the reach of the nation's health care system. Yet, in the one sense, these children are the lucky ones.

They are lucky because . . . They have lived on . . . despite an infant death rate that is sharply higher among poor people than among rich. These children have survived despite an overall infant death rate in America that is among the highest of any modern nation.

These are the children who have the highest incidence of easily correctible medical problems but who continue to suffer because they have the least food and medical care.

We haven't done much to provide needy children in this country with regular health care. What we have done is to provide some children with some crisis care, care which is available only in emergencies.

The 1960's brought about a revolution in the financing of medical services. With Medicare, the federal government set up a broad system to help the elderly pay for their medical needs. With Medicaid it was different. It involved the states and was designed to help people on welfare. And it did help many people. But Medicaid also became linked to the inequities of welfare. One result: children got the least out of Medicaid. Children make up almost half of Medicaid's eligible recipients. But children have gotten less than one fifth of Medicaid funds. The largest share of Medicaid has gone to the elderly supplementing what they receive from Medicare.

The result is dramatically illustrated by one statistic. Fifteen years ago children got about half of every federal dollar spent on personal health care. Today children get only 10¢ of that dollar. While needy people of all ages have been excluded from the American health care system, it has been children in need who have gotten the least.

Medicaid allows each state to administer its own program and set separate benefit levels. As a result, three states, New York, California, and Massachusetts have cornered half of all Medicaid funds.

Dr. Karen Davis of the Brookings Institution has determined that the south, where nearly half of America's poor people live, gets less than one fifth of the Medicaid money. The result is that a poor child receiving Medicaid in Wisconsin will receive a high $250 worth of benefits a year; while in New York, a child would get $182 a year. But a poor child in Mississippi will get $66 a year or in Kentucky only $83.

These differences in Medicaid benefits can mean the difference between sickness and health for children, between anxiety and peace of mind for parents. In some states like California and New York, benefits are available not just to the poor but to low income working families and their children.

In too many states, Medicaid doesn't even reach most of the poor children. In North Carolina, Arkansas, Louisiana, and South Carolina, for example, only one poor child in 10 receives any medicaid assistance, 9 out of every 10 poor children receive none.

RASHI FEIN. I think the medicaid experience was an experiment at trying to do these things through the states and I think that as an experiment, regrettably, it can be classified as a failure.

HERB KAPLOW. There is evidence that Medicaid actually misses as many poor children as it reaches.

Dr. Davis of Brookings has estimated that in 1972, six million poor children received Medicaid while the same number did not.

But the shortage of health care for children is not just a problem of the poor, and the appearance of health among working and middle class children is not always the reality.

Low income working families, are sometimes most in need of care. They are the families not poor enough for Federal programs and not rich enough to pay.

Among city children the least amount of money is spent on the health care of those from families earning $6,000 to $11,000 a year.

Mrs. CALDWELL. You spend a lot of sleepless nights, wondering how you're going to pay for 'em and who can you miss paying to try and pay the hospital bills or take them to the doctor. I do feel trapped. Because I can't meet . . . I can't do the things that I need to do with the salary I make and all of the Federal programs that I've applied for they said I weren't eligible.

HILL. Q. Why is that?

Mrs. CALDWELL. Well, they say because with my salary, I make too much. Even with six children.

HERB KAPLOW. If families in need live in a city, as Mrs. Caldwell does, then their children can probably get emergency treatment at a hospital. They may have to wait several hours.

They may have to accept charity or rely on local health programs which may or may not cover their children's needs. Or they may be saddled with bills they cannot pay.

Mrs. CALDWELL. Well, being a parent, naturally you worry, I guess, me, I think in the past three or four months I've lost about 13 pounds wondering and worrying about how I'll be able to pay, you know, for medical care and other bills that I'm just not really able to pay.

HERB KAPLOW. For needy children in rural areas, the problem is more serious. Local health programs and charity are less likely to be available. Hospitals and clinics are scarce and those that exist, are often unable to accept all the children who need attention.

Mrs. ROWE. I stay worried all the time 'cause we had a lot of sickness and when you go if you don't have the money, they are not interested in you. And we have been trying for ten months to get that medical card. We've not got it yet.

JAY BLEVINS. I know a lot of children that's never saw a doctor . . . School age children that never saw a doctor. . . .

They doctor them at home the best they can. Do what they can for them, sometimes they survive, sometimes they don't.

We just hope that it's not bad enough that we have to take them to a doctor. It's because we don't have the medical card to do it, we don't have the finance to cover it and we know for surely, they are not going to give us no help without these things.

ACT 2

HERB KAPLOW. To many American parents these faces reflect reality. But for some parents such images contradict the reality they see daily.

These are the parents of children who get no regular medical care, and sometimes, not enough food to eat.

Their children suffer problems which the most elementary medical attention, if given regularly, would prevent. Their children have the most trouble with their vision, their hearing and their teeth. . . . Studies have shown that ⅔ of all poor children in this country have never been to a dentist.

VIRGINIA SHEPARD. Well, every time I eat on my teeth, they hurt. . . . Uh, we start eating and they hurt and I go to, go to bed . . .

HERB KAPLOW. Examinations of poor children in 8 states of the Medicaid screening program have shown that one child in four is in need of dental work. . . . Untreated eye problems were found by the White House Conference on Children, in 1970, to affect 12 million children. . . . Since then, a screening program has found that as many as a quarter of the children examined have uncorrected sight problems.

CAROL YOUNCE. Well, it's been about five or six months and I, I've been having headaches just about every day since I broke my glasses. I can hardly see the board and it takes my grades down.

HARVEY WALLER. I couldn't see too much and I wanted some friends. And I didn't have nobody to play with.

HERB KAPLOW. For almost 10 years Harvey Waller was crosseyed.

HARVEY WALLER. And they talk about me. And they make me sad.

DIMPLE WALLER. When they are whipping him, he'd think they whip him just cause for nothing.

HARVEY WALLER. I wish I could play baseball—and I wish I can play football, and . . .

HERB KAPLOW. It was not until he was placed in a foster home that the Harris County Child Welfare Unit arranged the surgery.

HARVEY WALLER. And I wish I could play kick ball. . . .

DIMPLE WALLER. And now they treat him right 'cause he ain't crosseyed. They ain't got nothing to say about him.

HARVEY WALLER. I used to make C's and B's. . . . Now I make A's and B's.

MICHAEL DEAN CARROLL. In school, usually when I get a book to read, I can't understand the word, then I ask my teacher, and she, she said that I'm misunderstanding it again. You know them little ol' bitty ol' football . . . My brother, he, he threw one, and I couldn't see it, and it hit me in the arm. . . .

HERB KAPLOW. Children who suffer the most uncorrected eye problems also are vulnerable to hearing loss. . . . Two medical screening programs have shown, that from a fifth to a half of the children examined had some hearing problem.

TINA CARROLL. It's just that I have very bad hearing. . . . Yeah, I would get, when I get colds, and my ears would run or something, and I'd be, sometimes I would get a earache, just sometimes.

HILL. Tell me a little bit about that earache, Timothy. Tell me how bad it hurt?

TIMOTHY CARROLL. Bad . . .

TINA CARROLL. Well, if it start hurting real bad he starts screaming. Kind of, you know like, he told the doctor he can't hardly hear the teacher, and he talks real loud when he talks. . . .

TOM CARROLL. When you see a kid suffering, why you're suffering too . . . Timothy, well, I don't think, uh, you know he's gonna make, be able to make it to school, with his problems.

HERB KAPLOW. It isn't easy to pay attention if you have an ear problem and can't tell what's going on. It isn't easy to concentrate if you have a toothache all the time. . . . And it's hard to study if you have a headache because you need glasses, and it can be just as difficult if you haven't had enough to eat.

HILL. Q. What did they tell you at the clinic about being anemic?

MICHAEL DEAN CARROLL. They said that some time I never did get enough iron in my blood. . . .

HILL. Q. And-uh, did they tell you why?

MICHAEL DEAN CARROLL. They say I don't eat enough food.

HERB KAPLOW. Both Michael Dean and Timothy (Carroll) suffer a form of undernutrition shared by millions of other American children—iron deficiency anemia. . . . A recent survey of poor children in ten states found that in some areas, as many as 32% had iron deficiency anemia. . . . It is a condition that can lead to other problems, because scientists now know that anemic children have a lowered resistance to disease. The federal food stamp program has made progress in feeding needy families, but many

children still find that they don't have enough food to eat. . . .

JAY BLEVINS. And food going up every, day, and our stamps never been raised any . . . And that makes it kind of hard to make it stretch a month . . .

HILL. Q. About how long does a month's supply of food stamps last for a family of your, your size. . . .

MARY BLEVINS. I would say about two or two and a half weeks . . .

HOP SPRIGGS. Most times I would say, (three thirds) of the times during a month, it is a time without milk for us . . . I would say a lot of times they would have been hungry.

JEAN MAYER. The families on food stamps are perpetually behind the real cost of the food. If you have, uh, one or two adolescents in that family of four, with an almost bottomless appetite, then the amount allotted is grossly inadequate.

WINICK. And if you attempt to give medical care without giving adequate nutrition, is one, increase the amount of medical care you have to do, increase the cost of that medical care that you have to give and, at the same time, decrease your chances for success.

JAY BLEVINS. Well it makes me feel angry, bitter, helpless, all . . . I mean, not knowing, knowing that the kids should have more food than what they have . . . (music) . . .

V. O. And not anything that you can do about it.

C. ARDEN MILLER. I think it's close to a national scandal. As long ago as 1915 and before, we were anguishing, as a nation, over our public responsibilities toward children, and we've not really much progressed beyond that anguish.

Senator MONDALE. As a matter of fact, in running through children's programs, is an assumption that we're taking good care of our children. In fact, the statistics in many cases are shocking.

HERB KAPLOW. Some of those statistics deal with the immunization of children against disease, a process that has enabled medicine to control dread diseases like diphtheria, small pox and polio . . . All these diseases have declined sharply, but today half of all American pre-school children have not been inoculated against diphtheria, and nearly half of all poor children have not been immunized against polio in the crucial pre-school years.

HERB KAPLOW. What little we have done to provide regular preventive care for children has been threatened by actions of the Nixon Administration. First, the administration failed for three years to implement a program calling for the regular screening and treatment of Medicaid children.

The Early Screening program, as it is called, is supposed to provide periodic examinations for all Medicaid children with treatment whenever needed. The purpose is to get preventive care to some of the children most in need of it. The program was especially aimed at detecting and correcting elementary problems such as those affecting children's eyes, ears and teeth.

The Early Screening Program was enacted in 1968, and was supposed to take effect in mid 1969. But, by late 1970, the program was still not underway. Not until a lawsuit was filed by a citizen's group were any regulations issued for the program and it was not until 1972 that the program finally got started. Today HEW officials estimate that at least a dozen states are still not in compliance with the program, and only about ten per cent of the eligible children have been screened.

TRISTER. Under the statute the children are supposed to be screened periodically, It's supposed to be a regular process. Well, if you're only screening 10% in the first 7 years, it's gonna be some 15 or 20 years before you get around to seeing the children again, and this is just not what the program is intended to be.

Document: A private study made for the government estimates that, of all the children found to need treatment, less than half actually got it, and even fewer got the recommended dental and eye care.

WEINBERGER. I'm not familiar with the-uh, with those statistics, but, uh, we are undoubtly in a situation in some states where they haven't yet established the necessary networks of-uh, providers and of care. . . .

Senator MONDALE. The problem of screening is one of the most outrageous examples of lawlessness in terms of children's health. . . . Very few states have done anything, and the Federal government, that's supposed to enforce the law, has done practically nothing.

HUME. Mr. Secretary, we're seven years down the road from the enactment of this program . . . (unintelligible answer) . . . You acknowledge that a number of states are, are not in compliance . . . and you also indicate that no compliance action, uh, has been taken as yet against any state. Isn't it a little bit late for you to be talking here about, about patience and hope and so forth?

WEINBERGER. No, because the compliance program that the Congress enacted doesn't start until July 1, 1974 . . . We've not had any authority to withhold funds or take effective action. . . .

HUME. Do I understand you to say that the department was wholly without means to take enforcement action for the non, for noncompliance in this program?

WEINBERGER. There was no, uh, no specific enforcement authority on the books, uh, prior to July 1, '74, and that was only enacted quite recently.

Document: Medicaid Law—July 30, 1965. If the Secretary . . . finds . . . that in the administration of the plan there is a failure to comply substantially with any such provision; the Secretary shall notify such State agency that further payments will not be made to the State . . . or, that payments will be limited to categories . . . not affected by such failure.

HERB KAPLOW. Other HEW officials say the Department has been reluctant to cut off funds because it was considered too harsh.

The man who headed the Early Screening program until rceently, Barney Sellers, has told ABC News that he left the program dissatisfied with the Federal effort to make his program work. When he left, his staff had been cut from about 20 to fewer than 10, and no one else was being hired . . . There is another Federal effort for Child health that has been a striking success . . . It is the Children and Youth program established nearly a decade ago . . .

Dr. LAPORTE. (Baby Cries) Oh, I'm sorry . . . Yeah I'm sorry . . . Jeez . . . Aaaawwhh . . .

HERB KAPLOW. The program has never been large . . . There are 59 Children and Youth projects around the country. They reach only one of every 22 children who would benefit from such assistance . . . In the areas where they do operate the children enrolled receive a full range of medical attention, with the emphasis on preventive care . . . The success of the program is illustrated clearly by statistics. The annual cost of medical care for a child in the program has been cut significantly. The number of children hospitalized was reduced by 60% in a four year period.

HERB KAPLOW. The Children and Youth programs are now being turned over to the states as intended by the original legislation. Projects were formerly managed by the old Office of Maternal and Child Health within HEW. This office was the center of the Federal child health effort, but it has now been disbanded in the name of efficiency by the Nixon Administration. The staff formerly assigned to the Children and Youth project has been transferred to a new HEW bureau with more general responsibilities. The staff in the Department's regional offices has also been sharply reduced. These moves prompted Dr. Arthur Lesser, who headed the old maternal and child health office to leave the government in protest.

LESSER. If I were to continue, uh, I would, uh, perhaps tacitly, be giving the impression that all is well . . . the present administration's attitude towards the maternal and child health programs has not only been lacking in support, uh, but in certain respects it's actually been destructive.

CONNELY. All the remaining people still funded by the program to be carrying out activities in maternal and child health are now assigned to work in any kind of a program. If you're for example, a pediatrician, and prepare yourself, uh, yourself in your career to be expert in management of child health and child medical problems, you now may be assigned to go to work in old age homes. I don't think that's any incentive for any professional person.

DEGNON. Uh, last year the Congress indicated that it wanted the personnel within these programs maintained. Uh, subsequently, the administration decided that these personnel would not be available to the program, and recently Congress has had to come forward again and indicate once more to the Administration that the quality of these programs is to be maintained, and the personnel working in the programs are to remain with these programs.

HUME. Did not Congress specifically recommend that the positions, uh, be restored, while it was clear from the, uh, 1974 budget that they were to be eliminated, the positions.

WEINBERGER. Congress usually feels very strongly about anybody being dismissed because the person being dismissed goes to his Congressmen, and, uh, letters are written and pressures develop of that, from that source.

HUME. I wonder while you feel that, with a transition as yet incomplete, uh, why, dropping people at this point, is indeed a timely and, uh, sensible move . . . Uh . . .

WEINBERGER. We didn't feel that it was proper to, uh, nor did we have any basis for justifying a continuance of their employment . . . but there hasn't been any disruption in the program.

Document: Private study of the program done by the Academy of Pediatrics. Reduced effort in HEW regional offices . . . The effort being put forth represents at least a 50% reduction over a comparable time period last year . . . Comments raging from "chaos" to "severe depression" are readily offered by regional staff members, and equally readily perceived by those who speak with regional staff. Forty percent of positions for physicians previously identified with Title V programs in regional offices are vacant. Decentralization had reduced the level of technical competence for Title V programs to a point where the programs cannot function adequate.

DEGNON. The federal government in the regional offices are no longer in a position to provide the technical support to the states, as the states assume expanded responsibilities for the development of maternal and child health, and children and youth programs.

CUNNINGHAM. But many states, the medium and small size states, who have, uh, very small staffs and are very heavily dependent upon the assistance and consultation that they've been used to receiving from the Federal government, are going to have real difficulties.

MILLER. The Washington agencies, the re-

gional offices of HEW seem to be devoid of people with specific expertise in relation to children.

DEGNON. If most people knew of the programatic and budgetary manipulations going on in Washington in regard to health programs for children, there would just be a tremendous cry of outrage.

HERB KAPLOW. If a child happens to be born poor in this country, or black, that child has nearly 1½ to two times the chance of dying in its first year as do children born in the middle class. There are 8 American states where the infant death rate for minority children is over 75% higher than the national average for whites.

They are not just the southern states where poverty is concentrated. They include Indiana, Illinois, New Jersey, Wyoming, North Carolina, Alabama, Mississippi.

Our infant death rate is not a Southern problem nor is it a problem confined to minority groups. It is a national problem.

An American child would have a better chance of living through its first year, if it were born in Sweden. An American child would have a better chance of living through its first year if it were born in Japan or England, or Wales, or France, or across the border in Canada, or in eight other nations.

The richest and most technologically advanced country on earth is the United States. But to a pregnant mother who cannot afford to pay, like Tora Mae Collins, it offers almost no care and not enough to eat.

COLLINS. I went and had one checkup and that was when I found out that I was pregnant. Yes, he said that if I didn't have the money for my next checkup he wouldn't examine me.

HERB KAPLOW. The difference between what science knows and what society does is dramatically illustrated by America's infant death rate. Our high infant mortality is not a mystery. It is not a problem that science cannot resolve. Indeed, most authorities agree that we know what to do about it. But, so far we have not chosen to apply our knowledge.

To put it bluntly, we have not chosen to spend the money to reduce the over fifty-five thousand infant deaths each year.

HILL. How much did Paula weigh when she was born?

COLLINS. She was a full 9 months baby but she just weighed four pounds and 13 ounces cause I didn't have the right medical care.

HERB KAPLOW. Medical science has known for some time that small babies like Paula Collins—called low birth weight babies—die in considerably greater numbers than those of normal weight. Seventy percent of all infant deaths reported each year are low birth weight babies, weighing 5½ pounds or less.

Q. Has she been particularly sickly in these few months?

COLLINS. Yes, she has been sick just about all the time since she has been born, and we worry about her. Mostly sit up all night with her because she can't rest.

HERB KAPLOW. Poor white people have almost one and a half times the number of these fragile infants as middle class people have. Poor black people have roughly twice the number. The causes of low birth weight are complex, but an important cause, scientists now know, is malnutrition or undernutrition in the mother.

They also know that the less medical care a mother has in pregnancy, the more likely she is to have a low birth weight baby, or a baby born prematurely.

MAYER. We know that such children are much more likely to be underdeveloped either physically or mentally. They also seem to be more vulnerable to almost any infant disease. Anything which can be done to reduce the number of such children, is automatically going to also considerably reduce the infant mortality and the number of serious birth defects, including mental retardation.

HERB KAPLOW. What can be done is illustrated by a test program in Guatemala sponsored by our government. Additional food and medical care were provided to pregnant and nursing mothers and infant children. The early results show that in villages where food and care were given, the infant death rate was reduced to half that of the villages where no care was given.

JEAN MAYER. It's worth it to realize that we could bring down our infant mortality by almost fifty percent on the basis of what we know.

LESSER. With the present knowledge that we have there really is no excuse for this. We know what can be done about it, why don't we go ahead and do it?

JOHN KNOWLES. The differences in infant mortality amongst various social and economic groups is a pox on this country. It can't be tolerated and there's no excuse for it.

HERB KAPLOW. But even when low birth weight babies live, they often suffer a variety of later problems. Studies show that they do less well in school. They tend to be small. They have higher incidence of mental retardation and Cerebral Palsy. No one really knows for sure whether those problems are caused by the undernutrition of the pregnant mother, and the infant, or, whether they are caused by the deprived conditions in which poor children grow up. But some authorities believe we now have the knowledge to try and reduce the rate of mental retardation.

JEAN MAYER. Oh, I don't think there is any doubt but that sound nutrition could reduce the prevalence of mental retardation in this country. I'm not saying by any means that all mental retardation is due to malnutrition.

There are obviously a great many other reasons but, the link between mental retardation and low birth weight is very well established. The link between low birth weight and malnutrition is also very well established. And it is the inevitable consequence of this—that there is a link between mental retardation and malnutrition.

HERB KAPLOW. It is probably impossible to guarantee every child normal size at birth. But authorities are unanimous that the number of low birth weight infants could be sharply reduced if their mothers were better fed and cared for during pregnancy.

The best estimate is that 500–600 thousand pregnant mothers every year receive inadequate care. From 25 to 35 percent of low income women in large cities still deliver their babies with little or no prenatal care. The Federal Government has a small pilot to provide prescription food to pregnant and nursing mothers and their small children. It is called the Women, Infants and Children program and it now operates in two hundred twenty-nine communities. A hundred fifty thousand mothers and small children receive food.

Each community may choose its own way of delivering the food.

In Dallas it is delivered directly to the families.

Congress has now expanded the funding of this program to a hundred and fifteen million dollars, in order to preserve and expand the projects where they now operate. But even so, they reach fewer than eleven percent of the mothers and young children who might benefit from extra food.

This program would have lasted only three years. A delay by the Nixon Administration in getting it started has cut its life to about two years. The law creating this feeding program was enacted in September, 1972. It ordered that the program start immediately. And also specified that twenty million dollars be spent in each of the first two years of the program.

Document: In order to carry out the program . . . during the fiscal year 1973, the Secretary shall use $20,000,000 . . . In order to carry out such program . . . during . . . 1974 . . . the Secretary shall use $20,000,000.

But, by February of 1973, five months after the law was passed, the program had not yet begun. The Agriculture Department was saying openly that it had no intention of spending the designated twenty million dollars for the first year. And the Department planned to spend only about eight million in the second year.

YEUTTER. There was by no means the need to expend twenty million dollars the first year because the program wasn't in operation the first year and the question then became how much is needed in the second year. Forty million dollars, twenty million dollars or something less.

POLLACK. Congressional law was clear, forty million dollars shall be spent. The Executive has to comply with the law.

Q. HUME. Now, what is puzzling to me is how you and the people of the Office of Management and Budget, could get from that language something other than the intention that you should use twenty million dollars that year. How did you do that?

YEUTTER. I don't in any way disagree with the language that's present there, Brit, but at the same time, it seemed to me that any public official has an obligation not to waste funds that have been appropriated.

And I do not believe that the Congress meant shall use under any circumstances, shall use no matter whether practical or impractical, shall use if you have to pour it down the drain in your bathroom.

HERB KAPLOW. In June, 1973, Secretary Yeutter was warned by Senator Hubert Humphrey, one of the sponsors of the legislation, that the Department's failure to spend the specified amount, violated the intent of Congress.

Document: Senator Humphrey at the Select Committee Hearings:

"This is not optional the Secretary shall use $20 million.

"It is mandatory. It is obligatory, but nothing has happened . . . you apparently pay no attention to the laws we pass.

"—if the whole country did this, there would be unbelievable lawlessness."

HERB KAPLOW. In June, 1973, a Federal Court in Washington in response to a citizen's law suit ordered the Agriculture Department to begin the program immediately. In August, the Court further directed the Department to spend the forty million dollars designated by Congress.

There is another program which has proved what the Federal Government can do to reduce the number of infants who die in this country.

It is called Maternal and Infant Care. In nearly all the areas where the program has operated, the infant death rate has declined significantly.

There are 56 federal maternal and infant care projects around the country. The problem is that these reach only 130,000 women—only about 1 out of every 5 mothers who might benefit from such assistance.

It is not hard to understand why the program has succeeded. It provides nutritional advice during pregnancy. It provides regular checkups regardless of ability to pay.

VOICE. It is not hurting her—she just said she is tired of pushing.

WOMAN. OK, rest a little bit, baby.

VOICE. OK, I'm going to give you more oxygen to breathe. You are not hurting are you? Okay, where does it hurt you, right down at the bottom, or in your tummy? In your stomach?

HERB KAPLOW. And, if there is danger at

the time of birth, as in Diane Smith's case, it provides the special care that is needed.

Dr. GEORGE JACKSON. Here we go. It's a boy . . . (child crying). See him, see your baby.

DIANE SMITH. Oh, he looks just like my husband!

Dr. JACKSON. Just like your husband, he is a pretty baby.

HERB KAPLOW. The Maternal and Infant Care program is a companion to the Children and Youth preventive care programs examined earlier. Both were operated by the same agency inside HEW which has now been disbanded by the Nixon Administration.

Experts believe that this program, like its companion, is in jeopardy.

They fear that without adequate federal guidance and funding in the transition to the States the effectiveness of the program may be lost.

SECRETARY WEINBERGER. We believe very firmly that the States know more about their local problems than we do here in Washington, and that they would then use the money primarily to establish the Maternal and Infant centers so that you could make a massive attack on infant mortality and the other diseases associated with infancy.

LESSER. It's as if the government were saying, this nation's infant mortality rate with its serious internal differences, its serious disadvantage as compared with other nations, is no concern of the Federal Government at all.

DEGNON. These programs are not only in jeopardy in terms of being forced to reduce their service capacity—some of them may be in jeopardy insofar as having to close.

MILLER. We as a country have made no serious effort at all to see that these advantages, that these services reach every child who would benefit. We are still a long ways from that kind of commitment.

HERB KAPLOW. The Maternal and Infant Care programs have been a clear success despite the fact that they reach less than a fifth of those who could benefit.

For hundreds of thousands of others like Mary Shepard and her infant son, Steven, no such care is available.

MARY SHEPARD. Well, he had those worms, you know, and it's what killed him. He had them so bad that they couldn't cure him of them. I didn't know he had 'em until he took real bad off. I put him in the hospital and they couldn't do nothing for him.

HERB KAPLOW. It would cost money to avoid such deaths. But there is also a price for doing no more than we do now.

It is paid in the lives of small children.

ACT 4

Senator MONDALE. The easiest people to ignore in American Society are children. They usually accept being cheated with equanimity. They don't strike, they're just there.

So that you have this pathetic picture of infants and children, who should be our first priority, really our last. And they suffer in silence. And often their health is taken away from them for life.

HERB KAPLOW. The problems these children endure are often caused by the way they live. By inadequate nutrition, improper sanitary facilities, by unsatisfactory housing. More care and food will not eliminate all these problems, but it would be a long step forward; for millions of American children, it would change their lives.

If we care about our children, why then do we not give care to them more often? Why do we allow such distance between the popular image and the unfortunate reality? And how do we begin to close that distance?

One way to provide care for children in need is to help their families pay for it. Congress is now debating that solution in the form of National Health Insurance.

But no bill being seriously considered would give children the kind of complete priority that would make sure they receive care without financial barriers. And even the best National Health Insurance plan would only be a beginning for children in need. It would not help those who live where there are not enough doctors or clinics to care for them.

KNOWLES. No, just passing a law that finances medicine and facilitates or removes financial barriers to getting needed health services is not going to solve the problem.

FEIN. Well, I think we have to remember that the dollars are an important barrier to care but they're not the only barrier to care. In addition to having a system where people can afford to get the care, we do have to target our resources. We do have to develop special resources for child health care.

You've got to do more than eliminate the economic barrier. You've actually got to put services in place.

HERB KAPLOW: As we have seen tonight, doctors and hospitals alone can do little for the hungry child or one that is born to a hungry mother. For hunger continues in this country and until we change that, we will be haunted by the sickness that malnutrition brings to children.

The child health programs we have examined tonight are small and even they are faltering. In the past 15 years, federal money spent on health care has grown enormously. But children have gotten a steadily shrinking share of it. Where many other nations have moved ahead in child health and reducing infant deaths, America has lagged behind—leaving an estimated 12 million children every year without any medical care.

It may be argued that society is not responsible for sick and hungry children brought into the world by parents who cannot care for them. But, if society is not responsible, certainly these children are not either. They did not ask to be born poor and sick and if their parents cannot help them, is it possible that in this nation, in this time, we will not insist that they at least be given a chance, the chance that proper nutrition and decent health care can bring?

KNOWLES: You don't have to take it away from anybody, we can afford a couple of more billion dollars, quite frankly, to develop comprehensive health services for children and youths.

FEIN: Frankly, I'm tired of the argument that we ought to do these things because they are good economic investments.

I think we ought to do these things because we ought to be humane, and we ought to be decent.

I would like to think that we are a decent people.

DEPARTMENT OF AGRICULTURE—ENVIRONMENTAL AND CONSUMER PROTECTION APPROPRIATIONS, 1975

Mr. HRUSKA. Mr. President, on Monday next, the Senate will consider H.R. 15472 which makes appropriations for agriculture, environmental, and consumer protection programs, totaling in excess of $13.5 billion.

It is a vitally important measure, having a broad scope which has direct impact on virtually all persons and activities of our Nation.

In due time, this Senator will comment upon the bill as a whole.

These remarks will be devoted to the sole appropriation item of $305,000 for the purpose of collecting line-of-business data on business firms as determined by the Federal Trade Commission. [Page 50, lines 13 to 16, of the bill; page 70 of Senate report.]

After an account of history and background, I shall propose an amendment thereto.

LEGISLATIVE AUTHORITY FOR SUCH REPORTS

The Alaska Pipeline Act—Public Law 93–153—signed into law on November 16, 1973, contains authority for the FTC to gather the information called for by the reports in question.

This newly acquired authority has long been sought by FTC, but on grounds detailed later in my remarks was denied the same till passage of the act mentioned.

The need and purposes for the report data as described by the FTC include the following:

First. To enable the Commission to investigate the extent of competition in the U.S. economy in general and in specific industries;

Second. To ascertain industry performance as to profitability;

Third. To determine the extent of sales promotion activity in industry;

Fourth. To determine industry performance and expenditures in research and development; and

Fifth. That such data would be useful in supporting rational policy planning procedures within the Federal Trade Commission.

Additional purposes to which the data will lend itself would include the filing of civil antitrust suits by Government and by private parties; and access to data giving vital information and unfair competitive advantage to foreign corporations which are not required to file reports.

There is much to be said for the desirability of gathering such information. In general, this will be of some value overall.

But, Mr. President, to possess any usefulness and effectiveness of proposed reports requires, first, that they be reliable, uniform, accurate, and adequate; and, second, that they not contain data which will present distorted results. In the words of the economist—that they not be "contaminated" or be "polluted" with misleading figures.

In past years, authority for such reports has been denied by Congress principally because there has not been any reasonable assurance that such requirements as to quality would be forthcoming. This for a variety of reasons which I will state later.

Mr. President, it is submitted that the present procedures and forms proposed by FTC for these reports fail to meet these requirements. They cannot possibly comply with the necessities of a quality and of attributes which will do the job; which will make them useful and meaningful for their declared and intended purposes.

In fact great and irreparable harm will be inflicted upon the FTC program, upon the public generally, and upon our economy if the report forms and procedures presently proposed by the FTC are insisted upon.

The amendment which I shall propose will go far to assure a goodly degree of success toward meeting the stated requirements.

Mr. President, this subject is highly complex and technical. It goes deeply into structure and management features of American industry, as well as into the principles and procedures of accounting.

The stark, inescapable fact is that there are no rules or generally accepted accounting principles governing cost allocation common or uniform among segments of a company; nor are there generally accepted accounting principles to guide joint costs, or transfer pricing (whereby firms charge themselves for products moving from one division or subunit of a company to another of its divisions or subunits).

COMPTROLLER GENERAL'S REPORT ON PROPOSED FORMS

The Comptroller General, pursuant to the 1973 act, reviewed the proposed report program. His finding was that it was consistent with the requirements of the law, subject to the following provisions:

a. The approval to collect the data is limited to the initial round of reports and approval of additional cycles by GAO will be subject to significant reduction in or elimination of the problems which make the initial data unreliable.

b. FTC conducting intensive discussions with business representatives either on an across-the-board basis or on a sample or pilot basis to advance the ease and accuracy of line-of-business reporting as rapidly as possible, and

c. FTC exploring with other Federal agencies, including Census and Securities and Exchange Commission, the possibility of coordinating or consolidating its LB data needs with data collected by those agencies.

The Comptroller General's clearance was subject to expiration on December 31, 1975.

In his report rendered on May 13, 1974, to the Chairman of the FTC, the Comptroller General explains the reasons for the limited and restricted approval.

First he noted these objectives which have been directed to the report program:

1. The data submitted cannot be meaningful for stated FTC purposes and will be misleading if used as a basis for action because of line-of-business classification, cost allocation and transfer pricing (intra-company sales) problems;

2. The burden has not been minimized as required by statute; and

Then he goes on to discuss remiss meaningfulness of the data which the program calls for.

Mr. President, I ask unanimous consent that pertinent excerpts of the Comptroller General's evaluation report be printed at this point in the RECORD.

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

MEANINGFULNESS OF DATA

CLASSIFICATION

As we have indicated, there is considerable support for the idea of product-line reporting. There is a considerable amount of such reporting at the present time, but there are significant differences in details of the form and content of such reports.

For example, the Securities and Exchange Commission (SEC) now requires product-line reporting by companies filing its so-called 10K reports. It permits the reporting companies, however, to designate the product lines to be reported upon. While this permits flexibility and adaptation, it precludes meaningful aggregation, one of the FTC objectives.

The Financial Executives Institute, in May 1971, recommended including line-of-business disclosures in annual reports to shareholders. The New York Stock Exchange has endorsed this recommendation and has urged companies to make their annual reports to shareholders at least as informative as the SEC's 10K report. The Financial Accounting Standards Board is conducting a study of the problems of this type of reporting.

DILEMMA

This support in principle for line-of-business reporting disintegrates, however, when we turn to the specific FTC proposal. We believe this is because of a fundamental dilemma with regard to classification and related matters which is not yet fully resolved or compromised. On the one hand, individual business firms vary greatly in their organization, financial structure, and product lines. These variations are products of historical accident or the individual preferences of business leadership. To accurately reflect management, financial, and product-line structure of a specific business, therefore, the classifications and allocations must take account of these individualities.

On the other hand, if information is to be collected from 500 firms and compared and aggregated, the data must be collected on the basis of definitions and specifications sufficiently uniform to make comparison and aggregation possible. Given the variations in business structure, uniform definitions will require most, if not all, responding businesses to report on a basis different than that on which they operate, with consequent impact on management practices and costs.

The FTC, by reducing, redefining, and broadening its classes in each successive draft, obviously has tried to move toward resolution of this dilemma. The March submission contains some 225 categories of lines of business compared with approximately 600 earlier. The FTC staff reports that the reduction in categories has two purposes:

(1) the quality of the data is affected by joint (common) cost and transfer pricing problems. By broadening the categories and defining them on an establishment basis,[1] the magnitude of the joint cost and transfer pricing problems have been reduced; and

(2) the Bureau of Economic Analysis, Bureau of the Census, Federal Reserve Board, and the Conference Board complained that the LB data would not be consistent with any other data currently available. To respond to this complaint, the lines of business included in the March version were formed by beginning with the Standard Industrial Classification (SIC) system at the three-digit level with further breakouts for industries where concentration is high; where there has been substantial antitrust interest in the past; or, where firms within the three-digit category specialized in particular four-digit segments, e.g., printing machinery versus food machinery. The FTC expected these changes reduce the burden on the respondents.

However, the inherent conflict between FTC's product-line categories and individual business's normal management categories appears to remain. The aggregated figures on profits, sales, and expenditures by FTC line-of-business categories that will emerge from the reports probably will be neither accounting figures nor economic figures. The aggregated profit for each FTC category will be the end product of subjective judgment by each company in allocating costs common to two or more FTC categories and in computing transfer costs, and an arbitrary allocation of all of the sales, costs, and profits of a multi-category establishment to the category to which the primary activity of the establishment is assigned.

EXAMPLES

We do not know the extent to which the data will be distorted because of this practice, but examples furnished by companies suggest the distortion will be substantial. For instance, one company reports that three of its establishments in 1972 made shipments totaling $127 million that must be reported under FTC category 20.05 (Preserved fruits and vegetables excluding canned specialties), although 33⅓ percent of the sales actually should be distributed through seven other FTC categories.

Another firm reports that all sales and costs of one of its establishments will be allocated to a primary FTC classification although less than 50 percent of the total sales are represented by that category as follows:

FTC CATEGORY

(*Percent of Sales*)

	1971	*1972*
34.05 (Plumbing and heating, except electric)	39.1	42.4
36.07 (Household refrigerators and freezers)	40.2	36.1
35.20 (Refrigeration and service machinery)	19.9	21.5
36.12 (Household appliances)	.8	.0

Note, also, that in the example between 1971 and 1972 the "primary" category would have shifted from category 36.07 (Household refrigerators and freezers) to 34.05 (Plumbing heating, except electric).

A pulp and paper mill reports that of some $155,000,000 in sales all of which would be classified as FTC category 26.03 (Paperboard mills), 40 percent or $62,000,000 will be misclassified.

Another company reports that, although the LB program would require reporting of a larger number of business segments than are currently included in published financial statements and reports to the SEC, the FTC code would actually result in greater aggregation than is currently disclosed in at least one instance. In that case, industrial chemicals included in the company's published report and reported to SEC accounted for 18 percent of 1973 sales and 17 percent of net income; on an FTC basis the company would report 24 percent of 1973 sales and transfers and an estimated 18 percent of net income as industrial organic chemicals. This greater aggregation required by the FTC is further complicated because it represents only a portion of the reported industrial chemical sales and net income, and includes portions of two other business segments.

While measures of the distortion in aggregate sales figures can be compiled by the FTC from answers to Item D in the report form, the FTC will not be able to measure distortion of cost or asset data.

COST ALLOCATION

At present no rules or generally accepted accounting principles govern the allocation of costs common among segments of a company. A variety of practices are followed. Dr. Robert K. Mautz reports that data from an independent research project financed by the Financial Executives Institute Research Foundation on the subject of financial reporting by diversified companies "showed that common costs are often so material that changes in the method of their allocation can have a significant impact on reported net income for the segments reported."

[1] An establishment is a plant or economic unit, generally at a single physical location, where manufacturing operations or other services are performed.

The FTC's proposal for dealing with common costs is: (1) it will accept allocations of common costs already made by reporting companies and apparently intends to aggregate the resulting data although widely different allocation methods may have been used by different companies; and (2) for common costs not allocated by the reporting companies, the FTC will apply its own unspecified allocation formulas.

The subjective judgments by the FTC and the company in allocating common costs obviously will affect all figures to which they are applied as well as all figures derived from them, and the meaningfulness and comparability of such figures will be affected as well. Again the dilemma presents itself—varying individual business practices are not aggregatable, but if standard definitions are applied, the practices and the costs of the business area affected.

TRANSFER PRICING

The business and accounting communities regard transfer pricing as one of the very large unsolved problems in financial management. The FTC, itself, acknowledges that transfer pricing is one of the "stickiest" problems in line-of-business reporting.

Transfers of goods between divisions of a company present an extremely difficult accounting problem. The price at which one division or branch bills another for goods or services received is an arbitrary figure that has a great deal to do with the net profit reportable by both of the units affected. It constitutes income to one and cost to the other. Widely varying practices for pricing such transfers are found in business. Some companies use market value if a market exists for the item in question. Others transfer items between divisions at cost. Some use a price "bargained" between the divisions involved. Others use a price specifically selected to motivate the personnel in the affected divisions. Still others use an arbitrary billing amount for other special purposes.

Although the FTC asks for information about the method followed, it apparently plans to accept whatever practice is used and to aggregate the resulting line-of-business profit figures. Neither consistency nor accuracy can be expected.

Mr. HRUSKA. Mr. President, the most damaging portion of this evaluation report is found in the Comptroller General's words:

We do not know the extent to which the data will be distorted because of this practice, but examples furnished by companies suggest the distortion will be substantial.

This being so, revision of the forms must be made to apply as soon as possible.

HRUSKA AMENDMENT

Rather than require the filing of substantially distorted reports for 1973 and 1974 as now called for, my amendment would limit the initial reports to data on "sales or receipts" for those periods.

During the interim, all parties concerned would be called upon to direct their efforts to expedite development of meaningful, reliable data on all aspects for the following years.

The amendment provides that on page 50, line 15, between the words "data" and "from", the following "on sales or receipts"

Mr. President, the amendment I have submitted which restricts the gathering of data by the Federal Trade Commission to sales and receipts in conjunction with its line-of-business reporting program is done not to weaken this program but rather to strengthen the program by insuring that the data gathered is a valid reflection of the variables that are to be measured and recorded. This recommendation will strengthen the program by insuring that the Federal Trade Commission will proceed slowly and cautiously in its gathering of extremely sensitive and proprietary information.

The amendment in no way seeks to curb or hinder the line-of-business reporting. It is merely an attempt to encourage the Federal Trade Commission to heed the advice that the Government Accounting Office gave when it suggested that the Federal Trade Commission perform certain pilot tests on several firms before launching into a wide scale survey of our 500 largest manufacturing enterprises. The GAO suggested a pilot study because it rightly perceived that there would be enormous problems involved with the gathering and comprehension of such a diverse body of data which has never been collected or produced before. An alternative to conducting an in-depth pilot study on several firms, which the Federal Trade Commission has rejected, is to gather the data by categories and thus to familiarize oneself on a step-by-step, "learning-by-doing" process. This latter approach is exactly what my amendment seeks to accomplish. Namely, it would limit the Federal Trade Commission to collecting data on sales and receipts for the first year. In ensuing years, they would collect data on the more complex areas of costs and profits.

Now, to some, it would appear that collecting data on sales only would involve very little learning and experience. However, this is not a valid approach since it does not reflect two very difficult problems that arise even in the collection of sales data. Specifically these problems involve the treatment of intermediate goods and the evaluation of inventories and sold goods. With respect to intermediate goods, the problem, simply put, is the point at which an internal division treats an intermediate good as completed and hence a sold unit. Further, the inventories of these intermediate goods are often valued by different accounting methods between firms particularly in times of rapid inflation. In other words, even with what appears to be a simply defined and interpreted category such as sales or receipts, there can be enormous variances across firms leading to difficult problems of accurately interpreting the data. As the Federal Trade Commission learns of these problems of sales and learns how to deal with them, it will become more adept and sensitive to the graver problems of correctly interpreting cost data where joint costs and transfer costs occur.

Why is it so crucial that the Federal Trade Commission manage this project so carefully and competently? There are three major reasons for this caution:

First, the data are to be used to study the underlying structure of our economy which comprehension can lead to better economic policies but only if that structure is accurately portrayed;

Second, as the Federal Trade Commission itself admits, there may well be several major antitrust suits filed based on this data. Surely, we do not wish to undertake or impose the enormous litigation costs that this implies without being very certain that there is probable cause for such suits;

Third and most important, the GAO indicates that of the firms they sampled, the minimum start-up costs of compliance would be $350,000 per firm, which was made up of larger firms, whereas the FTC found no start-up costs of less than $50,000 for even the smallest firms. If we take a mean figure of $175,000 to account for small and large firms, the start-up costs alone will amount to $87,500,000 based on the Senate and FTC proposal for sampling 500 firms. Add to this the annual cost of compliance as reported by the GAO and FTC of 15 percent per year with 5–7 years needed before sufficient data is collected and we arrive at a total cost of compliance of $175,000,000. Since this is a cost of doing business, it will be passed on to the consumer.

Is it reasonable to ask the American consumer to absorb $175,000,000 of Government-imposed costs without a reasonable assurance that the funds are competently spent?

Mr. President, I cannot emphasize enough the fact that we are not attempting to undermine this program but rather insure its successful application. We sincerely believe that the Federal Trade Commission has seriously and erroneously underestimated the problems of aggregating company data along their arbitrarily drawn product lines.

The major reason that there are these serious, almost insurmountable compatability problems is that although there are general accepted principles for financial accounting which constitute profit-and-loss statements, there are no accounting principles which govern internal managerial accounting which is the major source of data for line-of-business reporting.

As Mr. Philip Hughes, Assistant Comptroller General for the General Accounting Office, stated in his report on line-of-business reporting:

This support in principle for line-of-business reporting disintegrates, however, when we turn to the specific FTC proposal. We believe this is because of a fundamental dilemma with regard to classification and related matters which is not yet fully resolved or compromised. On the other hand, individual business firms vary greatly in their organization, financial structure, and product lines. These variations are products of historical accident or the individual preferences of business leadership. To accurately reflect management, financial, and product-line structure of a specific business, therefore, the classifications and allocations must take account of these individualities.

Therefore, the inherent conflict between FTC's product-line categories and individual business' normal management categories appears to remain. The aggregated figures on profits, sales, and expenditures by FTC line-of-business categories that will emerge from the reports probably will be neither accounting figures nor economic figures. The aggregated profit figure for each FTC category will be the end product of subjective judgment by each company in allocating costs common to two or more FTC categories and in computing transfer costs, and an arbi-

trary allocation of all of the sales, costs, and profits of a multicategory to which the primary activity of the establishment is assigned.

We do not know the extent to which the data will be distorted because of this practice, but examples furnished by companies suggest the distortion will be substantial.

Therefore, given the enormous costs involved, the admitted and readily apparent technical problems, and the potential misuse of this data, are we not doing the Federal Trade Commission, the American consumer, and we lawmakers, a distinct service by compelling the Federal Trade Commission to proceed in a cautious and competent manner in an area which is so sensitive and critical yet where they have no actual experience? Has not this thoughtful learning-by-doing approach always been the most fruitful particularly when dealing with such complex projects? Finally, there are certainly no risks or costs involved in this approach, only the potential for enormous cost savings for all.

LEGAL SERVICES CORPORATION ACT OF 1974

The PRESIDING OFFICER (Mr. HATHAWAY). Under the previous order, the Chair now lays before the Senate the message from the House of Representatives on H.R. 7824.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the amendment of the Senate to the bill (H.R. 7824) entitled "An act to establish a Legal Services Corporation, and for other purposes," with amendment, as follows:

In lieu of the matter proposed to be inserted by the Senate amendment to the text of the bill, insert:

That this Act may be cited as the "Legal Services Corporation Act of 1974".

SEC. 2. The Economic Opportunity Act of 1964 is amended by adding at the end thereof the following new title:

"TITLE X—LEGAL SERVICES CORPORATION ACT

"STATEMENT OF FINDINGS AND DECLARATION OF PURPOSE

"SEC. 1001. The Congress finds and declares that—

"(1) there is a need to provide equal access to the system of justice in our Nation for individuals who seek redress of grievances;

"(2) there is a need to provide high quality legal assistance to those who would be otherwise unable to afford adequate legal counsel and to continue the present vital legal services program;

"(3) providing legal assistance to those who face an economic barrier to adequate legal counsel will serve best the ends of justice;

"(4) for many of our citizens, the availability of legal services has reaffirmed faith in our government of laws;

"(5) to preserve its strength, the legal services program must be kept free from the influence of or use by it of political pressures; and

"(6) attorneys providing legal assistance must have full freedom to protect the best interests of their clients in keeping with the Code of Professional Responsibility, the Canons of Ethics, and the high standards of the legal profession.

"DEFINITIONS

"SEC. 1002. As used in this title, the term—

"(1) 'Board' means the Board of Directors of the Legal Services Corporation;

"(2) 'Corporation' means the Legal Services Corporation established under this title;

"(3) 'eligible client' means any person financially unable to afford legal assistance;

"(4) 'Governor' means the chief executive officer of a State;

"(5) 'legal assistance' means the provision of any legal services consistent with the purposes and provisions of this title;

"(6) 'recipient' means any grantee, contractee, or recipient of financial assistance described in clause (A) of section 1006(a)(1);

"(7) 'staff attorney' means an attorney who receives more than one-half of his annual professional income from a recipient organized solely for the provision of legal assistance to eligible clients under this title; and

"(8) 'State' means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Trust Territory of the Pacific Islands, and any other territory or possession of the United States.

"ESTABLISHMENT OF CORPORATION

"SEC. 1003. (a) There is established in the District of Columbia a private nonmembership nonprofit corporation, which shall be known as the Legal Services Corporation, for the purpose of providing financial support for legal assistance in noncriminal proceedings or matters to persons financially unable to afford legal assistance.

"(b) The Corporation shall maintain its principal office in the District of Columbia and shall maintain therein a designated agent to accept service of process for the Corporation. Notice to or service upon the agent shall be deemed notice to or service upon the Corporation.

"(c) The Corporation, and any legal assistance program assisted by the Corporation, shall be eligible to be treated as an organization described in section 170(c)(2)(B) of the Internal Revenue Code of 1954 and as an organization described in section 501(c)(3) of the Internal Revenue Code of 1954 which is exempt from taxation under section 501(a) of such Code. If such treatments are conferred in accordance with the provisions of such Code, the Corporation, and legal assistance programs assisted by the Corporation, shall be subject to all provisions of such Code relevant to the conduct of organizations exempt from taxation.

"GOVERNING BODY

"SEC. 1004. (a) The Corporation shall have a Board of Directors consisting of eleven voting members appointed by the President, by and with the advice and consent of the Senate, no more than six of whom shall be of the same political party. A majority shall be members of the bar of the highest court of any State, and none shall be a full-time employee of the United States.

"(b) The term of office of each member of the Board shall be three years, except that five of the members first appointed, as designated by the President at the time of appointment, shall serve for a term of two years. Each member of the Board shall continue to serve until the successor to such member has been appointed and qualified. The term of initial members shall be computed from the date of the first meeting of the Board. The term of each member other than initial members shall be computed from the date of termination of the preceding term. Any member appointed to fill a vacancy occurring prior to the expiration of the term for which such member's predecessor was appointed shall be appointed for the remainder of such term. No member shall be reappointed to more than two consecutive terms immediately following such member's initial term.

"(c) The members of the Board shall not, by reason of each membership, be deemed officers or employees of the United States.

"(d) The President shall select from among the voting members of the Board a chairman, who shall serve for a term of three years. Thereafter the Board shall annually elect a chairman from among its voting members.

"(e) A member of the Board may be removed by a vote of seven members for malfeasance in office or for persistent neglect of or inability to discharge duties, or for offenses involving moral turpitude, and for no other cause.

"(f) Within six months after the first meeting of the Board, the Board shall request the Governor of each State to appoint a nine-member advisory council for such State. A majority of the members of the advisory council shall be appointed, after recommendations have been received from the State bar association, from among the attorneys admitted to practice in the State, and the membership of the council shall be subject to annual reappointment. If ninety days have elapsed without such an advisory council appointed by the Governor, the Board is authorized to appoint such a council. The advisory council shall be charged with notifying the Corporation of any apparent violation of the provisions of this title and applicable rules, regulations, and guidelines promulgated pursuant to this title. The advisory council shall, at the same time, furnish a copy of the notification to any recipient affected thereby, and the Corporation shall allow such recipient a reasonable time (but in no case less than thirty days) to reply to any allegation contained in the notification.

"(g) All meetings of the Board, of any executive committee of the Board, and of any advisory council established in connection with this title shall be open to the public, and any minutes of such public meetings shall be available to the public, unless the membership of such bodies, by two-thirds vote of those eligible to vote, determines that an executive session should be held on a specific occasion.

"(h) The Board shall meet at least four times during each calendar year.

"OFFICERS AND EMPLOYEES

"SEC. 1005. (a) The Board shall appoint the president of the Corporation, who shall be a member of the bar of the highest court of a State and shall be a non-voting ex officio member of the Board, and such other officers as the Board determines to be necessary. No officer of the Corporation may receive any salary or other compensation for services from any source other than the Corporation during his period of employment by the Corporation, except as authorized by the Board. All officers shall serve at the pleasure of the Board.

"(b)(1) The president of the Corporation, subject to general policies established by the Board, may appoint and remove such employees of the Corporation as he determines necessary to carry out the purposes of the Corporation.

"(2) No political test or political qualification shall be used in selecting, appointing, promoting, or taking any other personnel action with respect to any officer, agent, or employee of the Corporation or of any recipient, or in selecting or monitoring any grantee, contractor, or person or entity receiving financial assistance under this title.

"(c) No member of the Board may par-

ticipate in any decision, action, or recommendation with respect to any matter which directly benefits such member or pertains specifically to any firm or organization with which such member is then associated or has been associated within a period of two years.

"(d) Officers and employees of the Corporation shall be compensated at rates determined by the Board, but not in excess of the rate of level V of the Executive Schedule specified in section 5316 of title 5, United States Code.

"(e)(1) Except as otherwise specifically provided in this title, officers and employees of the Corporation shall not be considered officers or employees, and the Corporation shall not be considered a department, agency, or instrumentality, of the Federal Government.

"(2) Nothing in this title shall be construed as limiting the authority of the Office of Management and Budget to review and submit comments upon the Corporation's annual budget request at the time it is transmitted to the Congress.

"(f) Officers and employees of the Corporation shall be considered officers and employees of the Federal Government for purposes of the following provisions of title 5, United States Code: subchapter I of chapter 81 (relating to compensation for work injuries); chapter 83 (relating to civil service retirement); chapter 87 (relating to life insurance); and chapter 89 (relating to health insurance). The Corporation shall make contributions at the same rates applicable to agencies of the Federal Government under the provisions referred to in this subsection.

"(g) The Corporation and its officers and employees shall be subject to the provisions of section 552 of title 5, United States Code (relating to freedom of information).

"POWERS, DUTIES, AND LIMITATIONS

SEC. 1006. (a) To the extent consistent with the provisions of this title, the Corporation shall exercise the powers conferred upon a nonprofit corporation by the District of Columbia Nonprofit Corporation Act (except for section 1005(o) of title 29 of the District of Columbia Code). In addition, the Corporation is authorized—

"(1)(A) to provide financial assistance to qualified programs furnishing legal assistance to eligible clients, and to make grants to and contracts with—

"(i) individuals, partnerships, firms, corporations, and nonprofit organizations, and

"(ii) State and local governments (only upon application by an appropriate State or local agency or institution and upon a special determination by the Board that the arrangements to be made by such agency or institution will provide services which will not be provided adequately through nongovernmental arrangements),

for the purpose of providing legal assistance to eligible clients under this title, and (B) to make such other grants and contracts as are necessary to carry out the purposes and provisions of this title;

"(2) to accept in the name of the Corporation, and employ or dispose of in furtherance of the purposes of this title, any money or property, real, personal, or mixed, tangible or intangible, received by gift, devise, bequest, or otherwise; and

"(3) to undertake directly and not by grant or contract, the following activities relating to the delivery of legal assistance—

"(A) research,

"(B) training and technical assistance, and

"(C) to serve as a clearinghouse for information.

"(b)(1) The Corporation shall have authority to insure the compliance of recipients and their employees with the provisions of this title and the rules, regulations, and guidelines promulgated pursuant to this title, and to terminate, after a hearing in accordance with section 1011, financial support to a recipient which fails to comply.

"(2) If a recipient finds that any of its employees has violated or caused the recipient to violate the provisions of this title or the rules, regulations, and guidelines promulgated pursuant to this title, the recipient shall take appropriate remedial or disciplinary action in accordance with the types of procedures prescribed in the provisions of section 1011.

"(3) The Corporation shall not, under any provision of this title, interfere with any attorney in carrying out his professional responsibilities to his client as established in the Canons of Ethics and the Code of Professional Responsibility of the American Bar Association (referred to collectively in this title as 'professional responsibilities') or abrogate as to attorneys in programs assisted under this title the authority of a State or other jurisdiction to enforce the standards of professional responsibility generally applicable to attorneys in such jurisdiction. The Corporation shall ensure that activities under this title are carried out in a manner consistent with attorneys' professional responsibilities.

"(4) No attorney shall receive any compensation, either directly or indirectly, for the provision of legal assistance under this title unless such attorney is admitted or otherwise authorized by law, rule, or regulation to practice law or provide such assistance in the jurisdiction where such assistance is initiated.

"(5) The Corporation shall insure that (A) no employee of the Corporation or of any recipient (except as permitted by law in connection with such employee's own employment situation), while carrying out legal assistance activities under this title, engage in, any public demonstration or picketing, boycott, or strike; and (B) no such employee shall, at any time, engage in, or encourage others to engage in, any of the following activities: (i) any rioting or civil disturbance, (ii) any activity which is in violation of an outstanding injunction of any court of competent jurisdiction, (iii) any other illegal activity, or (iv) any intentional identification of the Corporation or any recipient with any political activity prohibited by section 1007(a)(6). The Board, within ninety days after its first meeting, shall issue rules and regulations to provide for the enforcement of this paragraph and section 1007(a)(5), which rules shall include, among available remedies, provisions, in accordance with the types of procedures prescribed in the provisions of section 1011, for suspension of legal assistance supported under this title, suspension of an employee of the Corporation or of any employee of any recipient by such recipient, and, after consideration of other remedial measures and after a hearing in accordance with section 1011, the termination of such assistance or employment, as deemed appropriate for the violation in question.

"(6) In areas where significant numbers of eligible clients speak a language other than English as their principal language, the Corporation shall, to the extent feasible, provide that their principal language is used in the provision of legal assistance to such clients under this title.

"(c) The Corporation shall not itself—

"(1) participate in litigation on behalf of clients other than the Corporation; or

"(2) undertake to influence the passage or defeat of any legislation by the Congress of the United States or by any State or local legislative bodies, except that personnel of the Corporation may testify or make other appropriate communication (A) when formally requested to do so by a legislative body, a committee, or a member thereof, or (B) in connection with legislation or appropriations directly affecting the activities of the Corporation.

"(d)(1) The Corporation shall have no power to issue any shares of stock, or to declare or pay any dividends.

"(2) No part of the income or assets of the Corporation shall inure to the benefit of any director, officer, or employee, except as reasonable compensation for services or reimbursement for expenses.

"(3) Neither the Corporation nor any recipient shall contribute or make available corporate funds or program personnel or equipment to any political party or association, or the campaign of any candidate for public or party office.

"(4) Neither the Corporation nor any recipient shall contribute or make available corporate funds or program personnel or equipment for use in advocating or opposing any ballot measures, initiatives, or referendums. However, an attorney may provide legal advice and representation as an attorney to any eligible client with respect to such client's legal rights.

"(5) No class action suit, class action appeal, or amicus curiae class action may be undertaken, directly or through others, by a staff attorney, except with the express approval of a project director of a recipient in accordance with policies established by the governing body of such recipient.

"(e)(1) Employees of the Corporation or of recipients shall not at any time intentionally identify the Corporation or the recipient with any partisan or nonpartisan political activity associated with a political party or association, or the campaign of any candidate for public or party office.

"(2) Employees of the Corporation shall be deemed to be State or local employees for purposes of chapter 15 of title 5, United States Code.

"(f) If an action is commenced by the Corporation or by a recipient and a final order is entered in favor of the defendant and against the Corporation or a recipient's plaintiff, the court may, upon motion by the defendant and upon a finding by the court that the action was commenced or pursued for the sole purpose of harassment of the defendant or that the Corporation or a recipient's plaintiff maliciously abused legal process, enter an order (which shall be appealable before being made final) awarding reasonable costs and legal fees incurred by the defendant in defense of the action, except when in contravention of a State law, a rule of court, or a statute of general applicability. Any such costs and fees shall be directly paid by the Corporation.

"GRANTS AND CONTRACTS

"SEC. 1007. (a) With respect to grants or contracts in connection with the provision of legal assistance to eligible clients under this title, the Corporation shall—

"(1) insure the maintenance of the highest quality of service and professional standards, the preservation of attorney-client relationships, and the protection of the integrity of the adversary process from any impairment in furnishing legal assistance to eligible clients;

"(2)(A) establish, in consultation with the Director of the Office of Management and Budget and with the Governors of the several States, maximum income levels (taking into account family size, urban and rural differences, and substantial cost-of-living variations) for individuals eligible for legal assistance under this title;

"(B) establish guidelines to insure that eligibility of clients will be determined by recipients on the basis of factors which include—

"(i) the liquid assets and income level of the client,

"(ii) the fixed debts, medical expenses, and other factors which affect the client's ability to pay,

"(iii) the cost of living in the locality, and

"(iv) such other factors as relate to finan-

cial inability to afford legal assistance, which shall include evidence of a prior determination, which shall be a disqualifying factor, that such individual's lack of income results from refusal or unwillingness, without good cause, to seek or accept an employment situation; and

"(C) establish priorities to insure that persons least able to afford legal assistance are given preference in the furnishing of such assistance;

"(3) insure that grants and contracts are made so as to provide the most economical and effective delivery of legal assistance to persons in both urban and rural areas;

"(4) insure that attorneys employed full time in legal assistance activities supported in major part by the Corporation refrain from (A) any compensated outside practice of law, and (B) any uncompensated outside practice of law except as authorized in guidelines promulgated by the Corporation;

"(5) insure that no funds available to recipients by the Corporation shall be used at any time, directly or indirectly, to influence the issuance, amendment, or revocation of any executive order or similar promulgation by any Federal, State, or local agency, or to undertake to influence the passage or defeat of any legislation by the Congress of the United States, or by any State or local legislative bodies, except where—

"(A) representation by an attorney as an attorney for any eligible client is necessary to the provision of legal advice and representation with respect to such client's legal rights and responsibilities (which shall not be construed to permit a recipient or an attorney to solicit a client for the purpose of making such representation possible, or to solicit a group with respect to matters of general concern to a broad class of persons as distinguished from acting on behalf of any particular client); or

"(B) a governmental agency, a legislative body, a committee, or a member thereof requests personnel of any recipient to make representations thereto;

"(6) insure that all attorneys engaged in legal assistance activities supported in whole or in part by the Corporation refrain, while so engaged, from—

"(A) any political activity, or

"(B) any activity to provide voters or prospective voters with transportation to the polls or provide similar assistance in connection with an election (other than legal advice and representation), or

"(C) any voter registration activity (other than legal advice and representation);

and insure that staff attorneys refrain at any time during the period for which they receive compensation under this title from the activities described in clauses (B) and (C) of this paragraph and from political activities of the type prohibited by section 1502(a) of title 5, United States Code, whether partisan or nonpartisan;

"(7) require recipients to establish guidelines, consistent with regulations promulgated by the Corporation, for a system for review of appeals to insure the efficient utilization of resource and to avoid frivolous appeals (except that such guidelines or regulations shall in no way interfere with attorneys' professional responsibilities);

"(8) insure that recipients solicit the recommendations of the organized bar in the community being served before filling staff attorney positions in any project funded pursuant to this title and give preference in filling such positions to qualified persons who reside in the community to be served;

"(9) insure that every grantee, contractor, or person or entity receiving financial assistance under this title or predecessor authority under this Act which files with the Corporation a timely application for refunding is provided interim funding necessary to maintain its current level of activities until (A) the application for refunding has been approved and funds pursuant thereto received, or (B) the application for refunding has been finally denied in accordance with section 1011 of this Act; and

"(10) insure that all attorneys, while engaged in legal assistance activities supported in whole or in part by the Corporation, refrain from the persistent incitement of litigation and any other activity prohibited by the Canons of Ethics and Code of Professional Responsibility of the American Bar Association, and insure that such attorneys refrain from personal representation for a private fee in any cases in which they were involved while engaged in such legal assistance activities.

"(b) No funds made available by the Corporation under this title, either by grant or contract, may be used—

"(1) to provide legal assistance with respect to any fee-generating case (except in accordance with guidelines promulgated by the Corporation), to provide legal assistance with respect to any criminal proceeding, or to provide legal assistance in civil actions to persons who have been convicted of a criminal charge where the civil action arises out of alleged acts or failures to act and the action is brought against an officer of the court or against a law enforcement official for the purpose of challenging the validity of the criminal conviction;

"(2) for any of the political activities prohibited in paragraph (6) of subsection (a) of this section;

"(3) to make grants to or enter into contracts with any private law firm which expends 50 percent or more of its resources and time litigating issues in the broad interests of a majority of the public;

"(4) to provide legal assistance under this title to any unemancipated person of less than eighteen years of age, except (A) with the written request of one of such person's parents or guardians, (B) upon the request of a court of competent jurisdiction, (C) in child abuse cases, custody proceedings, persons in need of supervision (PINS) proceedings, or cases involving the initiation, continuation, or conditions of institutionalization, or (D) where necessary for the protection of such person for the purpose of securing, or preventing the loss of, benefits, or securing, or preventing the loss or imposition of, services under law in cases not involving the child's parent or guardian as a defendant or respondent.

"(5) to support or conduct training programs for the purpose of advocating particular public policies or encouraging political activities, labor or antilabor activities, boycotts, picketing, strikes, and demonstrations, as distinguished from the dissemination of information about such policies or activities, except that this provision shall not be construed to prohibit the training of attorneys or paralegal personnel necessary to prepare them to provide adequate legal assistance to eligible clients;

"(6) to organize, to assist to organize, or to encourage to organize, or to plan for the creation or formation of, or the structuring of, any organization, association, coalition, alliance, federation, confederation, or any similar entity, except for the provision of legal assistance to eligible clients in accordance with guidelines promulgated by the Corporation;

"(7) to provide legal assistance with respect to any proceeding or litigation relating to the desegregation of any elementary or secondary school or school system;

"(8) to provide legal assistance with respect to any proceeding or litigation which seeks to procure a nontherapeutic abortion or to compel any individual or institution to perform an abortion, or assist in the performance of an abortion, or provide facilities for the performance of an abortion, contrary to the religious beliefs or moral convictions of such individual or institution; or

"(9) to provide legal assistance with respect to any proceeding or litigation arising out of a violation of the Military Selective Service Act or of desertion from the Armed Forces of the United States.

"(c) In making grants or entering into contracts for legal assistance, the Corporation shall insure that any recipient organized solely for the purpose of providing legal assistance to eligible clients is governed by a body at least 60 percent of which consists of attorneys who are members of the bar of a State in which the legal assistance is to be provided (except that the Corporation (1) shall, upon application, grant waivers to permit a legal services program, supported under section 222(a)(3) of the Economic Opportunity Act of 1964, which on the date of enactment of this title has a majority of persons who are not attorneys on its policy-making board to continue such a nonattorney majority under the provisions of this title, and (2) may grant, pursuant to regulations issued by the Corporation, such a waiver for recipients which, because of the nature of the population they serve, are unable to comply with such requirement) and which include at least one individual eligible to receive legal assistance under this title. Any such attorney, while serving on such board, shall not receive compensation from a recipient.

"(d) The Corporation shall monitor and evaluate and provide for independent evaluations of programs supported in whole or in part under this title to insure that the provisions of this title and the bylaws of the Corporation and applicable rules, regulations, and guidelines promulgated pursuant to this title are carried out.

"(e) The president of the Corporation is authorized to make grants and enter into contracts under this title.

"(f) At least thirty days prior to the approval of any grant application or prior to entering into a contract or prior to the invitation of any other project, the Corporation shall announce publicly, and shall notify the Governor and the State bar association of any State where legal assistance will thereby be initiated, of such grant, contract, or project. Notification shall include a reasonable description of the grant application or proposed contract or project and request comments and recommendations.

"(g) The Corporation shall provide for comprehensive, independent study of the existing staff-attorney program under this Act and, through the use of appropriate demonstration projects, of alternative and supplemental methods of delivery of legal services to eligible clients, including judicare, vouchers, prepaid legal insurance, and contracts with law firms; and, based upon the results of such study, shall make recommendations to the President and the Congress, not later than two years after the first meeting of the Board, concerning improvements, changes, or alternative methods for the economical and effective delivery of such services.

"RECORDS AND REPORTS

"SEC. 1008. (a) The Corporation is authorized to require such reports as it deems necessary from any grantee, contractor, or person or entity receiving financial assistance under this title regarding activities carried out pursuant to this title.

"(b) The Corporation is authorized to prescribe the keeping of records with respect to funds provided by grant or contract and shall have access to such records at all reasonable times for the purpose of insuring compliance with the grant or contract or the terms and conditions upon which financial assistance was provided.

"(c) The Corporation shall publish an annual report which shall be filed by the Corporation with the President and the Congress.

"(d) Copies of all reports pertinent to the evaluation, inspection, or monitoring of any grantee, contractor, or person or entity receiving financial assistance under this title shall be submitted on a timely basis to such grantee, contractor, or person or entity, and shall be maintained in the principal office of the Corporation for a period of at least five years subsequent to such evaluation, inspection, or monitoring. Such reports shall be available for public inspection during regular business hours, and copies shall be furnished, upon request, to interested parties upon payment of such reasonable fees as the Corporation may establish.

'(e) The Corporation shall afford notice and reasonable opportunity for comment to interested parties prior to issuing rules, regulations, and guidelines, and it shall publish in the Federal Register at least 30 days prior to their effective date all its rules, regulations, guidelines, and instructions.

"AUDITS

"SEC. 1009. (a)(1) The accounts of the Corporation shall be audited annually. Such audits shall be conducted in accordance with generally accepted auditing standards by independent certified public accountants who are certified by a regulatory authority of the jurisdiction in which the audit is undertaken.

"(2) The audits shall be conducted at the place or places where the accounts of the Corporation are normally kept. All books, accounts, financial records, reports, files, and other papers or property belonging to or in use by the Corporation and necessary to facilitate the audits shall be made available to the person or persons conducting the audits; and full facilities for verifying transactions with the balances and securities held by depositories, fiscal agents, and custodians shall be afforded to any such person.

"(3) The report of the annual audit shall be filed with the General Accounting Office and shall be available for public inspection during business hours at the principal office of the Corporation.

"(b)(1) In addition to the annual audit, the financial transactions of the Corporation for any fiscal year during which Federal funds are available to finance any portion of its operations may be audited by the General Accounting Office in accordance with such rules and regulations as may be prescribed by the Comptroller General of the United States.

"(2) Any such audit shall be conducted at the place or places where accounts of the Corporation are normally kept. The representatives of the General Accounting Office shall have access to all books, accounts, financial records, reports, files, and other papers or property belonging to or in use by the Corporation and necessary to facilitate the audit; and full facilities for verifying transactions with the balances and securities held by depositories, fiscal agents, and custodians shall be afforded to such representatives. All such books, accounts, financial records, reports, files, and other papers or property of the Corporation shall remain in the possession and custody of the Corporation.

"(3) A report of such audit shall be made by the Comptroller General to the Congress and to the President, together with such recommendations with respect thereto as he shall deem advisable.

"(c)(1) The Corporation shall conduct, or require each grantee, contractor, or person or entity receiving financial assistance under this title to provide for, an annual financial audit. The report of each such audit shall be maintained for a period of at least five years at the principal office of the Corporation.

"(2) The Corporation shall submit to the Comptroller General of the United States copies of such reports, and the Comptroller General may, in addition, inspect the books, accounts, financial records, files, and other papers or property belonging to or in use by such grantee, contractor, or person or entity, which relate to the disposition or use of funds received from the Corporation. Such audit reports shall be available for public inspection, during regular business hours, at the principal office of the Corporation.

"(d) Notwithstanding the provisions of this section or section 1008, neither the Corporation nor the Comptroller General shall have access to any reports or records subject to the attorney-client privilege.

"FINANCING

"SEC. 1010. (a) There are authorized to be appropriated for the purpose of carrying out the activities of the Corporation, $90,000,000 for fiscal year 1975, $100,000,000 for fiscal year 1976, and such sums as may be necessary for fiscal year 1977. The first appropriation may be made available to the Corporation at any time after six or more members of the Board have been appointed and qualified. Appropriations shall be for not more than two fiscal years, and, if for more than one year, shall be paid to the Corporation in annual installments at the beginning of each fiscal year in such amounts as may be specified in appropriation Acts.

"(b) Funds appropriated pursuant to this section shall remain available until expended.

"(c) Non-Federal funds received by the Corporation, and funds received by any recipient from a source other than the Corporation, shall be accounted for and reported as receipts and disbursements separate and distinct from Federal funds; but any funds so received for the provision of legal assistance shall not be expended by recipents for any purpose prohibited by this title, except that this provision shall not be construed to prevent recipients from receiving other public funds or tribal funds (including foundation funds benefiting Indians or Indian tribes) and expending them in accordance with the purposes for which they are provided, or to prevent contracting or making other arrangements with private attorneys, or with legal aid societies having separate public defender programs, for the provision of legal assistance to eligible clients under this title.

"SPECIAL LIMITATIONS

"SEC. 1011. The Corporation shall prescribe procedures to insure that—

"(1) financial assistance under this title shall not be suspended unless the grantee, contractor, or person or entity receiving financial assistance under this title has been given reasonable notice and opportunity to show cause why such action should not be taken; and

"(2) financial assistance under this title shall not be terminated, an application for refunding shall not be denied, and a suspension of financial assistance shall not be continued for longer than thirty days, unless the grantee, contractor, or person or entity receiving financial assistance under this title has been afforded reasonable notice and opportunity for a timely, full, and fair hearing.

"COORDINATION

"SEC. 1012. The President may direct that appropriate support functions of the Federal Government may be made available to the Corporation in carrying out its activities under this title, to the extent not inconsistent with other applicable law.

"RIGHT TO REPEAL, ALTER, OR AMEND

"SEC. 1013. The right to repeal, alter, or amend this title at any time is expressly reserved.

"SHORT TITLE

"SEC. 1014. This title may be cited as the 'Legal Services Corporation Act'."

TRANSITION PROVISIONS

SEC. 3. (a) Notwithstanding any other provision of law, effective ninety days after the date of the first meeting of the Board of Directors of the Legal Services Corporation established under the Legal Services Corporation Act (title X of the Economic Opportunity Act of 1964, as added by this Act), the Legal Services Corporation shall succeed to all rights of the Federal Government to capital equipment in the possession of legal services programs or activities assisted pursuant to section 222(a)(3), 230, 232, or any other provision of the Economic Opportunity Act of 1964.

(b) Within ninety days after the first meeting of the Board, all assets, liabilities, obligations, property, and records as determined by the Director of the Office of Management and Budget, in consultation with the Director of the Office of Economic Opportunity or the head of any successor authority, to be employed directly or held or used primarily, in connection with any function of the Director of the Office of Economic Opportunity or the head of any successor authority in carrying out legal services activities under the Economic Opportunity Act of 1964, shall be transferred to the Corporation. Personnel transferred to the Corporation from the Office of Economic Opportunity or any successor authority shall be transferred in accordance with applicable laws and regulations, and shall not be reduced in compensation for one year after such transfer, except for cause. The Director of the Office of Economic Opportunity or the head of any successor authority shall take whatever action is necessary and reasonable to seek suitable employment for personnel who do not transfer to the Corporation.

(c) Collective-bargaining agreements in effect on the date of enactment of this Act covering employees transferred to the Corporation shall continue to be recognized by the Corporation until the termination date of such agreements, or until mutually modified by the parties.

(d)(1) Notwithstanding any other provision of law, the Director of the Office of Economic Opportunity or the head of any successor authority shall take such action as may be necessary, in cooperation with the president of the Legal Services Corporation, including the provision (by grant or otherwise) of financial assistance to recipients and the Corporation and the furnishing of services and facilities to the Corporation—

(A) to assist the Corporation preparing to undertake, and in the initial undertaking of, its responsibilities under this title;

(B) out of appropriations available to him, to make funds available to meet the organizational and administrative expenses of the Corporation;

(C) within ninety days after the first meeting of the Board, to transfer to the Corporation all unexpended balances of funds appropriated for the purpose of carrying out legal services programs and activities under the Economic Opportunity Act of 1964 or successor authority; and

(D) to arrange for the orderly continuation by such Corporation of financial assistance to legal services programs and activities assisted pursuant to the Economic Opportunity Act of 1964 or successor authority.

Whenever the Director of the Office of Economic Opportunity or the head of any successor authority determines that an obligation to provide financial assistance pursuant to any contract or grant for such legal services will extend beyond six months after the date of enactment of this Act, he shall include, in any such contract or grant, provisions to assure that the obligation to provide such financial assistance may be assumed by the Legal Services Corporation,

subject to such modifications of the terms and conditions of such contract or grant as the Corporation determines to be necessary.

(2) Section 222(a)(3) of the Economic Opportunity Act of 1964 is repealed, effective ninety days after the first meeting of the Board of Directors of the Legal Services Corporation.

(e) There are authorized to be appropriated for the fiscal year ending June 30, 1975, such sums as may be necessary for carrying out this section.

(f) Title VI of the Economic Opportunity Act of 1964 is amended by inserting after section 625 thereof the following new section:

"INDEPENDENCE OF LEGAL SERVICES CORPORATION

"SEC. 626. Nothing in this Act, except title X, and no reference to this Act unless such reference refers to title X, shall be construed to affect the powers and activities of the Legal Services Corporation.".

Resolved, That the House recede from its disagreement to the amendment of the Senate to the title of the bill.

The PRESIDING OFFICER. The time for debate on the motion to concur in the House amendment is limited to 30 minutes, to be equally divided between the majority and minority leaders or their designees. Who yields time?

Mr. GRIFFIN. Mr. President, I suggest the absence of a quorum, and ask unanimous consent that the time for the quorum call be equally charged to both sides against the time that is allotted with respect to the Helms amendment.

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

The assistant legislative clerk proceeded to call the roll.

Mr. 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 ask unanimous consent that John Scales may have the privilege of the floor during the debate on the legal services matter.

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

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

The PRESIDING OFFICER. Under the same conditions?

Mr. JAVITS. Yes.

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. 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.

Mr. HELMS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HELMS. Mr. President, what is the pending business?

The PRESIDING OFFICER. The Chair will state that no motion has been made as yet relative to H.R. 7824.

Mr. HELMS. I thank the Chair.

Mr. GRIFFIN. Mr. President, reserving the right to object, if I may proceed, I understood that the motion had been made to concur in the House amendment.

The PRESIDING OFFICER. The Chair was informed otherwise, but the Chair will check further.

The Chair will state that time has been provided until the hour of 2 p.m. for the possible motion, but no motion has been made from the floor as yet.

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

Mr. HELMS. I yield.

Mr. JAVITS. I understand that a motion was pending. A unanimous consent agreement was made upon that pending motion and a vote has been provided for the pending motion.

Mr. GRIFFIN. That is my understanding, also, I wish to say to the Chair.

The PRESIDING OFFICER. The Chair stands corrected. A check of the RECORD does show that a motion to concur in the House amendment was made last Tuesday. So the question is on agreeing to the motion to concur in the House amendment to the Senate amendment to H.R. 7824.

Mr. HELMS. I believe there is a time limitation. Would the Chair state it?

The PRESIDING OFFICER. The time limitation on the motion to concur is 30 minutes.

Mr. HELMS. Mr. President, I yield myself such time as I may require.

The PRESIDING OFFICER. If the Senator will suspend for a moment, the time on the motion to concur in the House amendment, with amendments, is limited to 90 minutes, equally divided between the Senator from North Carolina and the Senator from Wisconsin.

Mr. HELMS. Mr. President, before proceeding to a motion that I shall make shortly, I might say for the RECORD that there is considerable misunderstanding among Members of the Senate about what is afoot in this matter. I shall address myself to that in some detail in a few moments.

I have just discussed with three Senators in the cloakroom and elsewhere this morning—purely by chance—on my way to the floor, as to just what is involved in this legislation, and it is their impression that backup centers have been removed absolutely from this bill.

I shall address myself to forthright statements by the distinguished proponents of the bill momentarily, but I want to make a unanimous-consent request, which I shall make in good faith, which should clear up any misunderstanding on the part of any Senator.

Since there is this misunderstanding, not by the Senator from North Carolina but by many Senators who have not been able to be present on this floor—as is the case right now, obviously—in a moment I shall ask unanimous consent that this bill be sent to the Judiciary Committee for 7 days, so that the Judiciary Committee can examine it and report back to the Senate whether in fact the backup centers and their activities have, indeed, been eliminated.

Mr. President, I say this with the full knowledge that the distinguished Senator from New York (Mr. JAVITS), the distinguished Senator from Ohio (Mr. TAFT), and others have made clear that the backup center activities are not eliminated. But I want the Senate to know exactly what it is voting on. That is the only purpose of my desire to refer this matter for 1 week—just 7 days, Mr. President—to the Committee on the Judiciary, after which time the Committee can report back its understanding of what this measure is all about.

If the Committee on the Judiciary should report that the backup centers have indeed been eliminated, then the Senator from North Carolina will be silent in seven languages thereafter.

I reiterate, Mr. President, that I simply want the Senate, and the President of the United States to know what is in this bill. We have had enough confusion, and we have had enough misunderstanding. There is considerable misapprehension about this measure.

With that prefacing statement, I ask unanimous consent that irrespective of the unanimous-consent agreement which was entered into yesterday, I be permitted to move that this bill be referred to the Committee on the Judiciary for a period of 1 week.

Mr. JAVITS. Mr. President, I object.

The PRESIDING OFFICER (Mr. MCCLURE). Objection is heard.

Mr. HELMS. Mr. President, I anticipated that my distinguished friend, the Senator from New York (Mr. JAVITS) would object. But I thought it well worth the effort to demonstrate just what the situation is, and I thank the Senator from New York for helping me prove my point.

Now, Mr. President, I move to concur in the House amendment, but with an amendment of my own which is at the desk, and which I ask be stated.

The PRESIDING OFFICER. The amendment will be stated.

The 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 word "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, I ask unanimous consent that the distinguished occupant of the chair (Mr. MCCLURE) be added as a cosponsor.

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

Mr. HELMS. Mr. President, my amendment is very simple. The first part of it, obviously, would merely strike the langauge which authorizes direct funding of so-called backup center activities in the Corporation. The second part modifies the probation on funding certain public interest law firms to include all public interest law firms and to include firms which litigate in the collective interests of the poor.

The purpose of this amendment is to clear up an ambiguity which exists in the public mind, and no doubt in the minds of many of our colleagues. I know that I have talked to quite a number of the Members of both bodies who were under a misapprehension on this point. I have no doubt that the same misapprehension extends to the executive branch and to the White House itself. And that misapprehension is that the

language of the House amendment removes the authority for backup centers.

Now the managers and proponents of this bill have been very straightforward in admitting that it is not so that the backup centers have been removed. The distinguished Senator from Wisconsin, the distinguished Senator from New York, and the distinguished Senator from Ohio have said several times on this floor that we are talking only about removing the contract and grant authority for backup centers. For instance, the distinguished Senator from Ohio said last Thursday:

> 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, and I think that is very proper.

When action was taken in the House on Tuesday, the manager of the bill, Representative PERKINS, explained the motion as follows:

> The change in the conference bill relates to who will perform the technical assistance, clearinghouse information, training and research activities that are essential to the proper representation of indigent clients. Under the bill, these functions will be carried out through the Corporation rather than through grant or contract . . .
>
> The research, technical assistance, training, and clearinghouse functions will be transferred to the Corporation. We expect the Corporation to do its best to make sure that these activities continue as effectively as possible. . . . Existing contracts and grants will, of course, continue to be honored through their expiration date. . . .
>
> Once the Corporation takes over these back-up functions, it will have to determine how they can best be provided. This bill does not restrict the Corporation's flexibility in this area. The Corporation may provide all of these services through its central office in Washington, or it can provide them through regional and other offices throughout the country.

Mr. President, those are the words of Representative PERKINS.

I continue to quote him:

> It can hire the necessary qualified personnel, and it may obtain consultation services from qualified individuals or groups when necessary. . . . In removing the authority of the Corporation to provide such services by grant or contract, the Congress merely changes the location of the function. We do not intend to minimize their importance.

Mr. President, I submit that that hardly qualifies as an elimination of the backup centers, as has been so widely advertised by the news media of this country.

So I think it is very clear that the House amendment changes nothing substantive. We will have pretty much the same people performing the same functions at virtually the same locations with the only change being that they will be paid directly by the Corporation as employees or consultants. In fact, it is an advantage for most of them since, although the Corporation while not a Federal agency by virtue of this peculiar legislation, its employees will be eligible for Federal employee benefits.

But even though the proponents of this bill have been straightforward in explaining that there is no substantial change, a misapprehension exists. Did this misapprehension not exist, I doubt very much that the Senate would have sent this matter to the House in anticipation of the House amendment. There has grown up a sort of shorthand explanation of the changes in the phrase "the backup centers will be eliminated." Because of the crush of Senate business at this particular season, many Senators have been occupied with hearings, conference committees, and other Senate business. They have not had the opportunity to be on the Senate floor to hear the often illuminating debate on this issue. As many of them have told me within the last 60 minutes, they were under the impression that the backup centers would be removed.

Moreover, the press seems to be under the same misapprehension. The headline in yesterday's Washington Post says "Backup Centers Out of Final Legal Bill." The story which follows reflects that headline. The lead paragraph says:

> Deleting authority for backup centers, the House approved a final compromise legal services bill by a 265-to-136 vote yesterday, bringing a three-year dispute to a verge of final settlement.

The Post continues by saying:

> The bill, which Senate sponsors said the President was committed to sign once the backup centers were out, was immediately sent back to the Senate for routine final approval.

We can see, Mr. President, that the misapprehension exists. Everybody is operating in good faith. The distinguished Senator from New York has been straightforward. He has said, in effect, that the backup centers have not been eliminated. Yet, I feel that the majority of the Members of this body confidently believe that the backup centers, as the Washington Post put it, have been deleted.

The article in the Washington Post was written by Mr. Spencer Rich, who is well-known to all of us here as an able and conscientious reporter who sits daily in the press gallery, covering complicated measures. Mr. Rich knows that I have a high regard for him as a highly competent practitioner of his craft. I have spent most of my life as a reporter and in various other forms of journalism, and I know the difficulties under which Mr. Rich and other reporters operate. Yet, even Mr. Spencer Rich seems to be under the same misapprehension as many of our colleagues with whom I have discussed the matter.

Immediately under the Post's story on the congressional action is another story about the resignation of the Director of the Office of Economic Opportunity, a story written by another well-known professional, Mr. Jules Witcover. This story includes the following paragraph, which I think is of great interest:

> A major target of conservatives has been the so-called legal services back-up centers, where the poor could go for legal aid. A compromise striking the provision for the centers for the legislation is being sought on Capitol Hill. In San Clemente, Warren—that is, White House Deputy Press Secretary Gerald Warren—Warren said that with their removal, "the chances of the President signing would be greatly enhanced."

Mr. President, the only thing that is clear is that confusion abounds. Despite the frankness of the distinguished managers of the bill, many Senators are confused, the press is confused, the public is confused, and I fear, even the White House is confused. The issue is highly technical. Mr. Witcover, for example, thanks that the backup centers are where the poor go for legal aid; but, in fact, the poor go to the neighborhood legal services projects for legal aid. This is one of the profound faults in the bill, as I have pointed out before; it creates another welfare bureaucracy where the poor are degraded by having to go stand in line, as it were, with a number for service. Although some backup centers do handle cases in some instances, the theory is that they "backup" the local projects.

The practice has been somewhat different. We know that the backup centers have been responsible for wholesale legal attacks on the very structure of our political, social, and legal system. It is quite clear, for example, that our antiabortion laws, a tradition inherent in the ethical and moral concepts of Western culture for centuries, and inherent in the separate legal system of our States, were struck down as a result of the coordinated strategy financed and supported by Federal funds through the backup centers. Although the right to kill unborn children was promoted allegedly in the name of the poor, it is the children of rich and poor alike who are being killed, and it was money wrung from the taxpayers of rich and poor alike that was used to bring about a morally offensive practice.

The same applies in many other areas. It was a backup center that did research and filed amicus briefs in the Detroit busing suits, which constitute an attack not only on the social structure of education and housing, but also an attack on the integrity of local jurisdictions and local government. Mr. President, I have to ask the question again: Why should the taxpayers of Detroit and its suburbs pay to sue themselves in court to bring about something that is morally offensive to them?

It was a backup center in California that sued to destroy the property tax as the basis of support for local education. It was a suit that was stopped only by the good sense of the California supreme court. The property tax has been an integral component of the social structure of education throughout the United States. It insures that local education will remain under local control, for we know that with State or Federal funding comes loss of local control and local support and interest. There are those who argue that other systems of educational support would be better; but such issues should be settled through the democratic process, and the taxpayer should not be forced to finance, through his taxes, the destruction of a political structure he supports.

Another issue, in which 22 backup cen-

ter lawyers participated, was the DeFunis case where they advocated quotas for acceptance of students at educational institutions. The concept of quotas is fundamentally undemocratic, and highly offensive to the vast majority of Americans. It carries with it a long history of prejudice and injustice. Yet, you and I and every taxpayer paid, through the legal services backup centers, to defend that indefensible concept.

All of this is far removed from the business of providing legal services to the poor. Those who believe in manipulation of our social structure through litigation always have the courts open to them; indeed, with the state of social disintegration which afflicts our Nation, the courts are often highly receptive to such approaches. But it can only be some kind of sickness, some kind of death wish for our society, that urges the speeding-up of the process of distintegration through Federal financing of the judicial onslaught. It is bad enough for misguided private philanthropy to finance antisocial litigation, but the taxpayers of the United States should not be required to commit ambush on themselves.

The backup centers are the vehicle for this antisocial agitation. They bring together and support teams of researchers, strategists, and organizers who otherwise would not be working together. These teams are able to develop issues, prepare briefs, train other lawyers and paraprofessionals in the intricacies of their chosen area, hold strategy conferences, publish clearinghouse materials, newsletters, magazines, and even books propagandizing for political issues, all at the taxpayer's expense. If these activities were purely to provide legal aid to individuals, their activity would be much restricted. But as a matter of fact, they have worked very closely with advocacy groups, often of an extremist and militant nature. The list includes the American Indian Movement, the National Welfare Rights Organization, the National Farm Workers Organizing Council, the National Lawyers Guild, and many others. I think it should be a basic principle of democratic government that advocacy should never be financed with taxpayer's funds.

Mr. President, I have a current list of the backup centers and I ask unanimous consent that this list be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. HELMS. Mr. President, if the Senators will take the time to look at this list in tomorrow's RECORD, at which time it will be too late, the first name on this list happens to be that of Mr. Alan Houseman, chairman of the Organization of Legal Services Backup Centers (OLSBUC). Everybody uses initials these days. Mr. Houseman, I am reliably informed, is a national officer of the National Lawyer's Guild, an organization known for its radical view of society and for its close affiliation with the Communist Party. I do not charge Mr. Houseman with being a Communist since I have no way of knowing that to be a fact. But it does indicate that Mr. Houseman occupies a part of the political spectrum that is abhorrent to the vast majority of the American people. I cite it merely because he is typical of the people whom the taxpayers are financing not only in the backup centers, but throughout the legal services program.

That is why those of us who have studied this program closely believe that the backup centers are a major factor in the program of social disorganization that has been pursued by the legal services program. If the backup centers are taken out—really taken out—we would still be left with a program of inherent instability because it is based on the staff attorney system. The staff attorney system is a root error that cannot be eliminated within the parameters of the bill that is before us. Band-aids can be put on; restrictions can be attempted; fiscal accounting procedures can be tightened, I suppose. The political unaccountability remains in this bill.

The backup centers can be removed, however, without endangering proper legal services to individual eligible clients. It is still a flaw that these "eligible clients" so-called, include groups and advocacy organizations. That is a basic injustice in the bill and an erroneous philosophy of governmental action. Removing the backup centers, hopefully, however, might tend to dampen the militancy of these destructive tendencies. It would not injure the efficiency of the local projects.

Mr. President, my amendment would delete the following authorization from the bill:

(3) to undertake directly and not by grant of contract, the following activities relating to the delivery of legal assistance—

(A) research,

(B) training and technical assistance, and

(C) to serve as a clearinghouse for information.

Deletion of this language would leave the local legal services projects in the same position as any other law firm. The corporation would have no specific authority to undertake research per se, but the local projects would still be able to undertake whatever research is necessary for the particular cases they are working on. That is the way any law firm works, the way any law firm provides quality legal service.

There is no reason why the Corporation should provide training and technical assistance to the local projects. The local projects should hire attorneys who are already trained, and have experience in the law. They should not hire attorneys who are just out of law school and would be mere clerks if they went into private practice.

There is absolutely no reason why the Federal Government should train attorneys at public expense, when the laws schools are jammed with applicants, and there are many fine attorneys available who have experience and do not need training. Of course, if the "training" envisioned in this bill goes into such activities as conducting strategy sessions to attack fundamental concepts of law, and the interchange of information about such attack strategies, then I think it is improper for Congress to authorize such activities.

Finally, the clearinghouse activities authorized in the bill should be deleted also, since there is virtually no way to curb the partisan abuses which historically have been associated with this concept. If this activity is deemed worthy of private philanthropy, it no doubt will continue; but there is no reason why the taxpayers should support activity which is biased against the prevailing social system.

I conclude, then, that the actual deletion of the backup centers—whether funded in-house or contracted out—would be a real improvement in a bill which is fundamentally unsound in philosophy. But the bill as it stands offers no change whatsoever. The location of the backup centers is irrelevant; it is the activity which is socially deplorable and should not be financed by public funds.

There is, however, one further problem. And that is that the deletion of this authority alone will not accomplish the removal of public funding of backup center activity. This activity includes the preparation of amicus briefs, cocounsel work with allied organizations, legal research for private advocacy groups, drafting model legislators, and proposed Executive orders governing agency activity, acting as "house counsel" for advocacy groups, lobbying upon request, publishing propaganda newspapers and books, and so forth. All of this has been justified under the rubric of "research," "clearinghouse activities," or providing "legal representation to eligible clients."

But the same activities can be carried on by so-called public interest law firms. In section 1007(b)(3), the Corporation is prohibited from funding any public interest law firm which "expends 50 percent or more of its resources and time litigating issues in the broad interests of a majority of the public."

This prohibition is represented to us as forbidding the funding of public interest law firms. But if read carefully, it does no such thing. The criterion of restraint refers only to resources spent on litigation. Nearly any one of these Naderesque operations could easily demonstrate that 51 percent or more of its resources are spent in activities other than litigation such as lobbying or publication. Therefore, almost any of them could be funded and perform essentially the same activities which are now performed by the backup centers.

Moreover, if we examine the legislative history, another possibility immediately appears. The original House-passed version, before it went to conference, contained another significant restriction.

It not only restricted grants to law firms that litigated in the broad interests of a majority of the public, but also those that litigated "in the collective interests of the poor, or both."

This brings out an important distinction between law firms that seek to serve the public interest and those that seek to serve a special interest, that is, the collective interests of the poor.

Ostensibly, a law firm could define itself as one serving the collective interests of the poor, occupy itself exclusively with class action cases and other activity devoted to the "collective interests of

the poor," and be fully funded. By implication, paragraph 1007(b)(3) permits such funding.

It is plain that this so-called restriction is mere ornament that can easily be gotten around when you have 2,000 or 3,000 legal services lawyers paid by public funds, who will find it in their own interest to get around it.

So, if the Congress is really interested in "removing the backup centers," this language must be tightened up. My amendment would prohibit the Corporation, and I quote:

(3) to make grants to or enter into contracts with any private law firm which expends any of its resources and time litigating projects in the broad interests of a majority of the public, or in the collective interests of the poor, or both.

This is a very tight prohibition. A corporation which is set up to deliver legal services to the poor has no business funding any activity which is conducted in the name of the general public. And if the services are to be delivered to the poor, it should be to poor individuals, and not to some vaguely defined "collective interest."

We must remember that the term "backup center" does not appear in the bill and is never defined. We are dealing only with broad grants of authority for funding activities. If these activities are not appropriate for public funding, it makes no difference whether the funding is direct through the corporation, or indirect through grants and contracts. And we must make sure that there are no inadvertent loopholes through which the same unsalutary activities might be squeezed by some future executives in the Legal Services Corporation.

Mr. President, the adoption of my amendment will be a clear signal to the Members of this body, to the House of Representatives, to the press and public, and to the White House that the backup centers have been removed. If it is not adopted, many people will be misled into thinking that backup center activity will cease.

Since the only public statement we have from the White House is that the possibility of signing the bill would be "enhanced"—and I repeat Mr. Warren's word "enhanced"—if the backup centers are removed I believe that there still is confusion among the White House staff. We have been informed on the highest authority, as the distinguished Senator from Nebraska (Mr. CURTIS) said on this floor the other day, that the President still had an open mind about whether he would veto the bill. I personally do not think the President will sign this bill if the backup center activity is not removed.

I also believe that the House would uphold a veto, if it should be forthcoming. On Tuesday, more than one-third of the House Members present and voting rejected the move to authorize direct funding of backup centers. And I am sure that many who did support the motion were under the misapprehension I have pointed out.

So let us be sure that no misunderstanding can exist. Let us really delete the backup centers. Let us enhance the probability that this bill will be signed into law by the President, if passed. I urge my colleagues to support my amendment.

EXHIBIT 1

BACK-UP CENTERS

There is an Organization of Legal Services Back-Up Centers (OLSBUC) which keeps track of developments, address changes, programs, and can sort out the differences among national back-up centers, private back-up center, and technical assistance centers. This year's chairman of OLSBUC is Alan Houseman at Michigan Legal Services, Wayne State University, Law School Annex, Detroit, Michigan 48202. Phone 313-577-4822.

NATIONAL BACK-UP CENTERS

1. Center on Social Welfare Policy & Law, 25 West 43rd Street, 12th Floor, New York, New York 10036, (212) 354-7670.

Concentrates on cash assistance programs related to need, with some resources devoted to food assistance, Medicaid, and social security matters.

2. Harvard Center for Law & Education, 14 Appian Way, Larsen Hall, 5th Floor, Cambridge, Massachusetts 02138, (617) 495-4666.

Litigates, researches, and monitors pupil classification and grouping practices, including in some instances exclusionary devices which disproportionatey affect poor children; elimination and prevention of racial and other other invidious discrimination, issues associated with federal educational programs, such as Titles I and VII of ESEA, Title VI of the Civil Rights Act, day care and affirmative action; allocation of educational dollars and other resources within and among districts; the constitutional and statutory rights of students; alternative schools and Indian education issues.

3. Legal Action Support Project, Bureau of Social Science Research, 1990 M Street, NW, Washington, D.C. 20036 (202) 223-4300.

Provides social science research services on how the law adversely affects or aids the poor. Extensive data, analysis, and an abundance of social science experts are available. Litigation efforts are related to the Project's broad range of specialties.

4. Migrant Legal Action Program, 1910 K Street, NW, Washington, D.C. 20006, (202) 785-2475.

Specializes in the various aspects of farm labor law and civil rights of migrants. Areas of concern include Occupational Safety and Health, wage problems, Wagner-Peyser, offshore labor, immigration, the Sugar Act, food stamps, welfare, social security, and education. Given the special problems of migrants, the Program provides expertise on the specialties of the specialties. MLAP is unique in that it also maintains field offices. Most back-up centers publish their own newsletters. This one publishes this one.

5. National Consumer Law Center, One Court Street, Boston, Massachusetts 02108, (617) 523-8010.

Seeks to identify the major problems of low-income consumers and has been involved in attacks on the constitutionality of confessed judgments, prejudgment replevin, self-help repossession, and the termination of service by public utilities.

6. National Employment Law Project, 423 West 118th Street, New York, New York 10027 (212) 866-8591.

Deals with employment discrimination, unemployment insurance, labor relations, manpower programs, minimum wage provisions, compulsory work programs for welfare recipients, and employment rights generally.

7. National Health Law Program, University of California Law School Extension, 10995 Le Conte Avenue, Room 630, Los Angeles, California 90024, (213) 825-7601.

Studies health laws and how the poor are given or denied coverage. Areas of inquiry include accessibility of quality health care under Hill-Burton, tax exempt status of non-profit hospitals without a requirement that charitable medical care be provided, the scope of services under Medicaid and Medicare, mental health, alcoholism and drug abuse programs, Occupational Safety and Health, Indian health, family planning and abortion, medical ethics, and comprehensive health planning.

8. National Housing & Economic Development Law Project, Earl Warren Legal Institute, University of California, Berkeley, California 94720, (415) 642-2826.

Provide assistance in housing law and community-based development. Housing law falls within landlord-tenant law, federal planning and redevelopment programs (public housing), housing production (rehabilitation and related contracting), and employment.

9. National Juvenile Law Center, St. Louis University School of Law, 3642 Lindell Boulevard, St. Louis, Missouri 63108, (314) 533-8866.

Works on the right to counsel in juvenile court, improving conditions in juvenile institutions, reforming standards and practices in juvenile court proceedings, and strengthening procedure for the transfer of children from juvenile court to be tried as adults in criminal court.

10. National Resource Center on Correctional Law & Legal Services, 1705 DeSales Street, NW, Washington, D.C. 20036 (202) 293-1712.

While not engaged in litigation, provides assistance on prison reform litigation and compiles studies on the rights of prisoners.

11. National Senior Citizens Law Center, 1709 West 8th Street, Los Angeles, California 90017, (213) 483-3990.

A national resource (with branch offices in Sacramento, California, Washington, D.C., and San Francisco) provides information and assistance with respect to the legal problems of the low-income elderly.

12. Indian Law Back-up Center, Native American Rights Fund, 1506 Broadway, Boulder, Colorado 80302, (303) 447-8760.

Responds with materials, advice, research, and formal participation as counsel in cases in which legal services attorneys who serve Indians desire assistance.

TECHNICAL PROJECTS

1. Legal Services Training Program, Columbus School of Law, Catholic University of America, Washington, D.C., 20017, (202) 832-3900.

Provides continuing and specialized education to legal services lawyers and gives special training to new lawyers and project directors.

BACK-UP CENTERS

2. National Clearinghouse for Legal Services, 500 North Michigan Avenue, Suite 2220, Chicago, Illinois 60611, (312) 943-2866.

Serves as a national communications network and information exchange for legal services attorneys. Publishes the Clearinghouse Review and maintains a library with document reprint services.

3. National Paralegal Institute 2000 P Street, NW, Suite 600 Washington, D.C. 20036 (202) 872-0655.

Trains paralegals, produces materials, gives advice, and generally encourages folks to become paralegals.

4. Technical Assistance Project National Legal Aid Defender Association, 1601 Connecticut Avenue, NW, Suite 777, Washington, D.C. 20009 (202) 462-4254.

Provides substantive fact finding and administrative technical assistance to legal services programs.

Mr. JAVITS. Mr. President, will the Senator from Wisconsin yield me 10 minutes?

Mr. NELSON. I yield 10 minutes to the Senator from New York.

Mr. JAVITS. Mr. President, I have listened to the argument made for this amendment with great interest. What it comes down to, Mr. President, as I see

it, is this: Our colleague from North Carolina (Mr. HELMS) is going to tell the White House that it is confused. He is going to tell us that we are confused or misapprehending.

I think that is a pretty sophisticated aggregation: That the Senators are confused and do not understand what they are doing, that the House did not understand what it was doing, and that the White House does not understand what it is doing, but that all of us labored under an assumption, as defined by our colleague (Mr. HELMS), that we were going to eliminate backup centers while we were allowing them.

Fortunately, Mr. President, the words in the law are very specific, and hence I do not think that we need to depend upon the fact that a strawman is erected simply for the sake of knocking him down.

The fact is that it was made very clear time and time again that we were talking about centers which were called backup centers because it was a word of art. They were financed by grant or contract. They were, generally speaking, located on university or law school premises, and they had the specialized function of writing briefs, and so forth, respecting individual legal cases which might involve constitutional or other broadly generic law.

The fact is that the specific grant or contract authority for backup centers, which was the specific activity complained about—whatever may be the merits of the argument that those who engaged in it engaged in it for the purpose of or with the effect of propagating their social views—are not provided for in the bill as it now comes to us from the House of Representatives. That is what was stipulated for, and that is what we stipulated for.

My colleague says—and I think I noted his words exactly—"We will have the very same people serving the very same functions at the very same places."

Mr. President, I do not think that is justified by what we are bringing here at all. The fact is that the authority to fund these backup centers, to wit, the same people serving the same functions at the very same places are being taken out of the bill. What is being left in the bill is the normal legal firm function of in-house research training and the technical assistance and other facilities, including clearinghouse facilities which go with it.

I have headed a law firm myself for a long time, although I am no longer in it now; I was a practicing lawyer for many, many years, both individually and heading law firms.

One might just as well cut off his right arm as to be told that he cannot have research—persons who are specialists in research, working in his library and working on his briefs. That is simply one facet of the law which we simply cannot avoid.

If we want to have a law firm worthy of the name we simply have to perform that function.

Now, the objection taken by the White House, we understood very clearly, was they did not like the setup we had to furnish that type of service because they thought it created a class of people and the centers for social ideas and professional activity with heavy social implications which the President did not like.

So, the authority for these centers is being eliminated. But no one, as far as I know, had the remotest doubt about the fact that if we want to render law services to the poor we cannot render them one-half or one-quarter or two-thirds or five-eighths of the service to which they are entitled by not having service based upon research, training, and technical activities, which every appropriate law firm must have and which every legal representation must have.

So, Mr. President, the way in which the back-up activity are carried on—the type of center chosen—is what the White House stipulated be omitted from the bill, and it is being omitted.

The fact that research has to be done to back up any law firm's operations in its own establishment or through lawyers whom it hires and pays, is absolutely undeniable, and we might as well forget about giving legal services to the poor—except second class legal services—if we are going to eliminate completely the function of research and the other functions contained in the compromise section, based on the House bill.

So, Mr. President, I really do not believe there can be any misunderstanding or that there has been, but the Senate voted 75 to 18, and the House voted 265 to 136 exactly on that proposition.

Finally, Mr. President, this has been a long, hard, and very difficult progress which we have made in respect of the Legal Services bill. It is well known, whatever may ultimately be the fate of the OEO, that it is highly desirable that proven activities of great benefit to the poor and on a cost/benefit ratio of great advantage to the national interest should be preserved and carried on.

We have all agreed, the great majority, including the President, that the way to carry them on is through a Legal Services Corporation, essentially a corporation which will be an instrument of the bar, and that is what this is.

Every conceivable concession—many which I have reluctantly agreed to—has been made to the President's view.

In many respects this bill on lobbying, on political activity, on the personal time spent by individual attorneys goes further than anything the President has at any time asked for.

Mr. President, this is the final act. The only result of adopting Senator HELMS' amendment will be to throw the legal services proposition back to the House to destroy the understanding which we have arrived at, which will, after so many years, finally result in a Legal Services Corporation; it does only mischief, and all it does is to upset the applecart. We all know that, we are under no misapprehension as to that. This will again be in a tangle, in a turmoil, and the chances are it will never get done. It is very, very hard to put a structure together again constructed with such great difficulty and with such great delicacy as this one.

We have approved, the House has approved, it is back here for the final approval; from here it goes to the President. When we defeat the Helms amendment—which I deeply believe in the highest interests of this proposition—we should immediately vote on the motion which completes legislative action and sends the bill to the President. This will be a day long, long wished for not only by the poor and by many other people who are anxious to help the poor in this country, but by the organized bar which heavily and substantially supports exactly what we are doing. They are no wild-eyed radicals, Mr. President. But to cut off the right arm of the service which we want to give to the poor by eliminating the research, training, technical assistance, and other functions completely—and that is what we are talking about—simply makes no sense at all and just cheats the poor instead of helping them.

For all of those reasons, Mr. President, I hope the Senate will again vote, as it did just the other day, to go through with the proposition which we brought to the Senate, and of which the final act is here today, by rejecting the Helms amendment and approving by rollcall vote the motion made by Senator NELSON, of Wisconsin.

Mr. NELSON. Mr. President, how much time is left on this amendment or is there a time limitation?

The PRESIDING OFFICER. There are 23 minutes remaining on the motion of the Senator from North Carolina, and there are 15 minutes remaining on the motion to concur generally to the House amendment.

Mr. JAVITS. Mr. President, the opposition to the Helms amendment has time. How much time remains in the opposition to the Helms amendment?

The PRESIDING OFFICER. Twenty-three minutes, that is how much time remains to the opposition to the Helms amendment.

Mr. NELSON. Mr. President, the amendment proposed by——

The PRESIDING OFFICER. Will the Senator withhold to receive a message from the House of Representatives?

The Senator from Wisconsin is recognized. How much time does the Senator from Wisconsin yield himself?

Mr. NELSON. Mr. President, I yield myself 3 minutes.

The amendment proposed by the Senator from North Carolina (Mr. HELMS) would deprive the Legal Services Corporation of all authority to undertake research, training, and technical assistance, and clearinghouse information activities relating to the delivery of legal assistance under this legislation.

Let me remind the Senate that the administration's own proposal authorized the Corporation to carry out such backup activities, "either directly or by grant or contract"—exactly as did the Senate-passed bill and the original conference agreement.

The House of Representatives when it passed its bill deleted the authority to make arrangements for backup centers by grant or contract. While we felt that the administration's original proposal was better because it gave the Corporation's board of directors—appointed by

the President and confirmed by the Senate—the flexibility to utilize contracts for backup centers if it wished, we have now compromised on that issue. We have acceded to the strongly felt view of many Members of the House—only recently adopted by the administration—that grants and contracts for backup centers should not be permitted.

The language in the revised conference agreement is now exactly that proposed by Congresswoman EDITH GREEN and adopted on the floor of the House. Unlike the amendmnt of the Senator from North Carolina (Mr. HELMS), the Green amendment did not deny the Corporation the authority to undertake backup activities directly.

I see no reason to go further than the revised conference agreement which is acceptable to the administration and has passed the House by a vote of 265 to 136.

While contracts for university based centers are now prohibited under the revised conference agreement, the personnel of the Corporation itself should still be able to conduct research, provide training programs, and technical assistance. Surely, it is more efficient and economical for the Corporation to make its personnel available for research on legal problems of the poor which may involve legal questions applicable to various parts of the Nation. The Helms amendment would deny the Corporation the authority to provide training to prepare legal services attorneys to serve in regular legal services programs. Furthermore, the Helms amendment would eliminate any authority for the Corporation itself to serve as a clearinghouse for information.

The second part of the Helms amendment—to section 1007(b)(3) of the conference agreement—prohibits grants and contracts with any private law firm which expends "any" of its resources and time—rather than 50 percent or more as the conference agreement provides—litigating issues in the broad interests of a majority of the public or—the Helms amendment would add—"in the collective interests of the poor, or both."

The conferees did not think we should deny the Corporation the discretionary authority to make grants and contracts with any law firm simply because it devotes time and resources to litigation in the collective interests of the poor. The purpose of the program is to provide economical and efficient legal services for the poor. A lawsuit to enforce a congressional statute to provide food for the poor may well involve litigation in the collective interests of the poor. There is nothing in this legislation which requires the Corporation to fund any law firm or any particular program. We should give the presidentially appointed board the flexibility to establish policies as to the kinds of law firms it wishes to make grants and contracts to.

Mr. President, I yield 5 minutes to the Senator from Ohio (Mr. TAFT).

Mr. TAFT. I thank the distinguished Senator for yielding.

I am not going to belabor the Senate with any prolonged discussion or tirade on the motion of the Senator from North Carolina. It is said that, an accusation has been made that, an attempt has been made to confuse somehow the Senate and House and the public generally.

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

Mr. TAFT. Not on my time, Senator. The Senator has already used his time.

Mr. HELMS. I made no such accusation, I would say to the distinguished Senator.

Mr. TAFT. The implications, I think, were fairly clear, that a confusion was attempted to be foisted upon somebody with regard to this issue, and that certainly is not the case. I want to clarify that.

What we have here this morning, it seems to me, and I am trying to think of how to classify it, and I came first to the conclusion that it was cold hash which we had been over before. Then I came to the conclusion it was a little red herring thrown in. But, in deference to my good friend from North Carolina (Mr. HELMS), I have combined those two. I am taking out the word "red" with reference to anything that he said, and just called it the cold herring act.

Mr. President, the thing that I think is important to go into the RECORD at this time, really the only reason why I mention it, is that in discussions with the White House on this issue the very point the Senator is raising was raised specifically by me. The point was raised, the language would remain in in exactly the form in which the House amendment was put through, that specifically all that was being deleted was the contracting out of the grant authority.

I pointed out very specifically the commitments that have been made with regard to the bill, with regard to the change in the bill related to leaving in the language which the Senator would now with his language seek to try to delete from the bill.

I think that would be contrary to the commitments that have been made, and contrary, certainly, to what the Senate and the House already indicated, and it would be contrary to the understanding with the executive branch in this regard.

Finally, Mr. President, the other point I would like to make is that with all these dire dangers that have been pointed out, let us not take our eyes off the main point. What we are discussing here is the legal services program, which has been in an agency very indirectly controlled through the White House, without responsibility, as many of us thought, and under a legal services corporation, with direct responsibiilty back to Congress.

I would like to point out that the Members of this body, the people who will be directing the legal services research involved through the corporation are going to be who? They are going to be the board of the legal services corporation. And how are they appointed? They are appointed by the President, completely by the President.

A compromise was made in this bill from the bill previously considered by previous sessions of Congress. Those appointments are subject to confirmation by the Senate. If we do not like the people on that board it is our own fault. We have every right to act and to turn them down.

This idea that the administration is going to be thwarted by its own employees seems to me to be obviously pure baloney and not entitled to serious consideration.

So, really, we have no new issue before the Senate. This is another attempt to confuse and delay in a matter which Congress overwhelmingly on both sides expressed agreement and to which the executive branch has given approval, as well.

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

Mr. HELMS. Mr. President, will the Senator withhold his request?

Mr. NELSON. Mr. President, I withdraw my request.

Mr. HELMS. Mr. President, I ask for the yeas and nays on my motion.

The PRESIDING OFFICER. Is there a sufficient second? There is not a sufficient second.

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

The PRESIDING OFFICER. On whose time?

Mr. NELSON. Mr. President, I ask that the time for the quorum be charged to both sides.

Mr. HELMS. Mr. President, the Senator from Wisconsin has 15 minutes.

Mr. NELSON. Mr. President, I ask that the time be charged against me.

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. 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. HELMS. Mr. President, I ask for the yeas and nays on my motion.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. NELSON. Mr. President, I ask for the yeas and nays on the motion to concur.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield for a question?

Mr. NELSON. I yield.

Mr. ROBERT C. BYRD. Mr. President, under the agreement of yesterday, the vote on the Senator's motion is to occur today not later than 2 p.m. Could we firm that up and have an hour, say at 2 p.m., so that all Senators would be on notice?

Mr. HELMS. I have no objection at all.

Mr. NELSON. Mr. President, if the Senator will yield, may I raise a point? I do not believe our side needs that much more time. We would be willing to vote earlier than 2 p.m. so that the Senate could get to subsequent business, if that is agreeable to the Senator from North Carolina.

Mr. HELMS. It is agreeable, but the Senator from Idaho did request time

from the time remaining on our side on the motion.

Mr. McCLURE. Mr. President, will the Senator yield on that point?

Mr. HELMS. I yield.

Mr. McCLURE. All I need is 3 or 4 minutes. It certainly will not prolong the discussion.

Mr. HELMS. Mr. President, I yield to the Senator from Idaho.

The PRESIDING OFFICER. The Senator from Idaho is recognized.

Mr. McCLURE. Mr. President, I thank the Senator for yielding.

Mr. President, again I wish to publicly commend the Senator from North Carolina (Mr. HELMS) for the tremendous amount of detail work he has put into the matter of the analysis of the bill and in the struggle over what the bill should have in it.

I have requested some time because I think it is important that we again put into perspective what we tried to put into perspective the other day in regard to White House assurances, so-called.

The Senate heard again today some assurances with respect to the agreements that have been worked out. I think that is precisely the point the Senator from North Carolina has been trying to make.

Does the Senator from West Virginia wish some time at this point?

Mr. ROBERT C. BYRD. Mr. President, I would ask if the gentleman would yield, with the understanding that he not lose his right to the floor.

Mr. President, I ask unanimous consent that with the vote on the House amendment, as amended, if amended, to occur immediately after the vote on the motion by Mr. HELMS, that the vote on the motion by Mr. HELMS occur at the hour of 2 o'clock p.m. today.

The PRESIDING OFFICER. Is there objection? If not, it is so ordered.

Mr. ROBERT C. BYRD. I thank the Senator.

Mr. McCLURE. Mr. President, I think it is important for us in the context of the assurances that have been given to the Senate today that something has been worked out with the White House, to again affirm what was said, as the Senator from North Carolina has tried to point out, that those assurances, whatever they may have been and from whomever they may come, were based upon an understanding of what is in the bill. We have focused primarily on one question here today, and that is the issue of what kind of backup services or backup centers shall be applied.

There is much else in this bill that is equally faulty. There are many other assurances given by the bill that are equally as invalid as the assurance here. There are many instances in the bill in which the language of the bill seeks to give assurances and then the final sentence in the paragraph takes away all the assurances that were given before. So, in essence, what we have is a very good selling job that the bill does something which people on the side of it that I am on have been told has been accomplished but, as a matter of fact, has not been accomplished.

Mr. President, I am talking about the backup services or backup centers. That is only one example of a multitude of such examples in the bill. I want to reaffirm again that whatever assurances have emanated from the White House come from two sources: One, from those who believe in the broad concepts of the bill but do not understand the specific implications of the language; and from those who, as the Senator from New York and the Senator from Ohio undoubtedly believe, want relatively unrestricted, totally autonomous legal services activities.

Mr. President, I have talked to some who object that legal services under OEO has been out of control. So they seek to solve the problem within OEO by removing legal services from OEO to a completely autonomous organization where it is totally out of control.

Is that the way to put controls on something that has been troublesome? I submit that this bill and the action taken increases the danger, increases the difficulty, and renders this legal services program far less subject to control than it has been under OEO, where we found that it was totally out of control.

To those who desire that result, I say vote "yes," vote for the bill, vote against the Helms amendment, vote for the agreement that has been worked out. But if you believe that these matters have been troublesome to the extreme in the past, then a vote for this legislation is only a vote to confirm all of the difficulties we have had before, to shove aside all the criticisms that have preceded this date, to affirm the kinds of actions that have been taken by some of the radicals who have been involved and who will continue to be involved.

The Senator from New York says it has been endorsed by bar associations and people within the bar associations, and that they are not a bunch of radicals.

Well, a bar association is like any other association. As a matter of fact, it is not too dissimilar to the Senate of the United States in some respects, at least in that there is a great breadth of opinion within that association as to what is appropriate and what is not.

Sometimes a small group seeks to speak for the entire group. The Senator from North Carolina again has delineated, has pointed out, has sharpened the focus on the one specific problem of many such problems in the bill.

I want to join with the Senator in the effort and to urge my colleagues in the Senate to vote for the Helms amendment, which will again present the issue very squarely, as to whether or not we want to control the kind of activities that will be taken by these people who ostensibly speak for the poor—that is the guise in which they operate—but seek to radicalize our society under the guise of acting for the poor and the disadvantaged.

I thank the Senator from North Carolina for yielding the time. I hope the Senate will support him, as I believe they should.

Mr. HELMS. I thank the able Senator from Idaho.

Mr. President, what is the time situation?

The PRESIDING OFFICER. The Senator from North Carolina has 8 minutes remaining on the motion to concur with the House amendment.

Mr. HELMS. I thank the Chair.

I want to clear up one item with my distinguished friend from Ohio (Mr. TAFT). Earlier in my remarks, and I think prior to the arrival on the floor of the distinguished Senator, I paid tribute to him for his forthrightness. I do not know how he got the impression that I was saying he was deliberately trying to confuse the issue. If anybody has ever made himself perfectly clear on this, the Senator did so earlier last week. I quoted verbatim what he said on this floor at that time. He acknowledges that the backup center concept is being retained in this legislation. He has done so again today. The Senator from Ohio has been, as always, impeccably honest and straightforward, and I commend him. I differ with him on this legislation but I commend his forthrightness.

But the relevant question persists. Many other Senators are under the false impression that the backup center concept has been eliminated from this bill. The Senator from North Carolina and the Senator from Idaho, and others, are trying to make the Senate aware of the true circumstances. We simply want all Senators to understand precisely what it is they are voting on.

I thank the distinguished Senator from Ohio, my good friend, for his candor. He, too, has helped prove my point.

Mr. NELSON. Mr. President, I wish to present a statement which details background on the issue.

Mr. President, this legislation is the culmination of 3 years of consideration by the Congress and by the administration of legislation to transfer the program of legal services for the poor from the Office of Economic Opportunity to a federally chartered Legal Services Corporation.

The conference agreement on the establishment of the Legal Services Corporation was unanimously reported from the conference committee in a conference report signed by all the conferees of the Senate and of the House of Representatives.

This revised conference agreement reconciles the differences—which were largely differences of detail and specific language rather than basic framework or principle—between the Senate and House-passed versions of the bill submitted by the administration. The President requested the legislation in a message submitted on May 15, 1973, which was printed in the Senate committee report on this legislation (S. Rept. No. 93-495).

The bill meets in every essential respect the recommendations of the President in submitting the legal services legislation last year.

The original recommendation to establish a Legal Services Corporation was made in January of 1971 by the President's Commission on Executive Organization headed by Roy Ash, the current Director of the Office of Management and Budget. Both Houses of Congress moved promptly to accept that recommendation. But the efforts to establish a Legal Services Corporation in 1971 and

1972 both floundered over differences concerning the method of appointing the board of directors of the Corporation.

APPOINTMENT OF BOARD DIRECTORS

In vetoing the Economic Opportunity Amendments of 1971, the President objected to the Legal Services Corporation title of that legislation on the grounds that, while that bill provided for the President to appoint all members of the board of directors, 11 of the 17 were to be individuals selected from lists of recommendations from legal professional and client groups and from former legal services attorneys.

In 1972, the House and Senate again passed legislation to establish a Legal Services Corporation. The final bill provided for Presidential appointment, without any restriction, of a majority of members of the board of directors, but the administration still objected that, while the President could appoint whomever he wished, the bill provided that 9 of the 19 members of the board be generally representative of the organized bar and the legal profession as well as clients and former legal services project attorneys. In order to avoid a veto of the Economic Opportunity Amendments of 1972, the conferees on that legislation ended up deleting the legal services title.

In acting upon the pending legislation, both Houses of Congress accepted, without change, the President's recommendation on the method of appointing members to the Corporation's board of directors. The pending legal services legislation contains exactly the same provisions as the administration's bill regarding the appointment of members to the board of directors: All members of the board are appointed by the President, with the advice and consent of the Senate. The only requirements—which are exactly the same as those set forth in the administration's proposal—are that no more than 6 of the 11 members of the board shall be of the same political party, that a majority shall be members of the bar, and that none shall be a full-time employee of the United States.

OTHER PROVISIONS TAKEN FROM ADMINISTRATION'S BILL

The pending legal services bill provides for State advisory councils to be appointed by the Governor of each State. This proposal was contained in the administration bill and is retained in the conference agreement. The State advisory councils are charged with notifying the Corporation of apparent violations of the legislation's restrictions on the conduct of legal services personnel.

The administration bill contained a provision that State and local governments be eligible to carry out legal services programs if those programs are approved by the board of directors. The conference agreement similarly provides the authority to make grants and contracts with State and local governments when the board determines that more effective assistance will be provided through such arrangements.

The administration's bill also provided that the Legal Services Corporation conduct a comprehensive study of alternative methods for the delivery of legal services, including judicare. The conference agreement retains the provision for such a study and requires a report to the President and the Congress within 2 years.

The administration proposal would have prohibited the Legal Services Corporation from making grants or contracts with public interest law firms. The conference agreement likewise contains such a prohibition. A public interest law firm is defined as a private law firm which expends 50 percent or more of its resources or time litigating issues in the broad interests of a majority of the public.

The administration bill prohibited participation by the Corporation or by any program or any legal services project attorney in political activities of any kind. The conference agreement likewise contains an absolute prohibition on any such participation, whether during working hours or not, in political activity, whether partisan or nonpartisan.

The administration proposal prohibited the Corporation and individual programs from advocating or opposing ballot measures, initiatives, or referendums. The conference agreement similarly prohibits all legal services programs and personnel from advocating or opposing such ballot measures.

The administration proposal prohibited legal assistance with regard to a criminal proceeding. The conference agreement likewise prohibits legal assistance in criminal proceedings.

The administration proposal prohibited legal assistance to organize or plan for any organization or group, except as authorized by the Corporation. The conference agreement contains the same prohibition.

The administration bill provides that the Corporation shall establish guidelines for a system for review of appeals to be implemented by each program to insure the efficient utilization of resources and to prevent the taking of frivolous appeals. The conference agreement contains a similar provision.

The administration bill prohibited the support or conduct of training programs for the purpose of advocating particular public policies or encouraging political activities, labor or antilabor activities, boycotts, picketing, strikes, and demonstrations. The conference agreement contains a similar prohibition.

The administration bill provided that the Corporation insure that its employees and legal services project attorneys refrain from participating or encouraging others to participate in any rioting, civil disturbance, picketing, boycott, or strike. The conference agreement provides that at no time shall any legal services employee engage in or encourage others to engage in any rioting or civil disturbance, any violation of a court injunction, any other illegal activity, or any intentional identification of a legal services program with any political activity. The conference agreement further provides that, while carrying out legal assistance activities, no legal services employee shall engage in or encourage others to engage in any public demonstration or picketing, boycott, or strike, except for lawful employment-related labor activities in connection with the employee's own employment situation.

The administration bill prohibited full-time legal services attorneys from engaging in any outside practice of law. The conference agreement prohibits full-time legal services attorneys from engaging in any compensated outside practice of law, or any uncompensated outside practice of law except as authorized in guidelines issued by the Corporation.

With respect to representation before State and Federal legislative bodies, the administration's bill required the Corporation to insure that no funds made available to legal services projects by the Corporation be used at any time, directly or indirectly, to undertake to influence the passage or defeat of any legislation by the Congress or by State or local legislative bodies, except when formally requested to do so by a legislative body, a committee, or a member thereof. The conference agreement contains the same restrictions, but provides for an exception where representation by an attorney as an attorney for any eligible client is necessary to the provision of legal advice and representation with respect to such client's legal rights and responsibilities. The conference agreement contains restrictive language making clear that such an exception shall not be construed to permit legal services attorneys to solicit a client for the purpose of making such representation possible, nor does it permit soliciting a group with respect to matters of general concern to a broad class of persons as distinguished from acting on behalf of any particular client. The conference agreement therefore retains a strong prohibition on lobbying legislative bodies.

RESTRICTIONS ADDED BY CONGRESS

There are a substantial number of provisions in the conference agreement which are more restrictive than the Administration's own proposal.

The conference agreement retains the House-passed provision requiring legal services projects to solicit the recommendations of the organized bar in the community being served before filling project attorney positions and to give preference in filling such positions to qualified persons who reside in the community to be served. There was no such local preference in the administration's own proposal. So the conference reported bill is more restrictive in that respect.

The conference agreement provides that a defendant who wins a case brought by a legal services attorney may recover costs and attorney's fees if the court finds that the lawsuit was brought solely for the purpose of harassing the defendant or that the legal services attorney maliciously abused legal process. That provision is based upon an amendment adopted in the House. The administration's own proposal did not contain such a provision for a defendant to recover costs and fees from the Legal Services Corporation.

The conference agreement prohibits legal services lawyers from providing legal assistance with respect to any proceeding or litigation relating to the desegregation of any elementary or sec-

ondary school or school system. That provision was adopted on the floor of the House. It is a restriction which was not contained in the administration's own proposal.

The conference agreement also prohibits legal assistance with respect to any proceeding or litigation seeking to require an institution or individual to provide a nontherapeutic abortion, contrary to the religious beliefs or moral convictions of such individual or institution. That prohibition is another restriction that was not contained in the legislation submitted by the administration.

The conference agreement prohibits legal assistance with respect to any proceeding or litigation arising out of a violation of the Military Selective Service Act or of desertion from the Armed Forces. That prohibition was adopted by the Senate and the House, but it was not in the administration's bill.

The conference agreement provides that no class action suit, class action appeal, or amicus curiae class action may be undertaken, directly or through others, by legal services project attorneys, except with the express approval of the project director in accordance with policies established by the governing body of the project, a majority of which consists of local lawyers. That amendment was proposed by the Senator from Nebraska (Mr. CURTIS) and accepted in the Senate. The conference-reported bill retains that amendment, a restriction on class actions that was not proposed in the administration's own bill.

The conference agreement also restricts providing legal assistance with respect to any fee-generating case except in accordance with guidelines issued by the Corporation. This provision was added by the House to prevent competition with private lawyers for contingency fee cases. Once again, this is a restriction which was not proposed in the administration's bill.

The conference agreement also prohibits the use of nonpublic and nontribal funds received by legal services projects for any purpose prohibited by the Legal Services Corporation Act. The restriction is designed to assure that legal services staff attorney programs will not contravene the other restrictions in the act by attributing them to the non-Federal share of funds contributed to such programs. It is another restriction not contained in the administration's own proposed legislation.

Subsection (c) of section 1010 applies the restrictions contained in the conference bill generally to any non-Federal funds received by the Corporation or recipients. There are, however, two exceptions. First, where public funds are involved, that is funds from State or local government or other Federal funds, or Indian tribal funds, then the restrictions do not apply to funds made available for a specific legal assistance purpose. A second exception relates to the nature of the recipient which receives funds from other sources than the Corporation. In these cases, including legal aid societies—for example, the Legal Aid Society of New York City—then only the funds received from the Corporation would be subject to restrictions contained in the title and any other funds, whatever their source, would be subject to the terms under which they were provided.

Any violation of the bill's restrictions are to be enforced by the Corporation. The Corporation will issue regulations and guidelines which include specific procedures for suspension and termination of financial assistance to a project or of an employee for violations of the legislative restrictions. In addition, the Corporation is given the direct mandate to monitor and evaluate and provide for independent evaluations of programs supported in whole or in part under the legislation.

As a result of the action of the House last Tuesday, the bill that we now have before us differs from the original conference report in one respect. The bill that we will hopefully adopt today, and send to the President for his signature, alters the responsibility for handling the backup research, training, clearinghouse of information and technical assistance functions. Under this change in the conference bill, we have now accepted the House-passed provision that prohibits the rendering of the backup functions through grant or contract.

All of the backup functions will be assumed by the Corporation. Of course, since the Corporation under Section 1006(c)(1) of the bill may not "participate in litigation on behalf of clients other than the Corporation," all of the legal assistance activities conducted under this bill will continue to be rendered by the regular legal services programs. Legal services attorneys, whether they provide generalized legal representation or specialized representation on complex subject matters, will not be interfered with by this change in the conference bill, and it is expected that they will continue to provide high quality legal services for their clients. However, they will have to look to the Corporation—rather than grantees and contractees—for their research, information clearinghouse, technical assistance and training backup services.

We expect that the backup services will continue to be provided by the Corporation. Since these functions are of extraordinary importance to legal services offices, there should be no disruption in the provision of these functions. Therefore, until the Corporation is formed and has had the time to develop the capability to perform these functions, the current grantees would continue these functions. When the Corporation undertakes these functions, it can choose to provide them from its Washington office or local and regional offices. Whatever means are used by the Corporation, it should be understood that we expect that these services will continue to be provided in a manner that is responsive to the needs of the numerous legal assistance offices throughout the country.

The key to understanding the role of backup centers is this: Their functions are general and are not tied to research needed in the course of furnishing legal assistance with respect to a particular client or clients or research which is an integral or ongoing activity of a program furnishing legal assistance to eligible clients.

In the past, they have been called national backup centers for that reason—because their research and other activities have been generally available as backup support for programs throughout the Nation and their activities have not been linked to a particular program or client. Accepting the House bill's language on backup centers will therefore mean that the national, as distinct from client-connected or internal program research and inservice training activities, can only be carried out directly by the Corporation.

The Corporation can be expected to establish within its organization—whether at headquarters in Washington or in regional or branch offices around the Nation—backup or special assistance offices or divisions. For example, there could be, as a part of the Corporation itself, an Office of Special Assistance for Legal Services for Senior Citizens, and a similar office for Indians, for migrants, for the handicapped, and so forth. Such offices or units within the Corporation would be especially appropriate, it is important to point out, in view of the conferees' emphasis that services to deprived groups shall be a special concern of the Corporation. On this point, the joint explanatory statement of the committee of conference (S. Rept. No. 93–345) stated:

> The Senate amendment further required assurance of equitable services to significant segments of the population of eligible clients (including handicapped, elderly, Indians, migrants, and others with special needs). The Senate amendment also included a requirement to provide special consideration for utilizing organizations and persons with special experience and expertise in providing legal assistance to eligible clients. The House bill contained no comparable provision. The Senate recedes. The conferees agreed that service to these deprived segments of the population should be a special concern of the Corporation.

In addition, areas of subject matter expertise which have been covered by backup centers can be expected to be brought within the Corporation's functions as a part of its research, training, and technical assistance, and information clearinghouse activities.

Insofar as training goes, the House language on backup centers likewise will mean that national training programs, or training outside of a particular legal assistance program, could only be carried out directly as a part of the Corporation's own activities—that is, personnel providing the training would be employed directly by the Corporation and not through grant or contract.

With respect to training which is included within regular legal services programs under section 1006(a)(1), it should be noted that section 1007(b) provides:

> (b) No funds made available by the Corporation under this title, either by grant or contract, may be used—
>
> (5) to support or conduct training programs for the purpose of advocating particular public policies or encouraging political

activities, labor or antilabor activities, boycotts, picketing, strikes, and demonstrations, as distinguished from the dissemination of information about such policies or activities, except that this provision shall not be construed to prohibit the training of attorneys or paralegal personnel necessary to prepare them to provide adequate legal assistance to eligible clients.

Section 1007(b)(5) therefore recognizes that grants and contracts for legal services programs furnishing legal assistance to eligible clients will have inservice training and preparation programs for attorneys and paraprofessional personnel necessary to provide adequate legal assistance to eligible clients.

The House bill language now included in the revised conference agreement (section 1006(a)(3)) authorizes the Corporation—

(3) 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 clearinghouse for information.

The words "related to" the delivery of legal assistance are the words which give a broader scope to the authority of the backup centers to carry out general research and supportive activities, in contrast to the more limiting words "furnishing legal assistance to eligible clients" and "for the purpose of providing legal assistance to eligible clients" which are used in paragraph (1) of section 1006(a) in describing the purpose of activities which regular legal service programs are authorized to carry out.

To summarize the effect of the change in the conference agreement, the new language, means that the Corporation is authorized to undertake directly, and not by grant or contract, research, training and technical assistance, and information clearinghouse activities "related to" the delivery of legal assistance. This does not prohibit similar activities without programs "furnishing" legal assistance to eligible clients, as distinct from such activities being merely generally "related to" the delivery of legal assistance, which under the revised conference agreement can now only be carried out directly by the Corporation.

Of course, legal services programs can and should cooperate with one another. A research or other supportive activity carried out under one legal assistance program qualifying under section 1006(a)(1)(A) should be available to other programs, in accordance with professional courtesy.

There are a variety of legal services programs—some covering a broad geographical area and others a smaller area. Some legal services programs—like law firms specializing in certain areas of law—might provide assistance, for example, to migrants, Indians, senior citizens, or others with special needs, over a broad geographical area. Of course, the requirements that attorneys be authorized to provide legal assistance in the jurisdiction where the assistance is initiated must be met—as provided in section 1006(b)(4) of the bill—as well as the requirement to consider the recommendations of the organized bar in communities to be served in filling staff attorney positions in legal services programs—section 1007(a)(8).

LEGISLATION MEETS ADMINISTRATION'S RECOMMENDATIONS

This conference report meets all the essential requirements the President requested the Congress to include in legislation creating the Legal Services Corporation. In fact it goes beyond the limitations requested by the administration and includes other restrictions added by the House and Senate.

Let us be clear about the nature of the Legal Services Corporation. The Corporation is in no way independent of the Federal Government. The Congress simply is following the Ash Commission's recommendations that the Legal Services Corporation is best administered outside an ordinary bureaucratic structure. Like every other federally chartered instrumentality, it is accountable to the people of the United States—through the appointment of its governing board, through the appropriations process, and through the need for the authorization committees to act upon the authorization at the end of 3 years. Furthermore, the Corporation and its grantees will be audited by the General Accounting Office. Its board of directors is to be appointed by the President, with the advice and consent of the Senate.

Let me reiterate that its appropriations must be enacted by Congress. The Office of Management and Budget will continue, as it does now, to include in the Budget that is submitted to Congress each January whatever amount of funds the administration desires to recommend for the Legal Services program for that particular fiscal year. The normal congressional appropriations process will take its course with respect to the Legal Services Corporation just as is the case with respect to the OEO legal services program now.

The provision of section 1005(e) of the bill providing that officers and employees of the Corporation are not officers and employees of the Federal Government for any purposes other than those specified in the legislation is designed to make clear, for example, that personnel slots, GS schedules, et cetera, are not subject to the usual civil service regulations and approval of the Civil Service Commission. The Appropriations Committees could, of course, indicate the number of personnel slots the Corporation would have to fill, and they would of course consider recommendations of the Office of Management and Budget and the Civil Service Commission with respect thereto.

The Board of Directors of the Corporation will make its own judgments about the future kinds of legal services activities the Corporation will be funding.

NEED FOR LEGAL SERVICES PROGRAM

For nearly a decade now, this Nation has challenged itself on many fronts to improve the lives of those of its citizens who live in poverty, by committing itself to a war on poverty. Among the most effective of these antipoverty programs has been the legal services program.

We live in a nation of laws. Poor persons face the same problems and have the same rights and claims under those laws as do persons who can afford to pay for legal assistance. By providing such assistance through federally funded programs to the poor person, we are permitting that person to live with dignity and respect within our Nation's laws—rather than with frustration outside of them.

To that end, the Congress has worked for more than 3 years to insure the continuation of the legal services program by enacting legislation to transfer that program from the Office of Economic Opportunity to an independent national Legal Services Corporation.

This administration has chosen to work with Congress to produce an independent vehicle for the continuation of those services, and the bill now meets in every essential respect the recommendations the President made when he submitted the Legal Services Corporation legislation last year.

We are now culminating the third congressional attempt to enact legislation to create the Legal Services Corporation. Previous efforts floundered in large part because of the administration's desire for the unfettered right of the President to appoint whomever he wished to the Board of Directors of the Legal Services Corporation. The pending legislation has totally met the administration's concern in that respect by providing for the President to name whomever he wishes to the Board, subject only to confirmation by the Senate.

The legal services program has been a controversial one from its inception. Inevitably, vindicating the rights of persons previously helpless to protect themselves legally has led to friction and conflict. Poor people, who were so often exploited or taken advantage of in the past, have had the assistance of attorneys under this program for the first time in their lives.

In fact, before the OEO legal services program was established, poor people often had no legal or very inadequate legal assistance in civil proceedings—against landlords and against agencies and institutions which affect the lives of the poor.

As a result, poor people—who are so often exploited or taken advantage of—have had the assistance of legal services attorneys with a sound grasp of how to protect the rights and responsibilities of persons who are otherwise virtually helpless before the legal system. The response of many who were the objects of lawsuits requiring them to change their practices was one of alarm and outrage—especially when legal services attorneys proved they could win 85 percent of their cases.

There are many restrictions and prohibitions placed on legal services attorneys under this conference report, and many checks on their activities to make sure they observe those restrictions.

I support the passage of this legislation because I believe the bill still adequately safeguards the one essential, overwhelmingly important element of a viable legal services program: the right of a poor person to high quality legal

advice and representation as to his legal rights and responsibilties.

This element—and not the rights or prerogatives of the attorney himself—is at the core of the need for a federally funded legal services program.

And this legislation safeguards that element by insuring the structural independence of the Corporation—and by insuring that there shall be no interference with an attorney in carrying out his professional responsibilities to his client as provided in the Canons of Ethics and the Code of Professional Responsibility of the American Bar Association.

In summary, Mr. President, the pending bill is one of the most carefully considered pieces of legislation to come before Congress in a long time. I believe it deserves the overwhelming approval of the Senate and the signature of the President so that the Constitution's requirement for equal protection of the laws for all citizens can be a reality for poor persons as well as for the rich.

Mr. JAVITS. I am pleased that the Senator from Wisconsin, the chairman of the Senate conferees has included in the RECORD a complete statement with respect to the major elements of the conference agreement, as I did when the conference report was first considered here last week.

In particular, I am pleased with the chairman's statement following statements by the managers in the House of Representatives to the effect that the prohibition contained in section 1010(c) on the use of nonpublic and nontribal funds received by the corporation is subject to important exceptions: one relating to the source of funds and the other relating to the entity receiving the funds, whatever their source. This will permit the continuation of non-Federal funding for entities such as the Legal Aid Society of New York without subjecting that funding to the restrictions contained in this bill. That society and others like it depend very significantly on contributions from the organized bar, as well as other non-Federal sources, and during the conference we took care to insure that they and the other entities spelled out in the second exception, are exempt from the prohibition so that they can continue to receive funds as they do now, without restriction.

Mr. President, now I would like to take 2 minutes, if I may, of time in opposition to the amendment.

Mr. President, I think it is very significant, in all of this discussion about what people did not know about what they were voting on, to go back to when this measure was before us on January 31, 1974.

Senator HELMS made a motion to strike the backup authority from the bill, which was before the Senate. Certainly one would expect that people knew what they were voting on there. That was pinpointed and specific. The vote was 67 nays and 24 yeas. I think in view of that record, plus the record of the vote here the other day, in which this whole matter was spelled out with the greatest completeness for the Senate as to exactly what we were about and why, plus the vote in the House, which had before it everything that was said here, the vote in the Senate being 75 to 18 and the vote in the House being 256 to 136, I just cannot see how it can be argued that there is some confusion or difficulty, or that people do not understand.

I think the answer is that an effort is being made to try to do two things right now: First, to defeat this measure which is before us now, and hopefully would otherwise be able to go to the President tonight; and, second, to shake up the White House into some idea that it did not understand what it was doing in expressing the view as to how this matter would be handled when it got to the President's desk.

I do not think either one is justified. I think it is high time that this matter was at last brought to a definitive conclusion. I do not think the Senate is going to fall for the kind of irresolution, which an effort is being made to introduce, nor that the White House will.

I hope very much, therefore, that when the time comes to vote we will disapprove the Helms amendment which, by the way, it is agreed is to be voted on en bloc and with a back-to-back vote on the original motion which I trust the Senate will carry and at long last send the measure to the White House, where we have every right to believe it will be signed.

Mr. NELSON. Mr. President, I yield to the Senator from Minnesota.

Mr. MONDALE. Mr. President, I rise to support Senate concurrence in the House amendment to H.R. 7824.

It is, frankly, not with any great deal of pleasure or satisfaction that I rise to support this bill, in its latest reincarnation. For over 3 years, we in the Congress have attempted time and again to reach agreement with the White House on a legal services bill which would protect the attorney-client relationship, and insure equal justice for all poor Americans.

In 1971, I was privileged to introduce the first legislation calling for creation of an independent legal services corporation. This legislation, which had the bipartisan cosponsorship of 21 of my colleagues, would have provided the type of legal assistance which would have given the poor the same rights and privileges enjoyed by all those in our society wealthy enough to afford counsel. After extensive hearings and long negotiations with the White House that year, we felt we had reached agreement on a bill which incorporated features both of the legislation which I introduced, and the bill introduced by the distinguished Senator from Kentucky (Mr. COOK), embodying many of the administration's concepts in this area.

Sadly, we were mistaken, and the bill was vetoed in December of 1971.

In 1972, we again tried to reach agreement with both the House and the White House on a legal services corporation bill, an attempt which ultimately foundered on a number of issues. Again, however, the supporters of a strong and independent legal services program in the Senate indicated their willingness to reach meaningful compromise. And again, largely as a result of implicit White House pressure, these attempts to reach a compromise were frustrated.

Beginning last year, Congress for a third time began the process of attempting to enact this legislation. The administration sent to Congress a new legislative proposal which differed in substantial respects from their original proposal of 1971. House and Senate action and a long conference ensued, and once again we felt that we had reached an agreement which would receive White House support.

Frankly, even the conference report which was tabled last week in the Senate was a pale substitute for the type of strong legislation which many of us in the Senate have long felt was needed if we were to insure real independence for the legal services corporation and its attorneys. Yet, in good faith, we entered into an agreement on a conference report which we felt the White House could support. In some respects, even that conference report was more restrictive than was the President's 1971 or 1973 legislative proposals. Again, we indicated our willingness to compromise in order to save this vital program.

And yet even that apparently was not enough. Even the concessions which we made in good faith were apparently not sufficient to satisfy the White House's need to placate those who really do not feel deeply about the need for equal justice under the law for poor Americans.

And so we were asked to accept one final compromise, with the promise that the President would then sign the bill.

I know that the distinguished Senator from New York (Mr. JAVITS) and the distinguished Senator from Ohio (Mr. TAFT), to whom these assurances were made, only reluctantly accepted this final compromise relating to the funding of the present backup centers by grant or contract. As strong supporters of a vital legal services program, I know they were not eager to yield once more to unreasonable White House pressure.

And I know equally that the distinguished floor manager of this legislation, Mr. NELSON, who has done such an outstanding job for over 3 years in this most difficult legislative task, as well as the distinguished Senator from California (Mr. CRANSTON), were also most disappointed that this final concession had to be made. I shared in their disappointment, and in their reluctance to accede to this inherently unreasonable White House demand.

Unfortunately, however, we all knew that overriding a veto in the House would simply be impossible. And we all realized that the first need was to preserve as much as possible of the legal services program, and hope for the day when there is an administration which does believe in equality under the law.

It is particularly disappointing that the White House's price for approval of this bill relates to present backup center funding by grant or contract. It is my firm expectation that research and training functions will continue to be carried on in a variety of ways, since the 15 backup centers now in operation are a vital part in assuring the efficiency and effectiveness of the legal services operation.

Yet I find it very strange that an administration which supposedly prides itself on reducing Government expenditures and providing efficient use of tax-

payers' moneys would insist as its price for approval, on restrictions relating to a funding provision which helps ensure efficiency and reduce costs. And it is particularly strange in view of the fact that the restriction on funding of backup centers which we are now approving was contained in neither the 1971 nor the 1973 administration-sponsored legal services proposals. And yet I suppose that this is merely the latest in a series of moves by this administration which are difficult to understand, considering that a strong and independent legal services corporation is in my view one of the most conservative, law and order pieces of legislation which the Congress could enact.

I am confident that under this legislation, legal services offices will be able to provide high-quality legal assistance, including assistance of a specialized nature. I am also confident that background research work in specialized areas and a variety of technical assistance and training functions will continue to be undertaken by the corporation. These functions are essential to continued effective performance by legal services attorneys.

Yet the limitations on the authority to provide these functions in the university-based backup centers now in existence will take its toll. I deeply regret that only in this way have we been able to assure the continued operation of the legal services program. And I await the day when national leadership will once again view its principal goal not as protecting the vested interests of the few, but rather as promoting the legal rights of all Americans.

Mr. President, this program has been probably the most successful, most cost-effective program of all created under the OEO program. It is an inexpensive program. It is based upon the finest notions of justice, of law and order, and of due process. It is designed to achieve the simple function of permitting poor people who could not otherwise go into court to do so and to have their just grievances adjudicated before the courts and the administrative tribunals of our land.

I find it especially remarkable and ironic that this administration, which this year alone will spend a million dollars of public money in defense of the President of the United States, before the impeachment tribunals and other proceedings, would so loosely spend the public money on the defense of a single man and then turn around and be so restrictive in providing the opportunity for poor people in this country to have their constitutional and legal rights asserted before the courts of this land.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. MONDALE. Mr. President, will the Senator yield me 2 additional minutes?

Mr. NELSON. I yield the Senator such time as he may desire.

Mr. MONDALE. Mr. President, this is a conservative program. It is supported by the American Bar Association. Over the years, we have heard several presidents of the American Bar Association stand up and say this program is needed. In order to have a good program, it has to be one in which the Canons of Ethics can be obeyed, a program that is as free as possible from political interference, a program which permits a lawyer to pursue all the remedies that a lawyer would pursue if he were representing a corporation or a wealthy client. But consistently the administration has tried to interfere with the program, to diminish its effectiveness, to discourage the best young men and women from joining the program, and to limit the remedies that would be available for lawyers under this program.

This administration has sponsored outrageous and some, I think, completely erroneous information about the conduct of the program over the years, and they have done everything they can to destroy its sophistication and its effectiveness. I think that their performance in this area is without reason and, in my opinion, is nothing less than outrageous.

I hope the day will soon come when once again we have leadership in this country that believes in due process, in law and order, and in justice. Then we can truly get down to the work of achieving equality in this country.

NEW HAMPSHIRE LEGAL ASSISTANCE ACCLAIMED

Mr. McINTYRE. Mr. President, the Senate is acting on the conference committee report setting up a national legal services corporation. I have wholeheartedly supported the legal assistance program, and today I feel compelled to again stress its importance. I believe that it goes without saying that the law's protection ought to apply equally to all people, regardless of race, creed, color, or income level. Equal justice for all is a revered principle in our country, yet without equal access to our legal system the principle becomes a lofty ideal, and nothing more.

The New Hampshire legal assistance program has worked since 1966 to make the concept of equal justice under the law a reality. Last year alone thousands of New Hampshire citizens who could not afford legal help were given a fair chance for representation under this program. It is not surprising, therefore, that the NHLA has won acclaim from several important organizations in New Hampshire, including the New Hampshire Bar Association, the Judicial Council of New Hampshire, bar associations of many counties, the Manchester Bar Association, and the Nashua Bar Association.

Recently, in a letter addressed to the President, the New Hampshire Bar Association reiterated its approval of the New Hampshire legal assistance, and urged continuance of this organization through the establishment of a national legal services corporation. The voice of the New Hampshire Bar Association should be heard, I believe. Certainly, there is no organization which can speak with greater knowledge and wisdom about the needs for legal assistance in New Hampshire.

Mr. President, I ask unanimous consent to have printed in the RECORD the letter from the New Hampshire Bar Association.

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

JULY 2, 1974.

President RICHARD M. NIXON,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: The New Hampshire Bar Association records it continuing support of the work of New Hampshire Legal Assistance, and declares that services being rendered by the federally funded legal assistance program in this State are vital to realization of the ideal of equal justice; and recognizing that providing legal representation to the poor is an obligation of society, urges you to sign the bill establishing a national legal services corporation.

Very truly yours,

ARNOLD P. HANSON,
President.

Mr. CASE. Mr. President, since late 1966, the legal services programs, set up under the auspices of the Office of Economic Opportunity, have functioned in New Jersey to represent our poorest residents. One of the few tenuous links of communication during the riots of 1967 in Newark was the fledgling Newark legal services program. The most substantial advances in case law that have improved the lot of tenants in this State were handled by legal services lawyers. Some of the most significant process questions in the State were handled by its lawyers. For example, the right to counsel in municipal courts where the possibility of incarceration existed was established by legal service lawyers. Year in and year out, over 50,000 clients annually are represented in the State of New Jersey by approximately 130 attorneys in 13 programs. Overworked and poorly paid, they have maintained their morale despite the uncertain future that has faced the legal services program for the last 2 years. The clients they serve have nowhere else to go.

The legal services program was designed not only to assure that the poor had access to an attorney, but to assure that the type of services provided the poor were of the same quality as those available to citizens able to afford an attorney. Those who worked within OEO to set up the program realized early that the local legal services attorney was in vital need of backup assistance. Sometimes this was because of inexperience but all too often it was because of the shortage of resources and manpower necessary to keep current with legislative, administrative, and case law developments relevant to the poor. Unfortunately, local legal services programs are also severely understaffed and plagued with huge caseloads. Backup assistance—such as training of new attorneys, continuing legal education in new developing fields, and specialized research on complex legal problems or the complex Federal programs so vitally affecting the poor—was believed vital and was provided through national programs often affiliated with law schools.

The legislation we are approving today alters the delivery of this backup assistance and research by eliminating the Corporation's authority to provide such services through grantees or contractees. It is the intent of this legislation, however, that all such backup services con-

tinue. Background research and analysis in poverty law specialties, training of attorneys or paraprofessionals, technical assistance in the delivery of legal assistance activities, all of these are to be carried on by the Corporation. No program providing legal assistance to clients whether serving local, State, or wider geographic areas can function without these backup services.

We expect these services to continue while the Corporation determines how best to provide them and we expect the Corporation to evaluate carefully the best approach to use to assure their most effective and efficient delivery. The capacity to provide such backup assistance was developed throughout the history of the legal services program and after experimentation with various approaches. The Corporation cannot overlook this experience. It may be, for example, that the Corporation need not create an entire new staff to provide backup. A centralized office in Washington is not the only alternative open and use of the present regional office structure may allow the Corporation to take advantage of the expertise of legal services attorneys presently involved in providing backup services. The transition from grantees or contractees to a more directly controlled operation should be orderly and will take time to assure selecting and training personnel of competence and experience. It will not be necessary to precipitously dissipate the expertise and experience built up during the many years the OEO program was in effect.

Nothing in this legislation is designed to limit the Corporation's authority to fund legal services program designed to provide legal assistance to eligible clients. Litigation, legislative and administrative representation, and appellate practice on behalf of eligible client and client groups remain. Programs providing such legal assistance must be able to research their own cases, train their own lawyers, coordinate with other programs, and function like law offices in the private sector. Neither does this legislation alter the authority of the Corporation to fund programs serving specific client groups or with the capacity to carry on complex litigation or administrative representation on behalf of eligible clients at the State or National levels. Section 1006(a)(1) provides the Corporation with authorization language to assure funding of these legal assistance programs.

Let me reiterate again, that programs providing legal assistance under section 1006(a)(1) whether operating on a local, State or National level, will be substantially reduced and undermined if backup services; for example, research on complex legal problems, training, and technical assistance are not provided fully and effectively by the Corporation. We intend these support services to continue.

Mr. BROOKE. Mr. President, the present compromise on legal services is one I shall reluctantly support. Soon after the legal services program began, OEO recognized that programs providing legal assistance to eligible clients required support and backup services in order to assure the effective delivery of legal services to the poor. Neighborhood lawyers, working in programs deluged by clients, were unable to research the many Federal and State programs affecting the poor or research complex legal problems, were not trained in new fields of substantive law or procedure, and were unable to keep abreast of new developments, because no services provided to the private bar focused on poverty law specialties. To meet these problems faced by the neighborhood attorney, backup services were provided by OEO through programs funded by grant or contract. Now, a legislative compromise has shifted the approach.

However, this legislation does not eliminate these backup services; it does not eliminate specialized research, preparation of manuals and handbooks, the training of attorneys in procedure and substance nor does it eliminate the need for a clearinghouse or for technical assistance relating to the delivery of legal assistance activities. It is the intent of this legislation to continue these services to legal services attorneys. As much as I oppose this compromise agreed upon to preserve legal services, as much as I believe that the present means of delivery of such backup services have proved efficient and effective, and as much as I reject the contentions of those opposed to the so-called "backup centers," I have come to the conclusion that the corporation can undertake these services, and thus this compromise will have my reluctant support.

Backup services are not just necessary for local legal services attorneys. They are also necessary for legal services programs or program components who have the resources, capability, and specialization to participate in complex litigation or to represent client or client groups before State and Federal legislative and administrative bodies. These State and national programs require a clearinghouse, require the development of litigation manuals and handbooks, require specialized research and analysis, and require national training in technical, specialized poverty law subjects.

It is the intent of this legislation that such backup services continue to be provided and provided fully and without any interruption to programs providing legal assistance to eligible clients. In providing such backup, the corporation has substantial leeway. The development of a large staff working in one office may not be at all necessary. Regional offices, dispersed throughout the country and in close contact with local programs, should be considered. The delivery of training and technical assistance should utilize the expertise and experience developed in response to legal services program needs and may best be delivered through consultants. The corporation should carefully explore how most effectively and efficiently to provide these backup services while at the same time assuring that programs receive no substantial disruption in their delivery.

REIMBURSEMENT FOR SEWAGE TREATMENT PROJECTS

Mr. MOSS. Mr. President, I am pleased to rise in support of Senator NELSON's amendment appropriating funds for "reimbursement" sewage treatment projects, and to congratulate him for his fine work in focusing the Senate's attention on this problem.

The factual and legal background giving rise to the need for this amendment have been ably stated by Senator NELSON and others, and I shall not repeat what has already been said.

I do want to point out to my colleagues that the amendment deserves their support—not simply because it will ease the burden of indebtedness borne by communities and local taxpayers in every State—but also because it means a keeping of faith with the cities.

Federal relations with States and cities are strained by a lack of trust and a lack of communication. We all agree that this situation is deplorable and must be set right.

To accomplish that goal, we must—at a minimum—make sure that the Federal Government honors its pledges of financial assistance.

This amendment—fulfilling a promise of financial support on which cities have relied in building sewage treatment plants—is an important step in the right direction.

I urge the adoption of the proposal as an indication that it is just keeping faith with our cities and towns.

RECESS UNTIL 1:50 P.M.

Mr. NELSON. Mr. President, I ask unanimous consent that the Senate stand in recess until 1:50 p.m. today.

There being no objection, at 1:09 p.m., the Senate took a recess until 1:50 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. TAFT).

LEGAL SERVICES CORPORATION ACT OF 1974

Mr. McGEE. 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. NELSON. Mr. President, I ask unanimous consent that further call of the quorum be dispensed with.

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

Mr. NELSON. Mr. President, I ask unanimous consent that there be inserted in the RECORD at this point the joint explanatory statement of the committee of conference, changed to reflect the revisions on the backup centers.

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

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7824) to establish a Legal Services Corporation, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The House bill created an independent corporation in a separate provision that was not part of the Economic Opportunity Act. The Senate amendment created an independent corporation within the Economic Opportunity Act as a new title X. The House recedes.

The Senate amendment contained a list of findings and a declaration of purpose. There was no comparable House provision. The House recedes with an amendment clarifying the intention of the conferees that the program should be kept free from the influence of or use by it of political pressure, and a perfecting amendment.

The House bill defined legal assistance as provision of legal services under the Act. The Senate amendment defined legal assistance as legal advice and representation and other appropriate legal services consistent with the title. The conference agreement provides that legal assistance means the provision of any legal services consistent with the purposes and provisions of the title.

The House bill defined "staff attorney" as an attorney who receives more than one-half of his professional income from a recipient organization solely to provide legal assistance to eligible clients. The Senate amendment defined "staff attorney" as one who receives a majority of his professional income from provision of legal assistance pursuant to the title. The Senate recedes.

The House bill provided that the Corporation and programs assisted by the Corporation shall be eligible to be treated as tax-exempt organizations under the Internal Revenue Code, and provided that if such treatments are conferred the Corporation shall be subject to all provisions of such Code relevant to the conduct of tax-exempt corporations. There was no comparable Senate provision. The Senate recedes with a perfecting amendment.

The House bill liquidated the Corporation as of June 30, 1978, unless sooner terminated by an Act of Congress. The Senate amendment authorized appropriations for three years. The House recedes in view of the three-year authorization of appropriations.

The House bill computed the term of office of the initial Board members from the date of enactment. The Senate amendment computed the term of office of the initial Board members from the date of the first meeting of the Board. This difference occurred in several places throughout the House bill and the Senate amendment. The House recedes and the conference agreement reflects this decision throughout.

The House bill required the President to select from among voting members the chairman of the Board who shall serve a term of one year. The Senate amendment allowed the President to similarly select the first chairman who shall serve a three-year term; thereafter the chairman shall be annually selected by the Board from among its voting members. The House recedes.

The Senate amendment included offenses involving moral turpitude in the list of reasons to remove a Board member. The House bill contained no comparable provision. The House recedes.

Both the House bill and the Senate amendment required the Board to request the Governors of the several States to appoint State advisory councils. The Senate amendment required the Governor to consult the State bar association for its recommendations as to the attorney members of the advisory council. The House bill contained no comparable provision. The House recedes.

The House bill required the Board to appoint a State advisory council within 90 days if the Governor failed to do so. The Senate amendment authorized the Board to make such appointments. The House recedes.

The House bill required the State advisory council to furnish a copy of violations to the recipient affected. The Senate amendment established such a requirement as to apparent violations and required the Corporation to notify affected recipients. The Senate recedes with an amendment adding "apparent" before the word "violations" in the House language.

Both the House bill and the Senate amendment required that all meetings be open to the public unless the Board by a two-thirds vote decides that they be closed on a specific occasion. The Senate amendment required further that minutes shall be available to the public. The House bill contained no comparable provision. The House recedes.

The Senate amendment established a National Advisory Council charged with consulting with the Board and President of the Corporation. The 15-member council shall be appointed by the Board and shall serve for three-year terms and represent the organized bar, legal education, project attorneys, eligible clients, and the general public. The House bill contained no comparable provision. The Senate recedes. The conferees wish to make clear that by removing the requirement in the Senate bill that there be an advisory council they in no way intend to prohibit the Corporation in the exercise of its discretion from establishing an advisory council.

The Senate amendment required the Board to appoint a President and "other Corporation officers required by law". The House bill required the appointment of a president and "such other officers as the Board determines to be necessary". The Senate recedes.

The Senate amendment prohibited the use of political tests or qualifications in appointing or promoting or taking other personnel actions with respect to employees of the Corporation or a recipient. The House bill contained no comparable provision. The House recedes with an amendment adding "political" before "qualifications" to make clearer the restriction in the Senate amendment.

Both the House bill and the Senate amendment prohibit Board members from participating in any action with respect to any matter that directly benefits such member or pertains (specifically in the Senate amendment) to any firm or organization with which the member is then associated. The Senate amendment further required that there be no association with such firm or organization for a period of two years. The House bill contained no comparable provision. The House recedes.

The Senate amendment placed Executive Schedule level V as the maximum rate of compensation of any officer or employee of the Corporation. The House bill contained no comparable provision. The House recedes.

The Senate amendment provided that officers and employees of the Corporation not be considered officers or employees of the Federal Government and that the Corporation not be considered a department, instrumentality, or agency of the Federal Government for purposes of any Federal law or Executive order, except as specifically provided in this title. The House bill contained no comparable provision. The House recedes with a perfecting amendment.

The Senate amendment provided that nothing in this title shall be deemed to authorize any department, agency, officer, or employee of the United States or the District of Columbia to exercise any control with respect to the Corporation or any recipient or eligible client receiving assistance under this title. The House bill contained no comparable provision. The Senate recedes.

The Senate amendment permitted the Office of Management and Budget to review and submit comments upon the Corporation's annual budget request at the time it is submited to the Congress. The House bill contained no comparable provision. The House recedes.

The Senate amendment specifically required that employees of the Corporation be considered Government employees for purposes of work injury compensation, retirement, life insurance, and health insurance, and required the Corporation to make contributions similar to other Federal agencies for these purposes. The House bill contained no comparable provision. The House recedes.

The Senate bill included in several places the requirement that the Corporation in exercising its powers must at all times insure the protection of attorneys' professional responsibilities. The House bill contained no comparable provision. The Senate recedes in light of an agreement to include this provision in a single section—1006(b)(3)—as applicable to the entire title.

Both the House bill and the Senate amendment authorized the Corporation to make grants to and contracts with State and local governments. The Senate amendment limited this authority to cases, upon special determination by the Board, that would provide supplemental assistance which would not be adequately provided through nongovernmental arrangements.

The House bill included in the list of recipients "other appropriate entities." The Senate amendment modified "organizations and corporations" by "nonprofit." The conference agreement combines the provisions, with the understanding that the words "firms, partnerships, and corporations" are intended to refer to entities of attorneys authorized to practice law in the State in question.

The conference agreement provides that the Corporation is authorized to provide financial assistance to qualified programs furnishing legal assistance to eligible clients and to make grants to and contracts with individuals, partnerships, firms, corporations, and non-profit organizations, and with State and local governments only upon special determination by the Board that such services will not be adequately provided through nongovernmental arrangements.

The conferees agree with the need to protect the legal services program from unwarranted interference, particularly interference which is brought for political purposes. It is recognized, however, that there may be circumstances where the best interests of the program would be served in using State and local governments. The conference agreement provides the corporation with limited discretion in these cases, but it is not intended that there should be any substantial shift of resources away from the present classes of recipients to State or local governments.

The Senate amendment authorized the Corporation to make such other grants and contracts as necessary to carry out the purposes of the title. The House bill contained no comparable provision. The House recedes.

* * * * *

[Material deleted is language explaining research back-up research functions which was set forth in Explanatory Statement accompanying original Conference Report: See addendum at end of Joint Explanatory statement.]

The House bill provided the Corporation with authority to terminate recipients after a hearing for violation of rules and regulations. The Senate amendment provided similar termination authority after other appropriate remedial measures had been exhausted and after a hearing in accordance with section 1011. The Senate recedes with an amendment retaining a reference to section 1011 procedures. The conferees intend that remedial measures short of termination be utilized prior to termination.

The House bill required the recipient to take appropriate disciplinary action against an employee who violates the Act or its by-laws or guidelines. The Senate amendment required similar remedial or disciplinary action in accordance with due process procedures. The House recedes.

Both the House bill and the Senate amendment prohibited attorneys from receiving any compensation for the provision of legal assistance under this Act unless such attorney is "authorized to practice" in the

House bill or "admitted or otherwise authorized by law, rule or regulation" in the Senate amendment. The House recedes.

The House bill applied restrictions with respect to picketing, boycotts, and strikes to employees of the Corporation and recipients who receive a majority of their annual professional income from the provision of legal assistance under the Act. The Senate amendment applied similar restrictions (except as permitted by law in connection with an employee's own employment situation) to all employees of the Corporation and recipients. The House recedes. The conferees intend that the prohibition against "encouraging" these activities should not be interpreted so as to preclude legal advice and representation for an eligible client with respect to such client's legal rights and responsibilities.

The House bill and the Senate amendment contained substantially similar provisions requiring the Corporation to insure that its employees and employees of recipients refrain from participation in, and from encouragement of others to participate in, rioting or civil disobedience, violation of an injunction, or any illegal activity. The House recedes.

In addition, the Senate amendment prohibited employees from engaging in public demonstrations and from intentionally identifying the Corporation with any prohibited political activities. The House bill contained no comparable provision. The House recedes.

The conference agreement, therefore, provides that the Corporation shall insure (1) that no employees of the Corporation or a recipient (except as to the employee's own employment situation), while carrying out activities assisted under this title, engage in or encourage others to engage in public demonstration or picketing, boycott, or strike, and (2) that no such employees shall at any time engage in or encourage others to engage in any of the following activities: (i) any rioting or civil disturbance, (ii) any activity which is in violaton of an outstanding injunction of any court of competent jurisdiction, (iii) any other illegal activity, or (iv) any intentional identification of the Corporation or any recipient with any political activity prohibited by section 1007(a)(6). The Board is required to issue rules and regulations to provide for the enforcement of this paragraph as well as section 1007(a)(5), which shall include remedies in accordance with the procedures of section 1011.

The Senate amendment required termination after appropriate remedial measures and after a hearing in accordance with section 1011. The House bill left these procedures to the Board. The House recedes with a clarifying amendment.

The Senate amendment required the Corporation to insure that in areas where the predominant language is other than English, the predominant language would be utilized in the provision of legal assistance whenever feasible. The House bill contained no comparable provision. The House recedes with an amendment modifying the requirement of the Senate amendment to provide that "the Corporation shall, to the extent feasible, provide that their principal language is used in the provision of legal assistance".

Both the House bill and the Senate amendment prohibit the Corporation from undertaking to influence the passage or defeat of any legislation by the Congress or by any State or local legislative body. The Senate amendment allowed the Corporation to testify and make appropriate comment in connection with legislation or appropriations directly affecting the activity of the Corporation. The House bill contained no comparable provision. The House recedes.

Both the House bill and the Senate amendment prohibited assets of the Corporation from being used to benefit any director, employee, or officer except as reasonable compensation for services. The Senate amendment explicitly allowed reimbursement for expenses. The House bill contained no comparable provision. The House recedes.

The House bill and the Senate amendment prohiibted the Corporation and any recipient from making available corporate funds, program personnel, or equipment for use in advocating or opposing ballot measures, referendums, or initiatives. The Senate amendment contained an exception to this prohibition where such provision of legal advice and representation is necessary by an attorney, as an attorney, for any eligible client with respect to such client's legal rights and responsibilities. The House bill contained no comparable provision. The conference agreement prohibits advocating or opposing such measures, but provides that an attorney may provide legal advice and representation as an attorney to any eligible client with respect to such client's legal rights.

The Senate amendment prohiibted class action suits, class action appeals, and amicus curiae class actions from being undertaken except with the express approval of the recipient's project director in accordance with policies established by the governing body of the recipient. The House bill contained no comparable provision. The House recedes.

The Senate amendment prohibited employees of the Corporation or recipients from intentionally identifying the Corporation with any partisan or nonpartisan activity of a candidate for public or party office. The House bill contained no comparable provision. The House recedes.

The Senate amendment made applicable to employees of the Corporation the provisions of the Hatch Act prohibiting active participation in political management or political campaigns and prohibiting interference in elections or coercing of contributions for political purposes. The House bill contained no comparable provisions. The House recedes.

The House bill provided that all attorneys while engaged in activities supported by the Corporation refrain from any political activity. The Senate amendment prohibited activity associated with a political party or association, or campaign for public or party office. The Senate recedes.

Both the House bill and the Senate amendment prohibited use of Corporation funds for transportation to the polls and voter registration activities. The House bill excepted representation in civil or administrative proceedings and legal representation in registration cases. The Senate amendment excepted legal advice and representation to any eligible client with respect to such client's legal rights and responsibilities. The conference agreement makes the exception for "legal advice and representation".

The Senate amendment prohibited certain political activity of staff attorneys in their "off time" by cross referencing certain provisions of the Hatch Act prohibiting interference in an election and coercing of political contributions. The House bill prohibited taking an active part in partisan or nonpartisan political management or in partisan or nonpartisan political campaigns. The Senate recedes with a clarifying amendment to make reference to the provisions of the Hatch Act prohibiting interference in an election, coercing of political contributions, and taking an active part in political management or political campaigns, and applies the political activities prohibition, as in the House bill, to both partisan and non-partisan political activities.

The House amendment provided that in any action commenced by the Corporation or a recipient on behalf of any party in which a final judgment is rendered in favor of a defendant against the Corporation or a recipient's plaintiff the court may award reasonable costs and legal fees to such defendant and such costs shall be paid by the Corporation. The Senate amendment contained no comparable provision. The conference agreement provides that a court may, upon motion by the defendant and upon a finding by the court that the action was commenced or pursued for the sole purpose of harassment of the defendant or that the Corporation or a recipent's plaintiff maliciously abused legal process, enter an order (which shall be appealable before being made final) awarding reasonable costs and legal fees incurred by the defendant in defense of the action, except when in contravention of a State law, a rule of court, or a statute of general applicability, Any such costs and fees shall be directly paid by the Corporation.

Both the House bill and the Senate amendment required the Corporation to establish guidelines for client eligibility. The Senate amendment required consultation with the Governors of the several States. The House bill contained no comparable provision. The House recedes.

The House bill and the Senate amendment required that the eligibility guidelines take into account family size, cost of living in the locality, and other related matters. The House bill further added assets, income, fixed debts and medical expenses. The Senate amendment required the determination to be based on appropriate factors relating to financial inability to afford legal assistance. The conference agreement consolidates both provisions.

The House bill prohibited eligibility for any individual capable of gainful employment if his lack of income resulted from refusal or unwillingness without good cause to seek or accept employment. The Senate amendment provided that eligibility guidelines take into consideration evidence of a prior determination that lack of income resulted from a refusal to seek or accept employment without good cause commensurate with such individual's age, health, education and ability. The conference agreement generally combines both provisions. It eliminates the phrase "commensurate with such individual's age, health, education, and ability", and provides that "evidence of a prior determination" that an individual's lack of income results from a failure "without good cause, to seek or accept an employment situation" will be a disqualifying situation.

The House bill required the Corporation to insure adequate assistance in both urban and rural areas. The Senate amendment required the Corporation to insure the most economical, effective, and comprehensive delivery of legal assistance to persons in urban and rural areas. The conference agreement provides that the Corporation shall insure the most economical and effective provision of legal assistance to persons in urban and rural areas.

The Senate amendment further required assurance of equitable services to significant segments of the population of eligible clients (including handicapped, elderly. Indians, migrants, and others with special needs). The Senate amendment also included a requirement to provide special consideration for utilizing organizations and persons with special experience and expertise in providing legal assistance to eligible clents. The House bill contained no comparable provision. The Senate recedes. The conferees agreed that service to these deprived segments of the population should be a special concern of the Corporation.

The House bill contained an absolute prohibition on the outside practice of law for attorneys employed full time in activities supported by the Corporation, and required that they represent only eligible clients. The Senate amendment prohibited attorneys employed full time in legal assistance activities supported in major part by the Corporation from any compensated outside practice of law and any uncompensated outside practice of law except as authorized in guidelines

promulgated by the Corporation. The House recedes.

The House bill required that no funds made available to recipients be used to influence an executive order or similar promulgation by a Federal, state, or local agency or to influence the passage or defeat of legislation by Congress or state or local legislative bodies, except that recipient personnel may (1) testify when requested to do so by a governmental agency, a legislative body, or committee or member thereof, or (2) in the course of providing legal assistance to an eligible client (pursuant to Corporation guidelines) make representations or testify only before local governmental entities. The Senate amendment also prohibited use of funds to influence the passage or defeat of legislation except when such representations are requested by a legislative body, a committee, or a member thereof, or when such representation by an attorney as an attorney is necessary to the provision of legal advice and representation for any eligible client with respect to such client's legal rights and responsibilities. The Senate prohibition did not apply to executive orders.

The House recedes with the following amendments: the prohibition is extended, as in the House bill, to influencing the issuance, amendment, or revocation of any executive order or similar promulgation of any governmental body; the exception with respect to requested representations by attorneys is extended, as in the House bill, to include a request by a governmental agency; and the exception permitting attorneys to represent particular clients is qualified by stating that such exception shall not be construed to permit a recipient or an attorney to solicit a client for the purpose of making such representation possible, or to solicit a group with respect to matters of general concern to a broad class of persons as distinguished from acting on behalf of any particular client.

The House bill required the Corporation to establish guidelines for consideration of appeals to be implemented by each recipient to insure efficient utilization of resources except that such guidelines shall in no way interfere with attorneys' responsibilities. The Senate amendment required recipients to establish guidelines for a system of review of appeals to insure efficiency and avoid frivolous appeals. The conference agreement combines both provisions.

The House bill required recipients to solicit recommendations of the organized bar in the community being served before filling staff attorney positions and to give preference in filling such positions to qualified persons who reside in the community to be served. The Senate amendment contained no comparable provision. The Senate recedes. The conferees agree that the term "organized bar in the community being served" means the bar organization (or organizations) for the geographical area which most closely corresponds to the area to be served by the project.

The Senate amendment required that every grantee, contractor, or person or entity receiving financial assistance under the title or predecessor authority under the Economic Opportunity Act which files with the Corporation a timely application for refunding be provided interim funding necessary to maintain its current level of activities until (1) the application has been approved and funds pursuant thereto received or (2) application has been denied in accordance with the due process procedures of section 1011. The House bill contained no comparable provision. The House recedes.

The House bill required the Corporation to insure that all attorneys engaged in legal assistance supported under the Act (1) refrain from the "persistent incitement of litigation", (2) refrain from any other activity prohibited by the Canons of Ethics and Code of Professional Responsibility of the American Bar Association, and (3) refrain from personal representation for a private fee for a period of two years in any cases which were first presented to them while engaged in legal assistance activities supported by this Act. The Senate amendment contained no comparable provision. The Senate recedes with an amendment changing the 2-year prohibition to an absolute prohibition against legal services attorneys providing personal representation, for a private fee, in any cases in which they were involved while engaged in legal assistance activities.

Both the House bill and the Senate amendment prohibited funds to be used by grant or contract for the provision of legal assistance with respect to a criminal proceeding.

The conferees understand "criminal proceedings" to refer to proceedings brought by the Government of the United States or any of the States. It is not the intent of the conferees to prohibit representation of Indians charged with misdemeanor offenses in tribal courts, as distinct from criminal charges in Federal or State courts. Due to the unique legal problems encountered by Indians on reservations, this provision should not be construed to limit representation of Indian clients in tribal courts such as is now being provided in certain legal services programs on Indian reservations.

The House bill extended this prohibition to (1) fee-generating cases (except in accordance with guidelines promulgated by the Corporation) and (2) the provision of legal assistance in civil actions to persons who have been convicted of a criminal charge where the civil action arises out of alleged acts or failures to act connected with the criminal conviction and such action is brought against an officer of the court or against a law enforcement official. The Senate amendment contained no comparable provision. The Senate recedes with an amendment prohibiting the use of Corporation funds to provide legal assistance in civil actions to persons who have been convicted of a criminal charge where the civil action arises out of alleged acts or failures to act for the purpose of challenging the validity of the criminal charge.

The guidelines that the Corporation issues with regard to fee-generating cases should insure that staff attorneys do not unnecessarily compete with private attorneys while at the same time guaranteeing that eligible clients are able to obtain adequate legal assistance in all cases. Generally the private bar is eager to accept contingent fee cases (negligence cases or workmen's compensation cases); however, there may be instances in which no private attorney will be willing to represent such an individual either because the recovery of a fee is unlikely or the fee is too small or there is some other reason for which the private bar will not accept the case. The Corporation must be able to provide guidelines so that eligible clients will be able to obtain legal assistance in all appropriate cases whether fee-generating or not.

The House bill prohibited the Corporation from making grants to or contracts with any "private law firm" which expends more than 50% of its resources and time litigating issues either in the broad interests of a majority of the public or in the collective interests of the poor, or both. The Senate amendment prohibited grants to or contracts with any "public interest law firm" which expends 50% or more of its resources and time litigating issues in the broad interests of a majority of the public. The Senate recedes with an amendment striking from the House language "or in the collective interests of the poor, or both".

The House bill prohibited the Corporation from supporting or conducting training programs for the advocacy of any particular public policies or which encourage political activities, labor or antilabor activities, boycotts, picketing, strikes and demonstrations, except that this provision shall not be construed to prohibit the training of attorneys necessary to prepare them to provide legal assistance to eligible clients. The Senate amendment had a similar provision with the following exception: the word "illegal" is inserted before "boycotts, picketing, strikes, or demonstrations" and "encouraging" or "encourage can not be construed to include the provision of legal advice and representation by an attorney as an attorney for any eligible client with respect to such client's legal rights and responsibilities. The Senate recedes with an amendment clarifying the House exception especially with regard to training of attorneys and paralegal personnel.

The House bill prohibited the Corporation from providing funds to organize, to assist to organize or to encourage to organize or to plan for the creation or formation or structuring of any organizations except for the provision of appropriate legal assistance as in accordance with guidelines promulgated by the Corporation. The Senate amendment contained a similar provision with the substitution of the following exception: except for the provision of legal advice and representation by an attorney as an attorney for any eligible client with respect to such client's legal rights and responsibilities. The Senate recedes with an amendment striking out "appropriate" and inserting "to eligible clients" with respect to legal assistance. The conferees intend that guidelines promulgated by the Corporation would be consistent with attorney's professional responsibilities.

The House bill prohibited the Corporation from providing funds to provide legal assistance to any person under 18 years of age without the written request of one of such person's parents or guardians or any court of competent jurisdiction except in child abuse cases, custody proceedings, and PINS proceedings. The Senate amendment prohibited providing legal assistance to any unemancipated person of less than 18 years of age except with the (1) written request of one of such person's parents or guardians, (2) upon the request of a court of competent jurisdiction, (3) in child abuse cases, custody proceedings. PINS proceedings, or cases involving the initiation, continuation, or conditions of institutionalization, (4) where such assistance is necessary for the protection of such persons for securing or preventing the loss of benefits or services to which the person is legally entitled, (5) in other cases pursuant to criteria which the Board shall prescribe for these persons. The House recedes with an amendment deleting the fifth category and amending the fourth category to include the "imposition of services" and by adding at the end "in cases not involving the child's parent or guardian as a defendant or respondent".

The House bill prohibited the Corporation from providing funds to provide legal assistance with respect to any proceeding or litigation relating to desegregation of any school or school system. The Senate amendment contained no comparable provision. The Senate recedes with an amendment inserting "elementary or secondary" before school or school system.

The House bill and the Senate amendment prohibited the use of Corporation funds with respect to any proceeding or litigation which seeks to procure or compel the performance of an abortion contrary to individual or institutional religious or moral beliefs. The House bill described an abortion as a "nontherapeutic" abortion. In the Senate amendment the description is "an abortion, unless the same be necessary to save the life of the mother". The Senate recedes.

The House bill prohibited the use of corporate funds to provide assistance with respect to any proceeding or litigation relating to the desegregation of any institution of higher education. The Senate amendment contained no comparable provision. The House recedes.

The House bill required that two-thirds of the governing body of a recipient be lawyers who are members of the bar of a State in which assistance is to be provided. The Senate amendment required a majority of the Board to be lawyers of such a State. The Senate recedes with an amendment requiring that the governing Board be at least 60% lawyers.

The House bill allowed a waiver of the above requirement pursuant to regulations issued by the Corporation for recipients which serve a population unable to meet this requirement. The Senate amendment provided a mandatory waiver for programs currently supported under the Economic Opportunity Act which do not meet this requirement on the date of enactment, and a discretionary waiver for cause shown. The conference agreement combines both provisions.

The Senate amendment required the governing board of recipients to include an appropriate number of eligible clients. The House bill contained no comparable provision. The House recedes with an amendment requiring at least one individual eligible to be a client be on the governing board.

The House bill provided that lawyers shall not, while serving on a governing body, receive compensation from a recipient or the Corporation from any other source. The Senate amendment provided that members of the governing body shall not, while serving on such body, receive compensation from a recipient. The House recedes. It is the intent of the conferees that compensation does not include reimbursement of reasonable expenses.

The House bill and the Senate amendment required the Corporation to monitor and evaluate programs supported under the title to insure that the bylaws and guidelines of the title are carried out. The Senate amendment required the Corporation to provide for independent evaluations of programs supported under the title to insure that bylaws and regulations are carried out. The House recedes.

The House bill authorized the president of the Corporation to enter into contracts and make grants in the name of the Corporation and required the Board to review and approve any grant or contract entered into with a State or local government prior to such approval by the president. The Senate amendment authorized the president to make grants and contracts pursuant to this title. The House recedes in view of the requirement that the Board make a special determination included in section 1006(a)(1)(A)(ii).

The House bill authorizes the Corporation to establish other classes of grants or contracts that must be reviewed prior to approval by the president. The Senate amendment contained no comparable provision. The House recedes.

The House bill required the Corporation to notify the Governor and the Bar Association of the State where legal assistance will be offered thirty days prior to the approval of the grant. The Senate amendment required comparable notification with respect to Corporation-run activities as well as grants or contracts and also required public announcement of all such activities. The House bill had no such requirements. The House recedes.

The House bill required the Corporation to conduct a study of alternative methods of delivery of legal assistance to eligible clients. The Senate amendment required the Corporation to provide for comprehensive, independent study of the existing staff attorney program under the Economic Opportunity Act and, through the use of appropriate demonstration projects, to study alternative and supplemental methods of delivery of legal services to eligible clients. The House recedes.

The House bill required the Corporation to report to the President and the Congress on or before June 30, 1974, and to make recommendations concerning improvements, changes, or alternative methods for, the delivery of legal assistance. The Senate amendment required the Corporation to report to the President and the Congress not later than two years after the first meeting of the Board, and specifically required the report to include a discussion of the economy and effectiveness of changes in the delivery of services. The House recedes.

Both the House bill and the Senate amendment authorized the Corporation to prescribe the keeping of records with respect to funds provided and insure access to such records at reasonable times for assuring compliance with the grant or contract. The Senate amendment specified that compliance may also be with respect to the terms and conditions upon which financial assistance was rendered. The House bill contained no comparable provision. The House recedes.

Both the House bill and the Senate amendment required evaluation reports to be maintained in the principal office of the Corporation for a period of 5 years and that such reports shall be available for inspection by the general public. The Senate amendment further required that copies of any reports filed with the Corporation shall also be submitted upon a timely basis to the grantee, contractor, or entity upon which the evaluation was performed. The House recedes.

The House bill required the Corporation to afford notice and opportunity for comment to all interested parties prior to issuing rules, regulations, and guidelines, and further required the Corporation to publish in the Federal Register on a timely basis all of its bylaws, rules, regulations, and guidelines. The Senate amendment contained a similar provision regarding notice but required publication in the Federal Register 30 days prior to the effective date of rules, regulations, guidelines, instructions, and application forms. The Senate recedes with an amendment requiring publication in the Federal Register 30 days prior to the effective date of such rules, regulations, guidelines, and instructions.

Both the House bill and the Senate amendment required annual audits of the Corporation. The House bill (1) required such audits to be conducted by independent certified public accountants who are authorized to conduct such audits in the jurisdiction in which the audit is undertaken, (2) provided access to the necessary records to conduct such audit, and (3) provided that the annual audit must be filed with the General Accounting Office. The Senate recedes.

The Senate amendment required the GAO to conduct an audit and such report shall be submitted to the Congress and the President. The House bill specified that the GAO may audit, and, if such audit is performed, such report shall be submitted to the Congress and the President. The Senate recedes with certain technical amendments.

Both the House bill and the Senate amendment provide that nothing in this subsection shall give either the Corporation or the Comptroller General access to any reports or records subject to the attorney-client privilege. The Senate amendment extended this prohibition to the records and reports section. The House bill contained no comparable provision. The House recedes.

The House bill authorized the appropriations of such sums as may be necessary to carry out the activities of the Corporation until dissolved (June 30, 1978). The Senate amendment authorized the appropriation of $71.5 million for F.Y. 1974, $90 million for F.Y. 1975, and $100 million for F.Y. 1976. The conference agreement authorizes the appropriation of $90 million for F.Y. 1975, $100 million for F.Y. 1976 and such sums as may be necessary for F.Y. 1977.

The House bill made the first appropriation available to the "Board" at any time after the six or more members have been appointed and qualified. The Senate amendment made the first appropriation available to the "Corporation" after six or more members have been appointed and qualified. The House recedes.

The Senate amendment provided that subsequent appropriations shall be available for not more than 2 fiscal years, and that any subsequent appropriation for more than 1 year shall be paid to the Corporation in annual installments at the beginning of each fiscal year. The House bill contained no comparable provision. The House recedes with perfecting amendments.

The House bill and the Senate amendment both required the Corporation and recipients to account for, separately, any non-Federal funds.

The House bill prohibited the expenditure by recipients of such non-Federal funds for a purpose prohibited by the title but also provided that this provision shall not be construed to make it impossible to contract with or make other arrangements with private attorneys or private law firms, or with legal aid societies which have separate public defender programs. The Senate amendment contained no comparable provision. The conference agreement provides that funds received by any recipient from a source other than the Corporation for the provision of legal assistance shall not be expended by such recipients for any purpose prohibited by the title, except that this provision shall not be construed in such a manner as to prevent recipients from receiving other public funds or tribal funds (including foundation funds benefiting Indians or Indian tribes) and expending them in accordance with the purposes for which they are provided, or to prevent contracting or making other arrangemments with private attorneys, private law firms, or other State or local entities of attorneys, or with legal aid societies having separate public defender programs, for the provision of legal assistance to eligible clients under the title.

The House bill provided that effective on the date of enactment the Secretary of HEW shall take such actions as he deems necessary including the provision of financial assistance to (1) assist the Corporation in preparing its initial undertaking, and (2) to assist recipients in the provision of legal assistance until 90 days after the date of the first meeting of the Board of Directors.

The Senate amendment provided that the Director of the Office of Economic Opportunity shall take such action as necessary, in cooperation with the president of the Corporation, to arrange for orderly continuation of legal services programs assisted pursuant to the Economic Opportunity Act, and that the Director of the Office of Economic Opportunity shall assure that any grant or contract that will extend beyond 6 months after the date of enactment of the Act shall include a provision to assure that obligations to provide financial assistance may be assumed by the Corporation. The conference agreement combines both provisions.

The Senate amendment specified procedural requirements to insure that (1) financial assistance not be suspended unless the recipient has been given reasonable notice and opportunity to show cause why such action should not be taken, and (2) financial assistance shall not be terminated or an application for refunding shall not be denied and a suspension of assistance shall not con-

tinue longer than 30 days, unless the recipient has been afforded reasonable notice and opportunity for a timely, full, and fair hearing. The House bill provisions relating to porcedural requirements are discussed above. The House recedes.

The Senate amendment provided that the President may direct that particular support functions of the Federal Government, such as GSA, FTS, and other similar facilities, be utilized by the Corporation and its recipients. The House bill contained no comparable provision. The conference agreement allows the President at his discretion to make available support functions of the Federal Government to the Corporation for it to use to carry out the purposes of the title.

The Senate amendment contained a severability clause as to the invalidity of any provisions or any applications of this Act. The House bill contained no comparable provisions. The Senate recedes. The conferees understand that such a provision has been rendered superflous by court decisions.

The House bill authorized the appropriation of such sums as may be necessary for transitional purposes during fiscal year 1974. The Senate amendment contained no comparable provision. The Senate recedes with a conforming amendment.

The Senate amendment added a new section to title VI of the Economic Opportunity Act providing that no authority in the Economic Opportunity Act shall be construed to affect the power of the Corporation unless such authority specifically refers to the Corporation. The House bill contained no comparable provision. The House recedes.

The Senate amendment amended the title of the House-passed bill to reflect the fact that the Senate amendment is an amendment to the Economic Opportunity Act. The House recedes.

(End of Joint Explanatory Statement)

ADDENDUM EXPLAINING EFFECT OF HOUSE AND SENATE ACTION ON BACK-UP CENTERS

The House bill authorized the Corporation to undertake directly (not by grant or contract) research, training, and technical assistance, and clearinghouse activities. The Senate amendment allowed a similar list of activities to be carried on either directly or by grant or contract. The Senate recedes.

The research, training and technical assistance, and information clearinghouse functions authorized by this provision are of utmost importance for the continuation of high quality legal services. Such functions include clinical legal education and training in the area of paraprofessional personnel, as well as similar activities designed to harness resources of legal education and the organized bar to improve the quality and effectiveness of the provision of legal services to the poor and to ensure opportunities for minority and poor persons to engage in legal services programs and in the legal profession and related professional and paraprofessional work.

Mr. ABOUREZK. Mr. President, 3 years ago, President Nixon proposed the establishment of a Legal Services Corporation. In making this proposal, the President stated:

The crux of the [Legal Services] program . . . remains in the neighborhood law office. Here each day the old, the unemployed, the underprivileged, and the largely forgotten people of our nation may seek help. Perhaps it is an eviction, a marital conflict, repossession of a car, of misunderstanding over a welfare check—each problem may have a legal solution. These are small claims in the nation's eye, but they loom large in the hearts and lives of poor Americans.

For the past 3 years, the Congress has worked hard to prepare a bill that would provide legal services to the poor, thereby providing legal remedies for the types of problems mentioned by the President. In 1971, Congress passed a bill that would have established a Legal Services Corporation, but that bill was vetoed because the President wanted to retain the right to appoint the Corporation's board members. Now a new bill is before us that accedes to the President's wishes and that establishes a program along the lines that the President proposed.

This bill, therefore, represents a substantial compromise. It assures that first-rate quality legal services will be provided to the poor and it assures that the President can appoint members of the Corporation's board. The bill also represents a substantial compromise by the Senate to a far more restrictive bill passed by the House. Despite these compromises, and maybe because of them, we now have a bill that can and should be supported by everyone.

The most recent compromise on the back-up services of the program indicates how flexible the Senate has been in trying to reach an accommodation on this bill with the President and others. Under this compromise, clearinghouse of information, training, technical assistance and research services will now be undertaken by the Corporation. This is a change from the present system of providing such services through university-based centers. This compromise, however, does not alter in any way the provision of legal assistance. Legal services offices serving local, State and national clienteles—whether such offices were established for general representation or established for specialized representation on complex matters—will continue to provide high-quality legal services. Thus, the compromise has satisfied the President while it has permitted the Corporation to establish an effective legal services program.

Bar association leaders from around the country have strongly supported this bill. Editorials in most of the Nation's major newspapers have been solidly in favor of the bill's passage. Local officials—such as Governors, mayors, and county representatives—have heartily endorsed the bill. Indeed, half the Governors in the country—including the Governor from my State of South Dakota—have signed telegrams urging us to pass the bill currently before us. Clearly, then, this program has the support of responsible public officials and the general citizenry throughout the country.

I urge all my colleagues to pass this bill and I am hopeful that the President will quickly sign it. In these days of common concern about the quality of justice in America, we must make sure that no one is excluded from our judicial process solely as a result of inadequate funds. The establishment of the Legal Services Corporation as set forth in our bill will demonstrate, once again, that our system of justice remains vibrant and strong.

Mr. CRANSTON. Mr. President, I rise in opposition to the totally unjustifiable HELM's amendments and in support of the bill establishing the Legal Services Corporation since that bill will help to assure that justice in our country is not based on a person's financial resources. This bill will asure poor people that they, too, have access to equal justice under the law. Thus, this bill is of extraordinary importance.

Insofar as the task of the conferees was to establish a high-quality program while assuring that potential program abuses are eliminated, it is important that we carefully consider the bill's provisions. In so doing, it will become apparent that the compromises that were reached under this bill were carefully considered and carefully crafted. There was a delicate balance worked out by the conferees with careful consideration of different views and approaches, but this balance should produce a very workable set of mandates and constraints.

Pursuant to the President's request, we have established the Corporation so that the President can select its Board of Directors. This provision marks a major concession that we have made to the administration. However, in selecting Corporation Board Members for our approval, we expect that the President will select eminent persons of distinction and leadership from the organized bar and persons with a background in legal aid work, as well as members of the legal services, client, and minority communities. This would provide the Corporation with the esteem experience, and responsiveness that it deserves.

We have agreed to a provision proposed by the President—providing for State advisory councils. These councils' sole responsibility will be to notify the Corporation of any apparent violations of the Corporation's statutory provisions. Although these State advisory councils will have no adjudication responsibilities when apparent violations are detected, their notification responsibilities will be of substantial service to the Corporation. Any meetings of the State advisory councils and any other advisory councils are required to be open to the general public, and our bill assures that all proceedings which follow a State advisory council's notifications will be carried out in a way that fully protects recipients' and employees' due process rights.

In discussing these State advisory councils, it is appropriate to mention that even though we did not require that a national advisory council be established, all of us recognized that such a council would be most valuable to the continued functioning of the Corporation and should be continued as in the past. The corporation has full authority to do so.

The Corporation and its personnel will not be controlled by Federal officers and employees but, instead, will be an independent entity. This is the critical reason for establishing the Corporation and, in so doing, we are assuring that the program will be fully and properly insulated from political pressures. To make this point clear, our bill guarantees that "officers and employees of the Corporation shall not be considered officers and em-

ployees, and the Corporation shall not be considered a department, agency, or instrumentality, of the Federal Government." In the same way, neither the Civil Service Commission nor the Office of Management and Budget will retain any control over Corporation personnel or position allocations.

Under the bill we have before us today, legal assistance programs throughout the country will continue to be funded to carry out the legal services effort for the poor. Among the recipients that can be funded through the Corporation are individuals, partnerships, firms, corporations, and nonprofit organizations. In addition, but under only the most extraordinary circumstances, State and local governments can be utilized to arrange for legal services programs. Funding through State and local governments is permissible only if no other class of recipient is reasonably available since such governmental entities are, by their very nature, political and our aim is to take this program out of politics.

Moreover, much of the work of legal services offices requires them to be advocates for their poverty clients with respect to State and local government programs, thus raising a serious conflict-of-interest problem where those governments are concerned. Thus, a special finding must be made by the Corporation's Board that no direct recipient could competently do the legal services work in a particular area before a legal services program can be funded through a State or local governmental entity. In essence, the conferees believe that the current class of recipients, as funded under the program carried out within OEO, is the group that can best and thus should continue to provide quality legal services to the poor.

In order to study the best way of providing legal services for the poor, we have asked the Corporation to provide us with a report concerning various possible alternative methods of legal services delivery—such as staff attorney, judicare, vouchers, prepaid legal insurance and the like. This study should be submitted to us within 2 years after the Corporation's Board has its first meeting. Prior to the submission of this report, and prior to congressional action based on our examination of the report, it is expected that the current type of recipients will continue to be funded. A shift from the current type of legal services delivery programs is not contemplated prior to our action on the Corporation's report.

One change—which I deeply regret, as I said on the floor a week ago—has been made in the Conference report since its filing. That change transfers control of the backup functions—consisting of reesearch, training, technical assistance, and clearinghouse of information relating directly to the delivery of legal assistance—from university-based centers to the Corporation. Thus, while these backup service functions are fully authorized and expected to continue, they will be handled through the Corporation and not run by outside grantees or contractees. It is absolutely preposterous to delete authority to undertake these vital functions, as is proposed by the HELMS' amendment.

This compromise passed by the House should not prevent the legal services offices from providing excellent legal services on a statewide or other geographical basis to the poor throughout the Nation. Of course no transfer to the Corporation of direct legal assistance activities for eligible clients is contemplated by this compromise since the Corporation, pursuant to section 1006(c)(1) in the bill, is not permitted to litigate in behalf of clients—other than for itself. Legal assistance activities will continue to be handled by legal services offices established to provide services directly to clients.

The Corporation is expected to continue the backup services without interruption. Until the Corporation is ready to assume these functions, which—because of difficulties in analyzing existing resources, formulating plans, selecting, hiring, and training qualified personnel and consultants and starting up operations—should take at least several months after the Corporation takes over the legal services program, it is expected that the backup work of the current centers will continue under section 3 of the bill. But, when the Corporation is ready to perform these services, they will be undertaken by the Corporation. Of course, in so doing, the Corporation will have the flexibility to perform these complicated services in the manner most appropriate to the needs they fill. For example, the Corporation will have to decide how much of these functions should be centralized in Washington and how much operated through Corporation offices in different locations around the country.

It is truly unfortunate that the Congress was forced into precluding the Corporation from making new grants or contracts to continue the outstanding work performed by the backup centers in the various areas of poverty law insofar as they were providing research, training, clearinghouse functions, and other technical assistance to help the local poverty lawyers in litigating complex cases. It is difficult to see how the Corporation will be able to attract the kind of full-time expert staff necessary to provide model briefs, caselaw training, case analyses and reports, interpretive summaries of frequently litigated regulations and laws, and other technical aids relating to the conduct of litigation which backup centers have provided, because the Corporation itself is prohibited from directly engaging in litigation. Thus, the Corporation will either have to give its recipients the additional resources necessary to obtain these services; or it will have to procure them for itself and then provide the product to legal assistance offices as part of its in-house efforts to provide the research, training and technical assistance, and clearinghouse functions relating directly to the various areas of poverty litigation now provided by the litigating backup centers, but which section 1006(a)(3) would transfer to Corporation control once existing grants and contracts expire.

Of course, the Corporation would not have this problem with regard to acquiring the necessary expertise in such management areas as project director training, board training, planning procedures, office supervision, office paperwork control, ethical supervision, personnel practices, and other assistance in techniques of management and administration, because these are not concerned with the direct delivery of legal assistance by the litigating lawyers within the meaning and intent of section 1006(a)(3). The Corporation can thus make new grants or contracts to continue these services in carrying out the purposes and provisions of the act.

The conference bill places several restrictions and safeguards on the activities of legal services attorneys. As set forth specifically in the legislation, limitations would be placed on attorneys in programs receiving grants from the Corporation with regard to initiating certain cases. Of course, these limitations are not intended to interfere with such attorneys' continuing responsibilities on suits already in progress.

Before class actions, class appeals and class action amicus curiae proceedings are brought, legal services attorneys will need to obtain the approval of their local project staff directors. In addition, recipients will have to develop guidelines for review within the program of appeals by program attorneys or decisions not to appeal adverse decision, so as to give them the benefit of reviewing their appeal decisions with other knowledgeable attorneys. These provisions were not intended to interfere with the attorney-client relationship.

On these vital matters, Mr. President, the Corporation is not permitted, in any way, to interfere in the decisionmaking process as to whether actions should be pursued These provisions were designed merely to encourage recipients and their attorneys to consider the most efficient and effective ways of representing their client communities and of utilizing their legal resources, including the taking of appeals where appropriate to settle large numbers of similar cases at once. Indeed, since it appears that class action proceedings are frequently most efficient, it is expected that such actions will be actively encouraged in appropriate cases to prevent waste of limited resources which would result from duplicative or repetitive litigation. Of course—and I stress again—nothing in this bill sanctions any interference in the crucial attorney-client relationship. The bill is explicit on that in section 1006(b)(3).

The bill also insures that attorneys in the program will be prevented from persistently inciting litigation in an unethical manner. This requirement, however, is not intended to inhibit attorneys from fulfilling their responsibilities to their clients to initiate whatever litigation is in their clients' interests or from providing education as to legal rights and responsibilities as all lawyers are encouraged to do. The bill merely prevents that persistent incitement of litigation which

would be violative of the Canons of Ethics and the Code of Professional Responsibility.

The bill does not permit the filing of fee-generating cases "except in accordance with guidelines promulgated by the Corporation." Such guidelines should assure that poor people have complete access to the courts. Thus, if particular fee-generating cases are not accepted by private attorneys in the area, or if because of special circumstances such fee-generating cases can only be handled fairly and competently by legal services attorneys particularly equipped to protect local clients, such cases should be permitted by the Board to be handled by recipients and their attorneys. Moreover, the general constraints on accepting ordinary fee-generating cases do not, in any way, prohibit legal services attorneys from obtaining damages for their clients or from obtaining attorneys fees and costs awarded upon the discretion of the relevant court or pursuant to statutes designed to encourage suits or deter certain activity, in part by awarding such fees.

The bill prohibits legal services attorneys from filing cases on behalf of any unemancipated minor under 18 years of age. Four exceptions to this rule, however, are set forth in the bill: First, if the suit is filed pursuant to a written request of the child's parents or guardians; or second, if a request is made by a court of competent jurisdiction; or third, in child abuse cases, custody proceedings, PINS proceedings, or cases involving the initiation, continuation, or conditions of a child's institutionalization; or fourth, whenever it is necessary for the protection of the unemancipated minor in order to secure, or prevent the loss of, benefits, or to secure, or prevent the loss or imposition of, services under law in cases not involving the child's parent or guardian as a defendant or respondent.

Of these four exceptions, the last one requires the greatest amplification. In our creation of this exception, we intended to make sure that unemancipated minors would be able to legally protect themselves so that they can obtain all benefits and services that are available to them pursuant to constitutional, statutory, regulatory, and decisional law, whether such legal rights emanate from Federal, State or local sources. Unemancipated minors, therefore, will be enabled to protect their rights under the law. Only when litigation protecting minors' rights to services and benefits requires a lawsuit to be filed directly against minor's parents or guardians, then such suits cannot be handled by legal services attorneys. In this regard, it is important to note that when we referred to a "child's parent or guardian as a defendant or respondent," we only meant individual parents or guardians, not institutional ones acting as guardians like the State or some other entity or official thereof. Moreover, by referring to proceedings in which such individual parents or guardians are defendants or respondents, we meant only to preclude legal services offices from filing suits which, at the outset, are formally against unemancipated minor's parents and guardians. If such an individual guardian or parent under court rule or statute must later be joined as a party, or is brought into the case as a codefendant by the original defendant, that certainly would not bring the case within the prohibition and thus require the legal services attorney to withdraw. Nothing in this section, therefore, should be construed to eliminate a juvenile representation program as such. There is an enormous amount of juvenile representation to be done by the program.

With regard to who is eligible for legal assistance, it should be noted that the Corporation, after proper consultation with the Director of the Office of Management and Budget and the Governors of the various States, will establish indigency eligibility criteria. Once those standards are set, individuals who fulfill the Corporation's standards, and organizations substantially composed of such eligible individuals, will be fully entitled to legal representation. In devising the standards and methodology for applying those standards, the Corporation should be most concerned about insuring that a good relationship can immediately be established between the attorney and client. Therefore, simple, self-declaratory application forms should be utilized and the statement of the client should ordinarily be accepted by the recipient. Moreover, a mechanism should be established within each program so that a client can appeal any decision denying his eligibility for legal services.

Under the conference bill, legislative and administrative representation has been prohibited except when done in behalf of an eligible individual or group, and except when representations are made following a request by a legislator, a legislative committee, or an authoritative official of an agency or executive department, or some other governmental entity. These two exceptions to the rule are very important and I would like to explain them at this time.

Under the first exception, we tried to make sure that recipients and their employees will be unable to subvert this program so that it reflects merely their personal ideologies and goals. Therefore, legislative, administrative and executive representation is completely permissible as long as it is done in behalf of an individual or group client. Under this exception, those recipients and attorneys which generally represent an eligible group—such as an economic cooperative, or an impoverished senior citizens group, or a poor people's civic organization—may represent them before legislative and administrative bodies on issues that are of important consequence to such group.

In so doing, it should be clear that the attorney is permitted to provide the full complement of legal representation for his client, including testifying, drafting proposed legislation, commenting on proposed legislation and regulations, working with legislative committees, and the like. In short, representation for the client, and not for the attorney's pet causes, is what is permitted and encouraged by this bill. They may and should, of course, fully inform potential clients, and the groups they represent, about their legal rights, and the legal services available to them; if such persons or groups then request legal aid, then the attorneys may represent them before judicial, legislative, executive, and administrative bodies.

Under the second exception, representation and advocacy of positions are permitted if such representation and advocacy are made pursuant to a request by a legislative or administrative official.

Therefore, if an official or member of a legislative body requests that representations be made by a recipient, personnel of the recipient are fully authorized to advocate positions and make representations to the legislature. If an authoritative official of an administrative or executive agency requests that representations be made to the agency, then personnel of the relevant recipient can make such representations. If proposed regulations are published in the Federal Register and requests therein are made for comment on such proposed regulations, then recipients and their personnel will be permitted to comment. By setting forth the second exception to the general rule, therefore, it should be understood that we sought to keep the Legal Services program responsive to the informational needs of Government representatives and officials.

The conference bill also adopts the House provision that mandates recipients, when hiring staff attorneys, to grant a "preference to qualified persons" residing in the general area to be served. In applying this provision, it should be clear that preference is to be given only to persons who have been deemed to be qualified pursuant to standards established by the recipient. Thus, each recipient will establish the criteria by which it will determine who is most qualified for staff attorney positions. If, after the competence factors have been weighed as between prospective candidates for staff attorney positions, applicants are evenly qualified, the bill provides that a preference in hiring should be established for attorneys residing in the area to be served by the legal services program.

Under the bill, costs and fees may—in general conformity with State law, procedure, and court rules of general applicability—be collected against the Corporation by a victorious defendant who was unsuccessfully sued by a recipient—where the court makes an express finding that the action was commenced or pursued for the sole purpose—and I stress "sole purpose"—of harassing a defendant or that the recipient in representing a plaintiff maliciously abused legal process. Since such an expressed finding would entail a finding that the attorney violated the Canons of Ethics and the Code of Professional Responsibility, any such award of fees and costs to defendants should certainly be rare. When such a finding is made, however, the Corporation will be responsible

for paying the fees and costs, and such fees and costs are not to be taxed against recipients or their employees.

It is our hope that the fees and costs provisions will induce a responsible use of the court system in compliance with the canons and code. It should be noted in this context that, while the bill permits fees and costs to be taxed against the Corporation only under the specific instances set forth in section 1006(f), a recipient—as I mentioned earlier—is not restricted in any way by this bill from obtaining reasonable fees and costs if a successful legal action is brought by such a recipient. Under numerous legal decisions, fees and costs have been awarded to plaintiffs when they proceeded as "private attorneys general" and in other instances, and this bill does not prevent such fees and costs from being awarded to recipients upon the discretionary judgment of a court.

In order to make sure that the program improves the provision of legal services to the poor, we have made sure that adequate legal training programs are developed. Although such training efforts may not advocate for, or encourage the advocacy of, boycotts, strikes, picketing, demonstrations, and the like, the proper legal training, and the full discussion of legal issues and alternative remedies, is fully permissible. Moreover, such permissible training should also include development and conduct of legal education sessions for community groups living in, or serving, poor communities.

Under the bill, recipients will not be able to use nonpublic funds, granted for providing legal services, for purposes that are prohibited by the legislation. This means that private foundation funds may not be used by a recipient for legal assistance activities that we do not permit that same recipient to engage in with Corporation funds. Exceptions to this rule, however, should be noted. First, it should be made clear that the use of public funds are excluded from this prohibition in section 1010(c) of the bill. Second, funds that are provided for the provision of legal services to Indians, even where those funds come from private foundation sources, are not covered by that section's proscription. And, third, the section permits the contracting and making of other arrangements with private attorneys, law firms, legal aid societies, and the like for the provision of legal assistance.

No grants or contracts can be provided to any private law firm which expends 50 percent or more of its resources and time litigating in the broad interests of a majority of the public. This provision, of course, should not affect any current program grantees nor any other programs that were developed to litigate in behalf of the poor.

Finally, it is hoped that the Corporation will administer the National Legal Services program in an efficient and economical manner. For this reason, we have permitted the Corporation to utilize the services of the GSA and FTS and other Federal Government support functions. It is our strong desire that the use of these economical services will be extended where authorized, to recipients and other program components—especially FTS phone lines between the Corporation and its programs and among programs, so that the nationwide legal services effort operates with the utmost economical care.

In sum, this bill clearly reflects numerous compromises. Although I opposed many of the compromises, on the whole this bill fully merits our support. I, therefore, urge all of my colleagues to vote for the modified conference bill so that we can carry on the task of providing equal justice to the poor of our land.

Mr. President, I ask unanimous consent that there be printed in the RECORD a. the conclusion of my remarks some 50 editorials from major newspapers from around the country, all but one in support of the conference agreement.

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

(See exhibit 1.)

Mr. CRANSTON. In closing, Mr. President, I want to express again my admiration for the most effective work on this legislation by the principal sponsors in this body, the distinguished subcommittee chairman (Mr. NELSON), the Senators from New York (Mr. JAVITS) and Ohio (Mr. TAFT), and my colleagues throughout this fight for acceptable legislation for the last 3½ years, Senators MONDALE and KENNEDY.

Mr. President, as we consider this legislation and prepare to send it to the President for his promised signature, it is most appropriate that we note with genuine sorrow the firing as the Director of the Office of Economic Opportunity of Alvin J. Arnett. Had it not been for the extremely courageous and effective leadership of Al Arnett and his principal aides, the Legal Services program would not be in the decent condition we now find so that an effective transition to a Legal Services Corporation is now possible.

Mr. President, it seems particularly tragic that effective leadership for the poverty program should have to be sacrificed to those who have always stanchly opposed the program and wished to dismantle it at a time when we are attempting to provide a statutory mechanism to insure equal justice for the poor under law. The poor and the near-poor in our Nation—tens of millions of individuals—owe a great debt of gratitude and high regard to Alvin Arnett for what he has done during the last year at OEO. I personally respect his performance and recognize that in many respects his contributions to the poverty program have been as significant as those of any OEO Director, despite his short tenure in office.

EXHIBIT 1

[From the Fresno (Calif.) Bee, May 15, 1974]

LEGAL SERVICES BILL IS FAIR COMPROMISE ON AID TO POOR

After a long and tortured legislative journey from the floor of the House of Representatives, where it was mangled last year, the legal services bill, approved by the Senate earlier this session, has cleared the House-Senate Conference Committee.

Those who wanted a strong, independent legal services corporation to furnish legal aid to the poor may be disappointed by the House-Senate compromise.

It is not a perfect bill but it is an acceptable one. Moreover, it represents an honest effort by the House and Senate to work out legislation which would satisfy the legal representation needs of the poor and also assure the President would retain some control over a program which has been highly controversial in the past.

First, the bill would take the legal services for the poor out of the crumbling Office of Economic Opportunity and create a new public corporation, under 11 directors, all appointed by the President and subject to confirmation by the Senate. This would give the program a new life.

Second, the compromise measure would retain the back-up centers for legal research—a vital resource system for the program. Research on certain aspects of poverty law, such as landlord-tenant relationships, would continue.

Third, the bill's chief backers, Sens. Jacob K. Javits, R–NY, and Alan Cranston, D–Calif., predict the President will sign it.

The compromise presents supporters of a strong legal services corporation with a choice between an imperfect measure or letting the program die with the remainder of the dismantled poverty program.

Congress should approve the compromise and the President should sign it. To do so would uphold the President's standing commitment to legal services for the poor and his often-made declarations supporting the rule of law and equal justice for all Americans.

[From KABC–TV, Los Angeles, Calif., June 17, 1974]

H.R. 7824: LEGAL SERVICE FOR THE POOR

American taxpayers spent nearly $400,000 last year to defend White House staff members on Watergate-related charges.

At the same time, the Office of Economic Opportunity's legal service program handled an estimated one and a half million cases at an average cost of $50 each. They were civil actions involving poor people who couldn't afford their own attorneys. Program guidelines forbid taking on criminal cases.

Funding for O.E.O. ends this month . . . but a proposal has been made to set up an independent National Legal Services Corporation. The measure, HR 7824, has been approved by the House and is now in the Senate where passage appears probable. However, Governor Reagan, who opposes government legal service for the poor, has wired President Nixon urging veto of the measure.

California Senator Alan Cranston said that the O.E.O. legal services program has helped the poor gain "full participation in our society".

We think the service should be continued. If you agree, we suggest you wire the President asking his support for HR 7824.

I'm John Severino. We'd appreciate your comments.

[From the Los Angeles Times, May 26, 1974]

"THOU SHALT NOTS" FOR THE POOR

The House of Representatives has now passed compromise legislation to establish a federal legal services corporation, and the Senate is expected to follow suit this week. Only the President's signature will then be needed to realize this three-year effort to help the nation's poor.

It is a good thing, making permanent one of the most useful and innovative elements of President Johnson's antipoverty program.

There would be more cause for celebration if the House had not exacted such a high price for compromise with the Senate when the joint conference committee put rival legislation together. The result is such that we are tempted to say that it is better than nothing, and leave it at that.

For it is a grudging extension of legal services to the poor, filled with suspicion, reservation, restriction. A man we know in

poverty law work called our attention to the fact that, apart from the introduction, it is largely a recitation of "thou shalt nots."

It prohibits use of the corporation's funds, for example, in cases involving school segregation, abortion and Selective Service problems. And those who work in the poverty law program are circumscribed by regulations that render them political and civic neuters, on and off the job, with rules that go unreasonably beyond the usual legal restraints on political activity by federal workers.

But at least the program has been kept alive, made permanent, and provided with increased federal support. The bill provides $90 million for next year, $100 million for the following year, compared with the present funding level of $71.5 million. And the Senate conferees won out over the House in preserving federal support for back-up centers that provide the poverty law program with research, support and assistance in a variety of specialists, including laws affecting welfare, education, housing, juveniles, employment, health and senior citizens.

The House vote on May 16 was 227 to 143. The Senate vote, scheduled for Wednesday, is expected to be even more favorable. It will then be for the President to sign the legislation, which seems to meet all of the basic requirements he had set forth in giving his support in the first place.

For all its defects, the legislation stands as a reaffirmation of the national commitment to assure each citizen equal access to justice.

[From the Denver Post, June 7, 1974]

POOR NEED LEGAL SERVICES

A bill in Congress to set up an independent corporation to administer legal services for the poor may be in jeopardy when it reaches the desk of President Nixon.

The President reportedly is considering vetoing the bill because it is too restrictive on the activities of legal services lawyers and because of pressure by some conservative members of Congress.

The legal services bill isn't what it should be, but it is better than no bill, which would mean no legal services system for the poor unless some type of similar program still under the federal bureaucracy were set up.

In the past the legal services program was funded through the Office of Economic Opportunity (OEO), but that funding will cease June 30 as the OEO program is dissolved.

The bill now in Congress first appeared in 1971 when the President proposed consolidating the various types of poverty-law programs into one. He vetoed the legislation that resulted because the President was denied the complete discretion to nominate the corporation's board.

In 1972, Congress proposed the legislation but it died in a conference committee. In May 1973 Nixon again proposed his version, which was adopted by the House after the addition of a number of severe restrictions on attorney activity. The Senate adopted a modified version of the bill, and the effort has now been approved by a conference committee and re-approved by the House. It is awaiting a final Senate vote.

The bill now prohibits legal services lawyers from engaging in litigation about school desegregation, nontherapeutic abortion, the draft, desertion and amnesty, class actions and cases that generate fees. It also prohibits political activity by attorneys and opens the door to the termination of legal services back-up centers, which are resources for litigation in specialized types of cases.

If the bill were to be vetoed by Nixon, the damage to Colorado legal services program would be widely felt. For instance, the Arapahoe County program is entirely funded through OEO, and almost 47 per cent of the funding for Metropolitan Denver Legal Aid Society comes from that source. In addition, in Denver more than half of its funding already is jeopardized with the ending of the Model City program.

A veto at this point would place the burden of legal representation for the poor back on the state courts, a task they aren't economically ready to handle.

On the other hand, the signing of the bill into law will at least continue the program and allow future Congresses to decide if the restrictions against activities by attorneys are in the best interest. The bill should become law.

[From the Rocky Mountain News, June 18, 1974]

A GOOD PROGRAM

Neighborhood legal services for the poor will dry up soon unless Congress approves and President Nixon signs new legislation keeping the program alive.

A bill creating a new legal services corporation is under strong attack by conservatives, who say poverty lawyers spend too much time agitating for political and social reforms.

In fact, such lawyers spend most of their time handling divorce, child custody and housing dispute cases for people who have no other access to legal aid.

This has been one of the more successful antipoverty programs at providing practical help where help is needed.

Yet the program will expire unless new legislation, setting up an 11-member operating board, is approved by the end of the month.

The fear now is that Nixon will veto the legal services bill (which he once supported) in an effort to woo conservative support for his upcoming impeachment battle.

[From The Morning Record, Meriden (Conn.) June 7, 1974]

NO VETO ON LEGAL SERVICES, MR. PRESIDENT

Providing adequate legal services for the needy, long a subject of discussion, is still only an objective rather than an accomplishment after years of discussion and debate. Now, however, a carefully prepared program to this end is available, only to face loss by veto by President Nixon.

The proposed measure (H.R. 7824) provides for a federally funded nonprofit corporation which would succeed the Legal Services Program of the Office of Economic Opportunity. As a compromise measure, H.R. 7824 has the support of the House-Senate Conference Committee and the approval of the conservative American Bar Association which also recommends presidential approval.

Supporters of the measure believe, however, that President Nixon, distracted by Watergate and faced with the possibility of impeachment, may be preparing to veto the bill, perhaps as a concession to a handful of hard core conservatives in the Congress.

A veto of H.R. 7824 would be unfortunate and unfair. No individual should be denied justice for lack of ability to pay a lawyer to prosecute his claim or prepare his defense. This principle has long been recognized in criminal courts where persons accused of crime have access to public defenders. The same concept applies to parties to a civil action if they are unable to pay for legal services. Any provisions for public legal assistance must have appropriate restraints, of course; just such regulations are set forth in H.R. 7824.

In view of the care which has gone into the framing of this measure, and in view of the injustices which it would help to relieve, the measure deserves speedy passage. Persons interested in equal justice before the law could appropriately communicate their concern to the President, urging his approval of H.R. 7824.

How ironical it would be if a President, who is drawing heavily upon Federal funds to pay lawyers in his own defense, were to deny federally funded legal aid to his fellow countrymen who need help.

GUARANTEE OF EQUAL JUSTICE

Legislation to continue the provision of legal services to the poor is in its final stages of passage. The Senate-House conference committee report was accepted by the House of Representatives Thursday by a reassuring vote of 227-143.

The bill had been one of the most bitterly debated measures in the 93rd Congress, precipitating a six week debate in the Senate that was prolonged by a Southern filibuster.

The passage of the bill by the Senate, expected next week, will remove the threat that legal service facilities, such as Legacy, Inc., and TWLAP in Eastern Connecticut, will have to go out of business. These agencies were formerly funded by the ill-fated federal antipoverty program.

The opposition to the legal services programs was symptomatic of a frightening attitude toward the poor. Amendments that were offered to restrict the activities of the legal service agencies seemed to be motivated by an intense desire to deprive a single economic class of the justice that is readily available to other classes of citizens, both individuals and corporations.

They ignore the basic fact that a system of justice offers no justice at all if it gives an unfair advantage to one class of citizens over another. This principle has been recognized consistently by the United States Supreme Court in decisions that have guaranteed representation to the poor in criminal cases. It applies equally in civil litigation, the service whose continuance is at stake in the Legal Services Bill.

Most alarming were the claims of opponents that the government should not assist the poor in actions against state and federal laws.

Somehow, these opponents lose sight of the fact that our entire system of justice is designed to protect the average citizen against the arbitrary actions of government. Without the courts to provide due process of law, any democratic system would quickly collapse into autocracy.

Recognizing this basic principle, the American Bar Association and state associations have been among the most staunch advocates of the legal service program.

Contrasted with their support, however, have been statements of opposition like the one offered by Senator Russell B. Long of Louisiana, who contended that "no one but an idiot would hire a lawyer to sue himself."

Long's error, obvious to a school child, is that the government is not an entity unto itself, but simply an extension of the people, elected to execute the will of the people. Thus, the provision of legal services for the poor is rather a case of the people hiring a lawyer to sue for protection against governmental abuse.

The poor, it is generally acknowledged, also are numbered among the people, despite their financial incapacity. They are, in fact, as much a part of government as is Senator Long.

In fact, most of the services offered to the poor are not against government. They are the routine legal affairs that are common to the lives of all citizens, questions of property rights, wills, estates, divorce, custody, credit and consumer rights. Without such legal service, the poor, victimized by the more fortunate, inevitably become poorer. It is thus a matter of mutual benefit to all that these services be provided.

The bill that is so close to passage is actually a significant improvement in the provision of these services. Once it has been enacted and signed, the nation will have a permanent mechanism for the provision of legal services for the poor, a system that will be

independent of funding of other social service programs, and protected from the changes in the political temper of the Congress.

It is a true demonstration of an American determination that the benefits of democracy belong to all as a matter of right, rather than of charity.

[From the Norwich (Conn.) Bulletin, June 19, 1974]

VICTIMIZING THE POOR

There is no longer any doubt that the issues of Watergate and impeachment will have a serious effect on the conduct of government until such time as both are resolved.

It will not be a consequence of inactivity on the part of a Watergate distracted Congress. The blame will belong solely to an Administration that is playing impeachment politics, a term that has been used by even the most conservative of national columnists.

Three bills of tremendous importance seem to have fallen victim to this brand of political manipulation. Strangely, each of them had been listed by President Nixon as measures of outstanding importance. One, the Land Use Planning bill, has succumbed to the threat of Presidential veto. It was rejected last week. Another, the measure to impose federal controls on indiscriminate strip mining of coal, is expected to suffer the same fate—although it is a major link in our effort toward energy self-sufficiency.

It seems, at present, that the major casualty of impeachment politics will be the bill to set up an independent legal services corporation for the poor, the bill that would guarantee the continuation of such local legal service agencies as Legacy, Inc., which serves the poor in New London County.

This bill, like the others, may be sabotaged because it is opposed by a small conservative block in the U.S. Senate whose votes will be crucial in any impeachment trial of the President. It is acknowledged that President Nixon is assiduously courting the votes of such a bloc so that the Senate cannot muster the two-thirds vote necessary for conviction. It is akin to buying a jury—but, in the context of impeachment, such a strategy is perfectly legal, whatever it may lack in terms of morality.

The fate of the legal services bill is particularly ironic. The bill, which is now the product of a Senate-House conference committee, reflects the thinking of the Administration in almost every respect. It was tailored to be veto proof, even though a great many concessions had to be made in order to bring it to that state. It is still anathema however, to the die hard bloc of conservatives who find it offensive that the poor should be able to enjoy, free of charge, the same quality of legal service as those who are self-sufficient.

It is that question of equality of services that is likely to sabotage the conference committee bill. For the bill provides for the use of poverty law research centers, groups of legally informed people who do the law research that hard pressed poverty lawyers do not have the time or the facilities to perform.

The case of Legacy illustrates the need for such centers. In New London county, a staff of six lawyers is forced to handle over 2,000 cases per year, approximately 350 cases per attorney. It is a staggering load that does not permit for the extensive research into the niceties of the law that are essential to the successful conduct of a case. At present, these lawyers may contact a poverty law research center for help. Such research often makes the crucial difference in the provision of sound legal service for a client.

The conservatives view such research centers as beehives of social activists. In fact, they provide a basic and ordinary function of the legal profession. The bill, as reported by the conference committee, so restricts the social activities of the legal service lawyers that social activism has become an unimportant point.

At present, the legal services for the poor are hanging by the thread of interim financing, renewed periodically at the whim of Congress and a beleaguered President.

The victims however, will be those to whom such services are the only avenue to the American ideal of equal justice.

[From the Washington Post, July 8, 1974]

FINAL PRESSURES ON LEGAL SERVICES

After several years of debate, compromises and strategies, legislation creating an independent Legal Services Corporation is now in the final stages. A Senate-House conference committee has already issued its report, with the House approving it (227–143) and the Senate about to vote. The issue would appear to be fully resolved, now that the conference report has been worked out, and only Senate approval is needed. Yet, as if it were fated to be plagued by the same controversy that has hovered above Legal Services since its beginnings 10 years ago, there are still doubts that the bill will be signed into law.

Doubts exist about President Nixon's intentions. He has already vetoed Legal Services legislation once. Another time, both the Senate and the House passed legislation, but a conference committee, seeing the threat of a veto, allowed the bill to die. In the current effort, care has been taken to create a corporation that would include restrictive provisions the President insisted on, most notably giving the President power to appoint a board of directors and also allowing state governors to appoint advisory committees. A number of other restrictions have been written into the bill, such as one barring the corporation's lawyers from selective service, abortion and certain desegregation cases. These restrictions are unfortunate—depriving the poor of legal opportunities taken for granted by other citizens—but the concessions were made on the notion that it was better to have a Legal Services corporation with at least some powers than to have none at all.

But the situation is still tense. Congress appears ready to present Mr. Nixon with a bill much in line with Mr. Nixon's own thinking, yet the fear of a veto is widely felt. "Impeachment politics" has been mentioned as a cause of a possible veto; another potential cause is the President's long record of indifference to many of the needs and rights of the poor. Previously, it was Spiro Agnew, the former Vice President, and Howard Phillips, formerly of the Office of Economic Opportunity, who made blind attacks against Legal Services. With these opponents now departed from the scene, it is up to the President to decide whether or not to continue this style of opposition. If only ideological questions were involved, the threat of a veto might be understandable. But Congress has been diligent to report a bill that the President himself said he wanted.

Regrettably, much of the debate on Legal Services has overlooked both the generally excellent record of the program and the many benefits it has provided to the poor. If the times were different, we would have a Congress and a President avid to expand the breadth of a program like this, not restrict it. But for now, the struggle is to keep Legal Services alive at least in some form.

[From the Atlanta Constitution, June 3, 1974]

LAWYERS FOR THE POOR

One of the lasting important legacies of the social activism of the 1960s was the strong feeling that the poor receive fair legal representation.

Such legal support was offered many disadvantaged citizens through poverty programs, programs funded by federal money and reaching poor people who had never really had adequate legal help.

For the past three years, a debate has continued in the U.S. Congress and with the Nixon administration on the proper form of a Legal Services Corporation to administer the legal services program previously part of the Office of Economic Opportunity. After considerable controversy, both House and Senate have at last agreed on the terms of setting up such a Legal Services Corporation.

The form is close to that recommended by President Nixon, though there are some changes and some suggestion that the President might consider vetoing the legislation altogether. It is important legislation, significant legislation. The President should sign the bill.

[From the Honolulu Advertiser, May 14, 1974]

LEGAL AID FOR POOR

The legal services bill which has emerged from a House-Senate conference committee is a reasonable compromise that merits enactment.

It would restructure into an independent nonprofit corporation the legal aid program which has operated under the Federal poverty office since 1966.

The Hawaii Legal Services Project, currently with 23 attorneys and six offices in the Islands, would be absorbed into the new corporation.

The aim is to provide legal protection and advice in civil cases. These include disputes over rent, welfare rights, custody, property, housing, divorce and debt.

Congress has battled over this subject for three years. Fortunately, significant restrictions voted in the House have been eliminated by the conference committee.

The compromise bill thus would continue to fund backup research centers at universities, which have contributed valuable assistance to the program here and elsewhere.

In addition, the bill would permit representation before legislative and administrative bodies—though the corporation's lawyers would not be allowed to solicit such cases. The House had voted to prohibit such representation altogether.

Improvements to the program should continue to be sought in years ahead, to eliminate what unwarranted restrictions remain. These include curtailment of desegregation activities.

Meanwhile, however, the compromise bill still could go a long and necessary way toward better ensuring equal justice to all—regardless of ability to pay a lawyer.

[From the Idaho Statesman, May 31, 1974]

THE LEGAL SERVICE BILL

Americans can be justifiably proud of a legal and judicial system that allows any citizen access to the law and the courts to right wrongs or seek justice.

The trouble is, that a lot of people are in practice denied access to the system. They can't afford legal services.

To correct that situation, a legal services system was created as part of the old War on Poverty. Now Congress has approved legislation to extend the service, with a legal services corporation.

The legislation had to overcome tough opposition. It is loaded with "thou shalt nots" that limit the kind of legal actions that can be filed. It restricts political activity by legal service attorneys.

This program has opposition in part because of its success. Lawsuits have been filed on behalf of consumers, changes urged before utilities commissions, information presented to legislative committees.

Now there is concern that President Nixon may veto the legal services bill. Pressure for a veto is expected from some of the conservative congressmen whose support may be important in impeachment proceedings.

It would be tragic if this successful effort to open the door of the legal system to lower-income Americans is lost to impeachment politics.

This legislation would prohibit assistance for segregation questions, for abortion or for Selective Service issues. The service is limited to civil matters.

In Idaho the legal aid service has offices in Boise, Caldwell and Lewiston, serving 15 of the 44 counties. Much of the assistance is in domestic relations, landlord-tenant disputes, public assistance, consumer transactions and debt problems. Part of the service is counseling, as well as legal action.

Idaho Legal Aid was successful in getting the Public Utilities Commission to change the cutoff policy on utility service. Its efforts sometimes benefit all consumers, not just the poor.

Legal services should be available to people of all income levels. This bill goes at least part way in making them available.

[From the Lewiston (Idaho) Morning Tribune, May 27, 1974]

IMPEACHMENT POLITICS

The name of the game on Capitol Hill these days is impeachment politics and President Nixon is showing signs of playing it of late with a bill to establish a legal services corporation.

The bill in question would establish a corporation to provide low-income people with legal assistance in civil, non-criminal actions. It would replace the existing legal services program operated by the floundering federal Office of Economic Opportunity.

The corporation concept was first introduced to Congress three and a half years ago. Dozens of bills to establish an independent corporation free of political influence have been hashed over since then. Only one ever made it through both houses of Congress. That was in 1971 and the bill was vetoed by Nixon.

Last spring, Nixon made his own proposal. In a message to Congress asking for such a corporation, he said, "Legal assistance for the poor, when properly provided, is one of the most constructive ways to help them to help themselves."

Early this month, House-Senate conferees reached agreement on a compromise bill which includes everything the President asked for in his message. The bill was quickly passed by the House, 227 to 143, and is expected to be approved by the Senate next week.

Nixon wanted the corporation to deny a lawyer to anyone whose poverty resulted from refusal or unwillingness to seek or accept a job; bar corporation attorneys from participating in political activities of any sort, including voter registration drives, at any time; deny use of corporation funds, directly or through attorney time, to influence passage or defeat of any federal, state or local laws, and deny free legal aid to persons under age 18 without the written consent of at least one parent or guardian or one appointed by a court, except in child abuse or custody cases.

He got all that and more.

The compromise bill prohibits corporation attorneys from participating in any cases involving desegregation, abortion or selective service (including desertion.) It includes a requirement that the corporation pay the court costs and legal fees of a defendant who is sued and wins his case, if the court finds that the legal services lawyers had acted improperly.

There's a requirement that legal services projects give preference to local lawyers when hiring staff.

These and a dozen other provisions are designed to tone down the program and make it more palatable to moderates and conservatives. The bill is being supported by liberals, even with all the restrictions, because it's the only game in town.

The bill would mean an end to the scramble for financing that has plagued the program since it was established by OEO nine years ago. Legal Services has operated on a budget of $71.5 million for three years. The compromise bill would give it a fiscal 1975 appropriation of $90 million and $100 million in fiscal 1976.

The bill is opposed by a conservative hard core that takes issue with concept of legal services. Legal services lawyers have won too many cases that have advanced the rights of welfare recipients. The conservatives have been appalled at government financing of legal actions resulting in, for instance, removal of residency requirements for welfare payments.

It's this group that Nixon is going after in an effort to duck impeachment in the House or conviction in the Senate. The word from Capitol Hill is that Nixon will veto the corporation bill in return for the right votes on impeachment or conviction.

There are several ironies in this. One of them is that the average cost per client served by the Legal Services program is roughly $30. Nixon's Watergate-related legal bills, all footed by the taxpayers, are expected to hit $1 million by the end of the year.

One million dollars would provide quite a bit in the way of legal services for low-income people.

A veto of this corporation bill would be a political travesty, a hobnailed dance on the backs of the poor at the expense of equal justice.

[From the Indianapolis Star, June 10, 1974]

LEGAL SERVICES BILL IS WORTH A TRY

(By James J. Kilpatrick)

The legal services bill that emerged from conference committee a couple of weeks ago is far removed from the simple and straightforward program urged by the President last year. The bill contains several provisions that conservatives view with suspicion. Yet on balance, the measure holds the prospect of much more good than ill. The President should let it become law.

I am aware that many of my brothers in the conservative community disagree strongly with that view. The respected weekly, Human Events, asserts flatly that "Nixon Must Veto Legal Services Corporation." Ohio's John Ashbrook fought skillfully for recommittal of the bill, and lost by only half a dozen votes. I wish he had won.

It is not always true in politics that half a loaf is better than none: The half a loaf may be moldy. But it is generally true that King Compromise rules. He is no bad monarch. In the matter of the legal services bill, neither conservatives nor liberals got all they had hoped for. The question is whether the conference bill is better than no bill. I think it is.

The Congress is concerned here with a fundamental principle of American life. This is the ideal of "equal justice under law." I would suppose that few of my conservative brothers oppose this principle, and I would suppose that few of them believe the principle is now well served. Despite great improvements in recent years, especially in fields of criminal law untouched by the pending bill, the poor are still far removed from "equal justice."

The paramount purpose of a legal services program is to narrow this gap. We live, all of us, like so many flies floundering in a web of laws, rules and regulations. The well-to-do family, equipped by education, income and experience, may be able to cope with these complexities. The poor family, often functionally illiterate or handicapped by barriers of language, is frequently helpless. The President's idea of a proper legal services program was to create an agency that would serve this paramount purpose only—an agency that would limit itself to basic, conventional legal aid.

The new Federal corporation that would be created under this bill would be in a position, of course, to provide such fundamental aid. One hopes the directors, advisory committees, and working attorneys will have sense enough to hew to this line.

Unfortunately, the conference bill wound up with enough deceptive and uncertain language to leave justified apprehensions hanging in the air. The bill takes the form of an amendment to the existing but discredited Economic Opportunity Act; the effect is to give congressional custody of legal services not to the judiciary committees, but to the highly liberal committees on labor and public welfare. The bill continues, though for a limited time, the 13 "back-up centers" whose gaudy activism did so much to subvert the basic purposes of the former program under OEO. There is one provision, hard for me to understand, that may permit participating lawyers to promote social causes under the pretense that they are serving the armband brigades "on their own time." The provision smells fishy.

But there is also much that is good in the conference bill. The Senate receded in conference from some of the language that had set off alarm bells. In its final form, the bill bristles with prohibitions against political activity in the name of legal services. There seem to be abundant safeguards against the fostering of hot-dog radicals out to have a sensational time.

If the President will appoint a good solid board of directors for the Legal Services Corporation, and name the solidest of these appointees as chairman, it should be possible to expurgate the old abuses and get the program off to a constructive start. The venture may fail, but as we love equal justice it is worth a try.

[From WRTV-6, Indianapolis (Ind.), June 13, 1974]

IT'S THE ONLY LEGAL-SERVICES MEASURE WE'VE GOT

After many months of debate, both houses of Congress passed bills setting up an independent government corporation to provide legal services for the poor. But the bills differed greatly.

Then, after several more months of give-and-take, a conference committee succeeded in producing a compromise bill, which the House has approved and the Senate is expected to approve soon.

Now, however, there are strong rumors that President Nixon will veto the bill.

On the surface, it would seem he'd sign the bill without hesitation, since it's a far more conservative bill than the one he originally sent to Congress.

But, apparently, the President is fearful of offending some of the conservatives in Congress, whom he regards as his greatest strength in his fight against impeachment. So, a veto is possible.

We're not very happy with the legal-services bill, because we believe in the ideal of equal justice under the law for all Americans, even *poor* Americans. And this bill greatly restricts the kind of justice a poor person can seek with the help of a legal-services attorney.

It also imposes tight restrictions on the kind of things that legal-services attorneys can do—even on their own time. Tighter restrictions, in fact, than we in Indiana impose on many of our own judges and prosecutors.

Nevertheless, the compromise bill would enable the poor to have the services of competent legal counsel for most types of common civil action. And without this bill, there would be *no* federal help for poor people in need of legal assistance.

Conservative Columnist James J. Kilpatrick said, in endorsing the bill, "Despite great improvements in recent years, especially in fields of criminal law, untouched by the pending bill, the poor are still far removed from equal justice. The paramount purpose of a legal services program is to narrow this gap."

If you agree that this is an objective this nation should pursue, we hope you'll join us in urging President Nixon to sign the legal-services bill when it reaches his desk.

[From the Des Moines Register, June 14, 1974]

LEGAL AID FOR THE POOR

Congress has been struggling since 1971 to create a permanent Legal Services Corporation to operate legal aid programs administered by the Office of Economic Opportunity. The end of the struggle is in sight—provided the President does not veto the Legal Services Corporation Act.

President Nixon in 1971 vetoed one measure to create a corporation to provide legal services for the poor. The President said his chief objection was that he was empowered to name just six of the corporation's 17 governing board members. Congress upheld the veto and went to work to devise a substitute.

Different versions of a revised bill were passed by the House last year and the Senate this year. A conference committee report filed May 13 was approved by the House three days later. The Senate is expected to act soon to send the measure to the President.

The new bill calls for an 11-member governing board to be appointed by the President and confirmed by the Senate. The measure is honeycombed with restrictions to meet the objections of conservatives.

Legal aid lawyers, for example, are barred from providing "legal assistance with respect to any proceeding or litigation relating to the desegregation of any elementary or secondary school or school system." Lawyers for the poor are barred from giving legal assistance "with respect to any proceeding or litigation which seeks to obtain a non-therapeutic abortion" or from representing anyone in connection with a violation of the Selective Service Act.

A host of limitations are placed on the personal activities of legal aid lawyers. Legal services attorneys are barred even from taking part in non-partisan voter registration drives during nonworking hours.

The measure is backed by legal aid supporters, despite the restrictions, in the belief that it provides the best chance for putting federally-financed legal services on a permanent footing. The corporation would provide protection against the efforts now launched annually to scuttle or sharply curtail the nationwide legal aid program.

Fears of a presidential veto are based on the earlier veto and concern that the President may be tempted to play "impeachment politics." The lawmakers most opposed to the legal services program are lawmakers the President may be able to influence on impeachment by catering to them on other issues.

It would be deplorable if the nation's poor were made the innocent victims of Watergate.

[From the Louisville (Ky.) Courier-Journal, July 9, 1974]

WILL MR. NIXON DARE REPUDIATE "LEGAL SERVICES"?

The votes of all four Kentucky and Indiana senators most likely will be cast in favor of creating an independent legal services corporation to serve the poor, when a bill on that subject comes up for consideration tomorrow. Both senators from each state were on the right side on January 31, when the upper chamber finally approved the measure. We hope all four senators will vote tomorrow—when the Senate-House conference report on the bill will be considered—since the highest possible total is needed to discourage a presidential veto.

In the January vote on final passage, Senator Hartke was paired for the bill, and Senator Cook was announced for it. Senators Bayh and Huddleston were on hand to vote "yes." The final count was 69–17 for passage.

According to the Action for Legal Rights lobby in Washington, an even bigger margin is "imperative" this time. Since mid-May White House officials have warned of enormous pressure exerted on the President to veto this bill, and the pressure is supposed to be coming from the very conservative members of Congress on whom Mr. Nixon might depend for survival in an impeachment trial. The President's Domestic Council has had heated debates on this question, almost daily.

BILL ALREADY WEAKENED

The friction within the administration is understandable, since to veto the bill the President would have to repudiate his own past position. Moreover, he would have to desert a compromise arranged for his benefit. The President had refused to sign any bill which wouldn't give him the power to appoint all members of the legal services corporation board, so the bill was rewritten to meet his objection, even at the price of giving the President too much control over the corporation.

The bill ought to be passed in its present form and sent to the President. More weakening simply isn't justified. The bill has been over-compromised to achieve a broad range of support. And the current support is extraordinarily broad, including governors from South Carolina to Massachusetts, bar associations from Arizona to New York and newspapers from Indianapolis to Washington.

If that sort of support out in the country won't convince the President he should sign the bill, maybe the rollcall in the Senate chamber tomorrow will do the trick.

[From the Boston Globe, June 5, 1974]

OF MR. NIXON AND LEGAL AID

In the tradition of the Homestead Law and the Civilian Conservation Corps of other periods, the federally-subsidized legal services program has provided a better shake for millions of poor Americans in the past decade.

In 1973 alone, 500,000 needy Americans benefited from legal representation that almost certainly would have been beyond their means without the Federal support. For many old, infirm and powerless persons, this access to legal counsel stands as their only hope for redress of injustice: an unlawful raise in rent, repossession of a refrigerator, or discharge from a job. But now the Federal program is in jeopardy.

In 1971, President Nixon vetoed legislation to establish an independent, non-profit corporation to oversee the legal services agency. The veto prevented the transfer of the agency outside the jurisdiction of the Office of Economic Opportunity (OEO).

This year, a House-Senate conference committee has reported a compromise version of the bill Mr. Nixon rejected three years ago. The House last month approved the amended bill, but by a vote less than the two-thirds majority necessary to override a presidential veto. Final action on the bill in the Senate is expected this week.

If Mr. Nixon vetoes the bill this year, it almost certainly will mean the demise, as of June 30, of the legal services program, for Congress is proceeding apace with the dismantlement of OEO.

The compromise bill provides for a $190 million, two-year appropriation for legal services. It accords with the President's stipulation—the rationale for his 1971 veto—that he have the authority to appoint all 11 directors of the legal services corporation. As a further concession to conservatives, it would restrict more extensively than its 1971 predecessor the power of legal service attorneys to engage in political activities and litigate controversal cases, such as those involving abortions, racial desegregation and the Selective Service.

The legislation has the support of the American Bar Assn. and the bar associations in numerous states, including Massachusetts. But conservatives, most notably former OEO director Howard Phillips of Danvers, have been pressing Mr. Nixon to veto the bill, even in its diluted form.

The conservative Washington weekly, Human Events, reported that at least one "leading conservative Republican congressman," whose name was not disclosed, threatened that he would vote for Mr. Nixon's impeachment unless the President vetoed the legal services bill.

It would be a travesty if Mr. Nixon yielded to such coercion. Further, it would be particularly irksome for the President to veto a bill providing legal aid to poor people while the American taxpayers are spending untold sums, perhaps in the millions of dollars, for Mr. Nixon's legal defense.

Mr. Nixon should sign the legal services bill when it reaches his desk. Failure to continue the program would not only deepen the disillusion in this country but also would corrode its underpinnings of justice.

[From the Boston Herald American, June 14, 1974]

EQUAL JUSTICE FOR ALL

It is an almost foregone conclusion at this point that Congress will go along with the administration in dismantling the federal Office of Economic Opportunity through which the Great Society's war on poverty was conducted.

But one of the phases of that federal effort to aid the needy—legal services for the poor and disadvantaged—is now given a fair chance of survival after almost four continuous years of controversy.

Recently, the governors of 28 states, the American Bar Ass'n, the heads of 22 state bar associations and a congressional conference committee endorsed the plan to establish an independent, non-profit national corporation to provide proper legal counsel for those who could not otherwise afford it.

House Rule 7824 subsequently has been passed by the House and is expected to be taken up shortly in the Senate. The new corporation would succeed OEO's Legal Services Program which had come under considerable fire because so much of its activity was directed toward the government itself.

But the years of trial and error have compromised different versions to make them more acceptable to all sides in Congress and in the administration. Some of the more controversial elements have been eliminated by absolute prohibitions again such activities as abortion, school desegregation and amnesty cases.

Even with these and other deletions—with which we are inclined to agree—there are still many other legal services that need providing for a great body of the citizenry if all are to receive, in fact, the equal justice under the law to which they are entitled in constitutional theory.

President Nixon has twice submitted messages since 1971 calling for the Legal Services Corporation; and though radical changes proposed by Congress led to threats of White House veto, most of those differences have now been resolved and the chances of passage are brighter now than ever before.

[From the Ann Arbor (Mich.) News, June 27, 1974]

COUNTY LEGAL AID GROUP PERFORMS NEEDED SERVICE

Unless help comes fast, the Washtenaw County Legal Aid Society may be out of business. One moment of truth comes next

Sunday, when Legal Aid's Office of Economic Opportunity funding expires.

Even if Legal Aid gets over that shoal, its future is shaky. President Nixon is threatening to veto legislation which would establish a separate government corporation to operate the legal services program.

The upshot of it all is that President Nixon wants to clean house in OEO. To make a long story short, the legislation he has proposed—a separate corporation to operate legal services—has been compromised with various restrictions during its passage through Congress. The bill in its present form therefore is believed to be unacceptable to the President and he is threatening to veto it.

Politics, impeachment variety, may be behind the veto threat. Nixon needs to keep his strength among congressional conservatives, the very group which is urging him to veto the bill because Legal Aid and OEO are directly tied to "bankrupt" Great Society programs.

But if the veto materializes or if Legal Aid's funding is allowed to expire, the poor of Washtenaw County will be the big losers. At present, about 600 poor persons have court actions pending. With no money and in effect no program, the poor are without the services of lawyers.

Legal aid is a going concern in Washtenaw County. Michael Bixby, Legal Aid director, says that in 1973, the society provided legal advice or assistance to about 3,500 poor persons in the county. Since it was set up eight years ago, Legal Aid has served nearly 20,000 poor persons locally.

Without Legal Aid, the low income individual has no place to turn for the legal services which ought to be every one's right. With Legal Aid, he has "a chance to stand on equal footing" with big interests such as landlords, businesses and government.

It may be that public opinion and pressure will save Legal Aid from going under. There isn't much time left. But if a worthwhile program is to be kept functioning, the voice of protest must carry to Washington and to lower government officials.

[From the Detroit Free Press, June 2, 1974]

SENATE SHOULD PUSH LEGAL AID

The U.S. Senate should run the risk of a presidential veto and pass the compromise bill that would create the National Legal Services Corp. as a new, non-profit agency to provide legal aid for the nation's poor.

The alternative of further weakening the bill is a bad one. But the pressure to do just that has mounted since the House fell short of a veto-proof vote on the measure in mid-May and some congressional opponents carried their arguments to Mr. Nixon.

Proponents of an effective legal program can point to the president's own proposals in 1971 and again in 1973 for support for the plan in its present form. In fact, the bill that finally emerged after a series of amendments in the House of Representatives is weaker than either of those presidential proposals.

Both of Michigan's senators, Philip Hart and Robert Griffin, supported a stronger version of the bill last time it went to a Senate vote. Their suport, when the compromise version comes up soon, would help advise the president of their willingness to fight even a veto in their efforts to assure at least a minimum degree of legal services for the poor within our nation's court system.

[From the Minneapolis Star, June 12, 1974]

RIGHTISTS THREATEN LEGAL SERVICES BILL

(By Austin C. Wehrwein)

Former Chief Justice Warren once said:

"A right without an advocate is as useless as a blueprint without a builder or materials."

Advocacy is a professional service. The more money you've got, the more of it you can obtain. That's where the Legal Services program came in.

In the 10 years since its establishment, the Legal Services program has served more than 1 million clients at the remarkably low and efficient cost of $50 a case.

Its plain purpose is to make it possible for poor people to redress grievances and solve problems within the legal system. It is, philosophically, profoundly conservative.

It attracted bright young lawyers who ignited a national interest in "poverty law." This had a strong impact on not only law school students and professors, but on affluent law firms which contributed time, money and manpower to "pro bono" (public interest) legal activities.

In short, it was one of the most, if not the most, successful parts of the Office of Economic Opportunity (OEO) efforts.

For three years, however, its fate has been in balance, not withstanding support from the American Bar Association, from leaders in both parties, and when he was still in the White House, Melvin Laird. Ritualized opposition from California's Gov. Ronald Reagan could be traced to some actual, if distorted, fears among corporation farm owners. But much of the rather inexplicable opposition is framed in hot but cloudy rhetoric.

For example, Howard Phillips, who heads an organization called "Public Monitor," the ultra-right "answer to Common Cause," told congressmen that the bill was "a menace to your family, community and party. It is undermining the security of our nation."

(Phillips will be recalled as the former acting director of OEO whose ideological tantrums as he blantly tried to tear OEO apart regardless of orderely law were too much even for the White House management experts.)

Hard-core conservatives on Capitol Hill saw legal services legislation as a trading issue: They reportedly demand a veto as one of the bargains for support against impeachment and/or conviction.

The bill's fate has special interests for Minnesotans.

Rep. Al Quie, R-Minn., and Sen. Walter F. Mondale, each in his own way, played important roles in the legislative history. They were, consequently, on the Senate-House conference committee that earlier this month agreed on a compromise measure that would take the program out of the collapsing OEO and put it under a new public corporation.

In mid-May, Quie on the House floor sought to fend off a rightist attack. Quie is the model of a moderate gentleman, not given to invective. But he branded the ideological attack "incredible" for its "misinterpretations, omissions and mistakes . . . wildly distorted . . . almost wholly inaccurate."

"The important fact," Quie said, "is that we have a bill which after three years of work will provide a framework for an effective legal services program for the poor, free from political involvement and hopefully free from most of the controversy that has previously surrounded the program."

The rightist attacks at that point were especially galling because Quie had won concessions from his more liberal friends which he hoped would more than appease the White House.

In any event, as approved, the compromise provides for an independent corporation governed by an 11-member board of directors appointed by the president, and subject to Senate confirmation.

A 1971 bill, which inspired a veto, prevented President Nixon from naming all the directors. The current bill, which passed the House in late May, lets Nixon name them all, though no more than six could be of one party and at least six are to be lawyers.

An appropriation of $90 million in fiscal 1975 and one of $100 million in fiscal 1976 are authorized.

Stringent rules that were retained in the the conference bill include a ban on litigation concerning "nontherapeutic" abortions, school desegregation, or draft or military desertion laws.

There's a curb on lobbying, limiting it only to representation of a particular client who asks for it.

And legal service lawyers are "double Hatched." That is, there is not only the usual Hatch Act ban on partisan political activity, but the lawyers can't even participate in such nonpartisan activity as voter registration campaigns.

What the ideologue faction led by Sen. Jesse Helms, R-N.C., ostensibly finds obnoxious in this most moderate of all versions of the program is retention of research "back-up" centers, pending a two year study of their efficiency. The House conference report said research was of "utmost importance for . . . high quality legal services." Any successful law firm would say "Amen!" to that. It's the difference, often, between good and bum lawyering, precisely the point of even a much-circumscribed Legal Services program.

As Quie said, here is a reasonable bill, free from politics, the result of years of painstaking work and compromise with White House lobbyists like Laird and Leonard Garment.

It deserves expected Senate approval and Nixon's signature. It should not be a victim of irrelevant impeachment politics.

[From the Grand Rapids Press, Grand Rapids, Mich., June 10, 1974]

LEGAL AID NEEDED

Three years ago President Nixon proposed legislation which would move legal services from the Office of Economic Opportunity (OEO) to a nonprofit corporation. The tneory then—as now—was that while numbers of OEO programs were either badly conceived, badly administered or both, the justice involved in providing legal aid to the poor could not be questioned.

Justice notwithstanding, the aid program remains in the crumbling OEO, a victim of congressional sluggishness, White House nitpicking and a hardcore conservative element which is making the most of the President's need to keep it in his Watergate corner.

Mr. Nixon vetoed 1971 legislation on the grounds that it tied his hands on corporation appointees. Similar legislation died in committee in 1972.

A year ago the President again proposed a Legal Services Corp., and eventually H.R. 7824 and S. 2686 were adopted. The bill coming out of the conference, however, has been modified considerably and includes many restrictions which some sponsors feel will gut the legislation but others see as essential in obtaining presidential approval.

Included in the restrictions are prohibitions against taking on school desegregation, amnesty and nontherapeutic abortion cases, all of which are proper legal matters often affecting the poor but which are philosophically opposed by archconservatives.

Even so, a flawed bill in this case undoubtedly is better than no bill at all, and a Senate windup on the compromise version and the President's signature are needed urgently.

Currently caught between the failing OEO and the unresolved nonprofit corporate setup is the Kent County Legal Aid and Defender Association which currently is funded through federal funds and $25,000 from United Fund. Nine fulltime lawyers work for the county group, and about 3,500 cases are received yearly.

The Grand Rapids, Michigan and American bar association have offered unqualified endorsement of the legal services bill. U.S. Sens. Robert Griffin and Philip Hart supported even stronger legislation than now proposed, and it has been backed by 28 governors including William Milliken.

With all of this bipartisan support atop the President's initial request, it would

seem unlikely that bill sponsors would be preparing for a White House veto, but that is the situation. When the latest legal aid proposal fell just short of a veto-proof vote in the House, opponents took their case to the President. Conservatives who have been using their Nixon loyalty to good advantage appear to be trading this issue, too, to force the President to do their bidding.

The idea that Americans who are poor, illiterate and often handicapped by the lack of education and experience receive equal justice is a sham. The organized bar, spurred by canons of ethics and a code of professional responsibility, sees the legal aid corporation as the best way to redress the problem. Right now it may be the only way.

[From the St. Paul Sunday Pioneer Press, June 23, 1974]

LEGAL SERVICES THREATENED

One of the most successful programs to come out of the Office of Economic Opportunity is hanging on the ropes as the end of the government's fiscal year draws near.

The Legal Services program, which has served more than a million people who otherwise could not have afforded legal assistance, could go out of business at the end of this month unless the Senate passes a bill to renew it and President Nixon signs the bill. The House has already approved the bill, which came out of a House-Senate conference committee.

The Legal Services program began 10 years ago when it was recognized that it often costs money to obtain the justice guaranteed in the Constitution and that many Americans couldn't pay the bill. The program has made it possible for poor people to redress grievances and solve problems and the cost has been only about $50 a case. It has caught the imagination of lawyers and law firms and has the backing of the American Bar Association.

Still, the program is in trouble. Some conservatives in Congress are bitterly opposed to Legal Services and have engaged in a name-calling campaign to torpedo the bill. Their attacks have been so unprincipled and illogical that so mild a man as Rep. Al Quie, R.-Minn., was moved to describe them as "incredible," "wildly distorted" and "almost wholly inaccurate."

Quie, who was a member of the conference committee, said on the House floor that the bill "will provide a framework for an effective legal services program for the poor, free from political involvement and hopefully free from most of the controversy that has previously surrounded the program." The bill bans paying attorneys' fees for litigation concerning "nontherapeutic" abortions, school desegregation and draft or military desertion laws as a concession to conservative elements.

Still the conservatives see a chance to kill the bill by playing impeachment politics. If they can persuade the President to veto the bill in exchange for their support on an impeachment vote, the veto probably couldn't be overridden.

Nobody knows what the President will do. But the program has been valuable to the poor and the cost ($90 million would be appropriated in fiscal 1975 and $100 million in fiscal 1976) is moderate in comparison with many other proposals now before the Congress. The Senate should pass the bill promptly and Mr. Nixon should put politics aside and sign it.

[From the Kansas City Times, June 5, 1974]

EVENING THE SCALES OF JUSTICE WITH LEGAL AID

The legal aid bill nearing final action in Congress has been a long time in the making. Even so, it does not stir elation on either side of the political spectrum. Conservatives tend to think the program would promote too much activism at the expense of the federal government. Liberals contend restrictions would unduly limit the lawyers in political activities and the type of cases they could take. Transcending these reactions and arguments, however, is the need for a system that will assure the poor of a fair day in court.

The details must necessarily be worked out. But the basic and important purpose of the legislation is to provide a framework for a legal services program. An independent, publicly financed Legal Services Corporation would be established. The 11 members of the governing board would be appointed by the President, with confirmations by the Senate. That wide presidential authority is a major concession by the legislative branch, an attempt by lawmakers to gain support for legal services.

Other provisions manifest the give and take by members of the House-Senate conference committee that worked out the final version of the measure. Research centers, usually located at universities to study legal problems of the poor will be funded. The Senate wanted them; the House opposed them, arguing they stimulated social activism. Concessions were made to the House on imposition of a total prohibition on political activities by legal aid lawyers. A compromise was also reached on school desegregation cases. The House also won its point on giving preference to local lawyers for legal assistance staffs. Funding provisions tipped toward the Senate.

The corporation would be the successor to the legal aid program of the Office of Economic Opportunity. That undertaking is considered one of the more successful in President Johnson's war on poverty. Literally thousands of poor persons have been provided adequate legal counsel that they could not have otherwise afforded. The program has put new meaning into this country's guarantee of equal justice under the law.

Detractors have complained that some OEO legal aid lawyers delved into social issues rather than the law. This is a judgment and in any event it was not the major thrust of the program.

The larger issue is and must be adequate legal counsel. For too long justice in this country has been based on ability to pay instead of equity. This legislation is absolutely necessary to a court system of fairness.

[From the Lincoln (Nebr.) Sunday Journal and Star, June 2, 1974]

POOR NEED LAWYERS, TOO

While there is something terribly macabre about it, a pound of flesh is a tangible commodity. Not so justice.

That's an intangible, a principle of conduct among men and women. It is also supposed to be what our governmental system is all about, its end objective.

This week, the United States Senate is apt to pass a bill dealing with justice, establishing a federally-assisted Legal Services Corporation. The measure already has cleared the House, 227–143. Rep. Charles Thone of Lincoln was the only Nebraskan voting for the measure and he rates commendation for that action.

Perhaps Thone's past experiences as an attorney and chairman of the Lincoln Human Rights Commission make him more sensitive to the problems of poor people caught up in a legal system designed not for the poor.

What the new corporation would do is cement into existence the legal services program which came to life under the expiring antipoverty enterprise, the Office of Economic Opportunity. Existing legal services absolutely will end if the bill does not clear the Senate. Or is strangled by a presidential veto.

Political conservatives reportedly have demanded that veto, exercising delicious leverage which the presidential impeachment threat strategically gives them. The real test may, therefore, come on a veto override vote.

Conservatives have been angry about the federal legal services operation for years. They've accused the program of fostering a band of young red-hots, using government money to attack—too often successfully—either government programs and restrictive regulations or program administrators. California Gov. Ronald Reagan has been a particularly severe critic.

In rebuttal, lawyers for the poor cite a General Accounting Office study reporting that nationally less than 1% of their cases were in the areas of "law reform" or, really, enforcement of existing laws to secure constitutional or statutory rights.

The Legal Aid Society of Lincoln, Inc., its clientele sharply restricted by a low-income test, has a heavy case load dealing with such topics as bankruptcy, divorce, welfare matters, housing and consumer complaints. The society's budget this year is about $91,000. That's helping provide five lawyers, three secretaries and the associated office support. Local cash help is $11,500.

It would be a real blow to the low-incomed of this community if this service were destroyed in the game of impeachment politics.

What does one say about a society where the quality of justice is measured by the weight of litigant dollars?

[From the Concord (N.H.) Monitor, June 4, 1974]

LEGAL ASSISTANCE ON TENTERHOOKS

A bill that would salvage a nationwide legal assistance program for the poor comes up for a vote in the U.S. Senate tomorrow and sorrowfully has become a pawn in impeachment politics.

The question is acceptance of a House-Senate conference committee report setting up an independent government corporation in place of the legal assistance program that now is part of the Office of Economic Opportunity that is being phased out June 30.

Though the bill is essentially the same as one proposed by President Nixon three years ago, a bloc of southern and conservative senators is opposed to it, and now a presidential veto is possible as part of Mr. Nixon's strategy of currying favor with conservatives to gain their votes against impeachment if that should become necessary.

One of the key votes against the Senate version of the bill was cast by Sen. Norris Cotton, R-N.H., because the measure didn't contain a provision for funding review for less than five-year periods.

Sen. Cotton consistently has voted with the conservative bloc. But he could go either way tomorrow. At stake as far as New Hampshire is concerned is a $700,000 two-year program which served nearly 6,000 indigent and needy persons in the state last year.

Sen. Cotton's amendment providing for two-year review of the legal assistance budget subsequently was adopted, and is in the bill upon which the Senate will vote tomorrow.

The Senator said in February the five-year review provision was his only objection. He wrote to Hilda Fleisher of Manchester, secretary-treasurer of N.H. Legal Assistance, on February 18 that despite his vote against the Senate bill "I remain a supporter of legal services and I will continue to do everything I can to assure funding for our own New Hampshire program."

The conference committee version of the bill contains an appropriation for $190 million to operate the program nationwide for the 1975–1976 fiscal years which begin on July 1.

The House approved the conference committee report May 16 after heated debate over a provision that would allow the new corporation to fund "back-up" research centers on legal problems of the poor. This sec-

tion of the measure was approved by only seven votes, but the bill itself passed 227–143.

Since the Senate pased its tougher version of the legal assistance corporation bill Jan. 31, President Nixon has changed his position on a wide range of legislation he previously supported. The apparent aim, which the White House denies, is to take the side of the conservative bloc in hopes a minimum of 34 votes will stick with him in event of an impeachment trial in the Senate.

It takes two-thirds of the Senate membership of 100 to convict a President on impeachment charges.

The question on the legal services corporation vote is whether Sen. Cotton will remain a member of the conservative bloc or stand fast on his February pledge to N.H. Legal Assistance.

If the Senate rejects the conference committee report tomorrow, legal assistance programs for the poor will end on June 30. If President Nixon vetoes the program, it also will end unless both the House and Senate vote to override by two-thirds margins.

The vote on the Senate version of the bill Jan. 31 was 69–17—sufficient to override. But the House vote on the conference committee report was 20 votes shy of the necessary two-thirds.

The N.H. Legal Assistance program was on tenterhooks last year when Gov. Thomson refused to accept the federal funds to keep it going. But he was overruled by the U.S. director of OEO, Alvin Arnett.

Thus for the second time in six months, the N.H. Legal Assistance program is wobbling on the brink of extinction.

[From the New York Times, July 9, 1974]

ACTION ON LEGAL SERVICES

As the Senate returns to work, it can tune up for its tough summer schedule by approving with dispatch the legal services bill, which is as ripe for final action as any measure could be. This legislation would create a corporation to house legal services activities and insure the continuation of that program.

President Nixon proposed in 1971 to preserve the program—begun initially in the Office of Economic Opportunity—by creating a corporation which would keep it out of politics and insure its efficiency. That year, Congress passed such a bill; but the President vetoed it, principally because he felt his role in selecting the members of the board to be too limited. The current version—passed by the House last summer, by the Senate in January and approved unanimously by the Senate-House conferees—now awaits only Senate acceptance of the conferees' report and the President's signature.

The arguments for completion of work on this legislation are overwhelming. Legal services has been viewed by many as the most effective and efficient of the programs designed to deliver services to the poor. In a sense, the program has wrought a revolution of elemental fairness. It has opened wide the doors of the system of justice to America's poor for the first time.

The compromise now before the Senate represents months of tedious legislative effort to accommodate Mr. Nixon's reservations and those of conservative Congressional critics of the program. It does all of that and more. It is even more restrictive than the proposals sent up by the White House a year ago. It now needs only to be endorsed promptly by the Senate and signed into law by the President.

[From the Binghamton (N.Y.) Sun-Bulletin, June 12, 1974]

LAW FOR THE POOR

The relatively recent discovery, or at least open acknowledgment, that poor people have rights unrelated to their pocketbook situation has shaken a lot of the non-poor.

Nothing shakes up the Establishment so much as the idea that poor people may have a right to a lawyer. Not to defend themselves when they run into trouble with the police—everyone will grant them that. But if they have a run-in with bureaucrats, not cops, they may just decide to seek a legal remedy, and sue. This sort of thing brought the walls of legal segregation tumbling down in Dixie. And who knows what might fall next?

There is a bill in Congress, already passed by the house and expected to win Senate approval, that will set up the federal Legal Services Programs as a nonprofit corporation. It used to be an arm of the dying Office of Economic Opportunity. President Nixon asked for this action three years ago, and vetoed it seven months later because the bill passed didn't give him total control over naming its directors.

The hassle over this Legal Services Corporation—to fund local agencies like Broome Legal Assistance Corp.—has continued, and there is still doubt whether Mr. Nixon will sign the bill if it completes its congressional journey successfully.

But political paranoia is no presidential monopoly. The reactionaries in Congress swarmed around to tie up as many of these lawyers for the poor as they could with restrictions on activity for which government money could pay. The bill now in the works forbids Legal Assistance to handle any school desegregation cases, any kind of draft or amnesty cases, any nontherapeutic abortion cases. It restricts handling of class action cases. It forbids lawyers working with the program to undertake any political activity at all, such as giving someone a ride to the polls.

The bill also seeks to limit local agencies' use of legal back-up centers—there are now about a dozen, mostly in law schools about the country. The Nixon proposal called for a central agency in Washington to do research on cases requested by local agencies—the most blatantly wasteful notion outside the Pentagon that we can remember. But like those non-Nixon restrictions popped in by congressional conservatives, it is meant to clip the wings of lawyers who don't serve the Establishment.

It should be noted that, unlike the American Medical Association, the Establishment's bar groups across the country have generally rallied in support of Legal Services.

This bill has a lot of silly flaws, but it should be approved by the Senate and signed by the President. The passing of OEO must not mean an end to its services. And especially not of a service as vital to a citizen as the right to sue.

[From the Corning (N.Y.) Focus, June 29, 1974]

LEGAL SERVICES MUST BE KEPT

Equal justice to all low-income Americans would be furthered by the Legal Service Bill soon to come up before the U.S. Senate for action.

Although it's a national bill, it would have an impact locally because the Office of Economic Opportunity now operates a Legal Services office in Corning, covering Steuben, Allegany and Cattaraugus Counties.

If the bill is not passed, OEO will be unable to continue to fund the program, operated locally by five attorneys.

The program, as well as the local office, provides legal representation to people financially unable to hire an attorney for civil suits—no criminal matters are handled.

The local office came into being immediately following the flood and initially handled flood-related cases, but has since branched out more into such fields as cases involving Social Security, the SSI program, welfare, Medicare and Medicaid, landlord-tenant and consumer problems.

During May alone the office handled 122 new cases and figures for June are expected to run even higher.

The bill has the backing of the American, New York State and Steuben County Bar Associations. It is also backed by the judiciary.

An earlier bill to fund the program was vetoed and the backers came up with this new bill, which has several additional restrictions on eligibility, income and assets, as well as types of cases which can be handled.

The administration drafted the current Senate version of the bill but it now appears the administration is reversing itself because of pressure from Southern Congressmen.

Most poor people, until recently, neither knew their basic rights nor obtained them. This nation should be proud that much has been done to correct this. Approval of this bill would not only assure continuation of current program but broadening of the bases from which they operate.

We strongly urge this bill be approved and urge residents to write Senators Jacob Javits and James Buckley to urge their approval.

[From CBS News, June 24, 1974]

SPECTRUM

I'm Nick Thimmesch.

Most Americans get enough to eat, have a chance to get a basic education, find a job, and get a measure of health care and support in old age. That's the way it should be. We are constantly trying to improve these basics through social legislation. It seems to me, however, that besides these basics, every American also has the right to legal services when he or she runs into trouble.

The poor, however lacking in resources, usually manage on the basics. But when it comes to coping with what can be called a valid civil dispute—or worse—the poor become confused. A middle class man or woman can get on the phone and raise the dickens with the landlord, the credit bureau or repairman. If the grievance isn't settled, the middle class person usually knows enough to get a consumer agency or the Better Business Bureau looking for him—or in more serious cases, a lawyer.

But the poor generally don't know where to start. They are stupified by a system which gets more complex every day. Consequently, they are often the passive victims of civil injustice, and sometimes, criminal injustice.

That's why we need a Legal Services Corporation as provided for in a Bill now resting in the Senate. Only two actions are required before it becomes a law: Senate approval of a joint conference committee report, and President Nixon's signature.

This Bill is controversial, and with cause. When the office of Economic Opportunity—the anti-poverty agency—was riding high, so were some of its activist lawyers in the legal services program. Some lawyers vented their egos by harassing government offices and businesses they despised as part of the "rotten establishment." The poor were pawns in this ego exercise. Other activist lawyers see legal services as a device to push their pet causes—abortion, school busing or whatever.

But the legislation now pending prohibits this kind of activity. With the help of the American Bar Association, and with the approval of some congressional conservatives, safeguards were written in to make sure the self-centered, single causist lawyers couldn't use the Legal Services Corporation to finance their activities. There's no reason this Bill shouldn't be tried out as a law.

In our country, all of us, liberals, centrists, conservatives, say that we believe in equal justice for all. Well, that's fine, but many people can't afford justice, or don't even know how to look for it. The Legal Services Corporation, which would have staff lawyers to help individuals with their legal problems, would be a fine mechanism, admittedly

run by humans, to extend justice to more people.

The Senate should move on it now. And President Nixon, who should have some first-hand appreciation of the benefit of legal aid, should sign it without reservation.

[From the Rochester (N.Y.) Democrat and Chronicle, June 5, 1974]

LEGAL SERVICE TO THE POOR MUSTN'T DIE

There has been firm support for the concept of legal service to the poor from responsible national officials on both ends of the political spectrum, including President Richard M. Nixon.

The problem has been that the liberal definition of legal aid to the poor is a broad one, including such things as class action suits. The conservative view has been narrower, encompassing only such legal aid as is necessary to keep poor families afloat in this highly complex age.

Since Legal Services has been part of the old Office for Economic Opportunity, now going down for the third and last time, a new bill must be passed creating a Legal Services Corporation. President Nixon himself proposed this arrangement and would have the power to appoint its Board of Directors if a bill now emerging from the Congress is signed into law.

The trouble is that the fate of Legal Services, in the estimate of many on the Washington scene, has become embroiled in what is generally known as "impeachment politics." The conservative Washington weekly Human Events said in its May 25 issue that Legal Services has become the pivotal issue for House and Senate conservatives in defining their future relationship to the Administration.

The seriousness of a veto of the Legal Services Bill cannot be overstated. There are not, by most estimates, enough votes in the Congress to override. And with the congressional gears heavily clogged with impeachment business, the chance of a new bill passing both houses is effectively nil.

The poor of America need legal support of the kind the Federal Legal Services Corporation could give them. Mr. Nixon has supported that need in the past. He must continue to do so now, or face charges of abandoning his basic principles under fire.

[From the Charlotte Observer, June 23, 1974]

R. M. NIXON VERSUS B. J. JACKSON

(By Reese Cleghorn)

A battery of lawyers is representing Richard Nixon in the impeachment proceedings and in his skirmishes with the federal courts. They are being paid by the taxpayers, and that probably is as it should be.

But because of President Nixon, a Charlotte citizen, we might call Billy Joe Jackson, may have no such help in his efforts to qualify for federal aid as an impoverished and jobless man with tuberculosis. The law does not clearly show whether he is immediately eligible, and he has been turned down for benefits. His only recourse is to go to court. But he cannot afford that, and shortly the office that has been providing legal services free may not have the funds to continue doing that.

Those two cases may seem to have little in common. One man is the President; the other is, by some lights, a nobody. But each is dependent upon good legal representation if he is to receive a fair shake. We live in a complex society, full of government entanglements and bureaucratic error, and the courts often are our only source of remedy.

For many years a poor man like Bill Joe Jackson could call upon the bar association or, in some places, the Legal Aid Society to provide free legal representation if he needed it to untangle some personal or financial problem. But such representation usually did not enable him to go into court against the government—local, state or federal—even though that might be necessary to determine whether he had been dealt with properly by government. In short, he might get legal help in dealing with a creditor or a landlord, but not with a bureaucrat.

The poverty program changed that. Throughout the country, legal services offices funded by the now-defunct Office of Economic Opportunity offered a fairer deal for the Bill Joe Jacksons (who are not, after all, so different from the W. Joseph Jacksons). If the client needed only legal advice, he might get that. If he needed representation in dealing with a creditor, he might get that, provided that a legal services lawyer thought he had a case. And—the new twist—if he needed to bring suit for remedy in the face of a questionable government ruling or a possibly unconstitutional practice, he might get that.

In short, his attorney could act like any other attorney, representing his client to the fullest extent that seemed necessary. This, after all, is the only way our legal processes can be made fair. If some people's attorneys may press whatever legal actions seem justified and other people's attorneys cannot, the latter are being denied "equal protection" under our laws.

But because some of the suits handled by federally-funded attorneys were directly toward City Hall and the state and federal governments, many politicians grew resentful. After all, they said, why should government finance suits against government? That is a Big Brother view, of course, resting upon the firm belief that the government must be right and the ordinary man must be wrong.

So it seems strange that many senators and representatives who are regarded as conservatives and foes of arrogant government have tried to obliterate the legal services program. (North Carolina's Sen. Jesse Helms even filibustered against it.) Just as strange is President Nixon's vacillation on the subject. In 1971 he advocated a strong legal services program, but there is now fear that he will veto the bill continuing the program.

The President did, in fact, veto a bill passed in 1971. Another version, in part designed to meet his stated objections, now has passed the Senate and House. Differences between the two houses' bills have been ironed out, and the House has accepted the compromise. The next step is for the Senate to complete its action. The votes are there, but some advocates of the bill are holding off, hoping the President may be persuaded not to veto the bill when it is passed.

Why would he veto? He proposed this very approach three years ago: the creation of a National League Services Corp. to run the program, with many limitations to assure that legal services lawyers would not go too far in influencing public policy.

If he does veto the bill, the obvious reason will be impeachment politics. He will have decided to appease the hard-core "conservative" bloc in the Senate, as he lately has appeased it on other matters, hoping to keep the 34 votes he may need in order to prevent his removal from office. (The ramifications of that for Charlotte will be explored in a subsequent column.)

He could conclude, on the other hand, that he already can count on the support of far-right senators such as Sen. Helms and South Carolina's J. Strom Thurmond and that what he should do is curry favor with more moderate senators who may be swayed to his side.

In any event, the President's desire to keep himself in office may be the determining factor in what he does about a matter of substantial national importance. That is not a very encouraging prospect for the Bill Joe Jacksons.

[From the Durham (N.C.) Morning Herald, June 6, 1974]

THE POOR AS PAWNS

People who live in poverty don't have any clout in the Nixon administration, but they are apparently becoming quite important to the President these days.

Their newfound importance is detrimental to them, however, for they are becoming pawns in Mr. Nixon's struggle to hold office. The President must not lose any of his remaining conservative support in the House if he is to escape impeachment. And if he is impeached, he must keep his conservative support in the Senate to avoid conviction.

In an effort to solidify that support, Mr. Nixon has decided to abandon his own program for welfare reform. But that isn't all. According to the conservative weekly Human Events, Mr. Nixon is also under strong pressure to veto the Legal Services program for the poor—a bill that he has supported since it was drastically revised last year to let him appoint all the directors of the Legal Services Corporation.

The present bill, which the Senate will soon act on, is a product of almost endless compromises designed to curb or eliminate "social activism" on the part of Legal Services lawyers, and it is not as good as it should be. The bill puts so many restrictions on the lawyers that they would qualify as third-class citizens. They would not even be able to work for a school-bond issue after office hours, for example. And there are other unnecessary and unwise restrictions.

But the bill has two important things going for it, two things that shout for its enactment. First, it would remove legal services from all connection with antipoverty programs and permit it to stand on its own as an independent corporation.

Second and most important, it will continue to provide poor people who need legal help with that all-important service. As conservative columnist, James J. Kilpatrick, who supports the bill, recently wrote: "Despite great improvements in recent years in fields of criminal law untouched by the pending bill, the poor are still far removed from 'equal justice.'"

The Senate should pass the bill in its present form and resist efforts to re-establish the link between legal services and the other anti-poverty programs. If the President then is callous and opportunistic enough to veto legal services in an effort to save himself, perhaps the votes necessary to overturn the veto can be scraped together.

[From the Cleveland Press, June 17, 1974]

POOR NEED LEGAL SERVICES

Last year the U.S. Senate chose to go home for the holidays without passing a legal aid program for the poor. Finally, after much jockeying, the Senate is close to voting on a House-passed bill which would set up a Legal Services Corporation.

The Nixon Administration has been phasing out Office of Economic Opportunity programs for a couple of years, causing great concern over what will happen to lawyers who do legal work for the poor and are paid with federal funds.

The Legal Aid Society in Cleveland, for instance, gets a majority of its funds from the Federal Government, the rest from foundations. Its last grant of $381,000 from OEO will allow it to operate only through November.

If the Legal Services Corp. is established (keep your fingers crossed), Legal Aid here and other agencies around the country with more than 2000 lawyers doing work for the poor can apply to the corporation for money.

Opposition to such aid has come from those who charge many poverty lawyers stir

up the poor against politicians and businessmen. That allegation is just so much bunkum, though. A General Accounting Office investigation last year found that poverty lawyers spend almost all their time helping the indigent handle contracts, bankruptcies, divorces and other matters for which the wealthy can afford to hire their own attorneys.

It would be mean-spirited for Congress to say that the affluent can have benefit of lawyers but deny this service to the poor.

There has been some apprehension that President Nixon, listening to the most conservative voices in the White House, would veto a Legal Services Corporation, but this does not appear to be the case now.

Restrictions have been placed on what lawyers can do with grants from the Legal Services Corp. They cannot lobby for legislation, for instance. That means the good work done by the Legal Aid Society in trying to get a landlord-tenant bill passed in Ohio would not be possible in the future. There are strict curbs on filing class-action suits, too, such as the one brought against the Jones & Laughlin Steel Corp. here. Also, Legal Aid would be restricted in the assistance it could give to neighborhood self-help groups.

Those are steps backward. Although the Legal Services Corp. bill is not so wide as a church door, nor so deep as a well, it is the only way that OEO legal agencies can keep going. For that reason we urge its passage, which seems likely but is certainly not assured. We suggest those interested strongly advise Senator Howard Metzenbaum and Robert Taft to vote "yes."

[From WKYC-TV Cleveland (Ohio), June 19, 1974]

EDITORIAL

There's deep concern that the President's threatened veto of the $100 million Legal Services Corporation Bill will literally dismantle legal aid offices around the country, and that includes Cleveland.

The majority of legal aid funds come from the Federal Government, and unless the measure is allowed to become law, federal legal aid monies will be cut off after June 30th. It was originally proposed by the President. Now, unaccountably, he threatens to veto it. Apparently it's become too radical. The only replacement in sight is a highly restrictive measure proposed in the House of Representatives.

At best, the poor receive little more than super market justice. There are too few public attorneys, too little time to prepare cases, and too many people needing help. It will mean the term *equal justice under the law* will simply become inoperative. Somehow, if you're poor, you don't rate protection, or so the theory seems to go.

There's one added point: The public bill for the various legal services now used by the President in defense of himself is estimated at about $6 million. That's also legal aid.

At any rate, if we wish to call this a civilized country, that bill—the Legal Services Corporation Act—should be allowed to pass without a veto.

[From the Columbus (Ohio) Citizen-Journal, June 18, 1974]

LEGAL AID IN TROUBLE

Neighborhood legal services for the poor will dry up soon unless Congress approves and President Nixon signs new legislation keeping the program alive.

A bill creating a new legal services corportation is under strong attack by conservatives, who say poverty lawyers spend too much time agitating for political and social reforms.

In fact, such lawyers spend most of their time handling divorce, child custody and housing dispute cases for people who have no other access to legal aid.

This has been one of the more successful antipoverty programs at providing practical help where help is needed.

Yet the program will expire unless new legislation, setting up an 11-member operating board, is approved by the end of the month.

The fear now is that Nixon will veto the legal services bill (which he once supported) in an effort to woo conservative support for his upcoming impeachment battle.

Such an action would be unfortunate—not only for the President's own image, but for hundreds of communities that now benefit from free legal aid to the poor.

[From the Columbus (Ohio) Saturday Enquirer and Ledger, June 1, 1974]

A BLOW TO LEGAL PROFESSION

Former Chief Justice Earl Warren observed the other day that the parade of attorneys accused of Watergate-related crimes has weakened confidence in the legal profession. Starting at the top, the President faces possible impeachment and the former Vice President has been disbarred in Maryland.

Such sensational, one-of-a-kind proceedings involving lawyers who are public officials naturally capture both the headlines and prime time. But the other lawyers in public service fields—legal aid, public defender, anti-poverty, consumer, environmental, civil and individual rights—need not be tarred as a group because of the activities of those few who have demeaned the law.

Right now a House-Senate conference is taking place that is designed to ameliorate differences over the creation of a National Legal Services Corporation. It would enable the existing Office of Economic Opportunity Legal Services attorneys to continue to represent indigent persons throughout the country. These dedicated attorneys, 2,200 in 900 offices, are the only lifeline to the courts and administrative agencies for millions of unrepresented clients who cannot afford counsel.

The new corporation's lawyers need both the funds and the powers to perform effectively.

SYMBOLIC?

The Louisiana contractor who bought a limousine he thought had once been Spiro Agnew's now finds he was duped.

Agnew had nothing to do with the deal, so the contractor isn't angry with him. But he feels that no one will be interested in the car now as an exhibit symbolizing something about important people in Washington, because the car isn't what it was purported to be.

Maybe he's wrong, though. Just because the car isn't what it was supposed to be doesn't make it any less symbolic of important people in Washington today.—The Atlanta Journal.

[From the Dayton (Ohio) Daily News, June 10, 1974]

NIXON THREATENS VETO OF LEGAL AID FOR POOR

President Nixon, who makes $200,000 a year and gets free housing and an allowance besides, has accepted thousands of dollars worth of legal services from a succession of lawyers who are trying to keep him in office. That's called Protecting the Presidency.

But Mr. Nixon is hinting that he opposes continuing legal services for the nation's poor people. Those services are called a threat to the judicial system.

The White House is threatening to veto a compromise bill that would establish a corporation to run the free legal services programs that were set up under the Office of Economic Opportunity. The bill has already been modified to suit conservatives and Mr. Nixon, and it gives control of the corporation to the President, who would be able to appoint its directors.

Just a week or so ago everybody expected the bill to get quick congressional approval and the President's signature, but impeachment politics has thrown its future into grave doubt.

A few conservatives, who know Mr. Nixon is doing everything he can to make them happy so they won't vote for impeachment, are reportedly pressuring Mr. Nixon to veto the compromise. Bill supporters are negotiating with the White House, trying to convince the President not to veto.

What the bill's opponents object to is its continued funding of "backup centers," which have done creative and important research and lobbying work on behalf of the poor, stepping on a lot of toes in the process.

Some senators are thinking about cutting "backup centers" out of the bill to insure the President's signature, arguing that if the bill does not pass, the whole legal services program will die. They ought to hang tough.

The bill has the support of practically everybody, including the lawyers, and Mr. Nixon cannot in good conscience veto it.

[From the Morning Press, Lawton (Okla.), May 25, 1973]

LAWYERS FOR THE POOR

Legal services to the nation's poor will be provided by an autonomous corporation to be set up by the government at federal expense. Previously, legal aid was furnished by a branch of the Office of Economic Opportunity. The new corporation is the result of a House-Senate conference committee's consultation.

Congress, of course, must confirm the new conference bill. The chances are high that it will do so, as differing forms were passed by the two houses.

Apparently, Congress never learns. The previous legal aid group was disbanded because it became a protected haven for an ultra-liberal, anti-business, down-with-the-establishment, government-bating clique.

In the light of that experience, the final charter is designed to prevent the new agency from being politicized by the activist kind of attorneys who seem to be attracted by such opportunites. Already, voices complain that the agency will be gagged. Not from the work for which it was designed, representing the poor. The danger is that it is heading for another disturbance such as the one that broke up the first attempt.

An agency to take care of the poor is needed. Another liberal political lobby we can do without.

[From the Delaware Times, Delaware County (Pa.), June 17, 1974]

POLITICS THREATENS LEGAL ASSISTANCE

The federal legal services program for the poor reportedly is threatened by "impeachment politics." One of the most effective and few remaining weapons from the original war on poverty is only a few days away from dying for lack of funds.

David A. Scholl, executive director of the Delaware County Legal Assistance Association, gave a comprehensive account of the organization's record and present dilemma in a letter to the editor on this page last Wednesday.

The next day, a New York Times article by Warren Weaver Jr. explained why the program is in difficulty in Washington—"the crippling new Washington disease: impeachment politics."

Despite the huzzahs overseas, the President can have little doubt the House of Repre-

sentatives will vote to impeach. He cannot be blamed for counting Senate votes for and against him. And he well knows that his strongest support will come from conservatives.

Many of these conservatives would like to see Legal Assistance die. They were enraged by the way poor people were able for the first time to use legal representatives and the judicial system to challenge alleged injustices in society.

Legal Assistance spokesmen by necessity poohpooh those significant victories because they have come back to haunt the program now at its time of need. They correctly point out that fewer than 15 per cent of their case load involved disputes with the political and economic establishment.

But conservative senators, whose votes are crucial in any impeachment trial, understandably have the President's ear. And he has let this put him in an inexcusable position.

The bill extending the life of Legal Assistance is very close to that proposed by the President in 1971. He wanted an 11-member corporation to operate the program, and he wanted the power to appoint them, subject to Senate confirmation. He got both.

He also received a number of restrictions on the activities of Legal Assistance attorneys. Were it not for impeachment politics, it is inconceivable that he would now oppose the bill, which has the strong backing of the American Bar Association, hardly a radical group.

But conservatives continue to oppose Legal Assistance and its backers fear a presidential veto unless the bill is sent back to conference and the program weakened still further.

While they agonize, the clock moves. In two weeks, the money stops and, as Scholl pointed out in his letter, attorneys already working for salaries far below what they could earn in private practice will not long remain.

What is needed is swift Senate action and, should there be a veto, a solid override by both houses of Congress.

[From the Philadelphia Inquirer, May 14, 1974]

LEGAL AID BILL WILL DO THE JOB

Congressional conferees have finally agreed on a bill to preserve the legal services program for the poor. It is a compromise of several compromises.

On the negative side, the compromise bill would prohibit legal services attorneys from handling cases involving Selective Service and bar them from bringing lawsuits to desegregate public elementary and secondary schools. Whatever one's views may be on these issues, they are issues which involve legal rights. The view of the conferees, however, was that without the prohibitions the bill probably could not get through the House.

In addition, the compromise goes much too far in forbidding the legal services lawyers from engaging in any kind of political activity, even nonpartisan get-out-and-register campaigns. It also contains a proviso giving preference to local lawyers in hiring staff. That could pose problems in recruiting, especially in rural areas.

On the positive side, however, the bill would create the public corporation, with a board whose 11 members would be appointed by the President with the advice and consent of the Senate.

It would increase funding from the present level, under the Office of Economic Opportunity, of $71.5 million, to $90 million in the next fiscal year and $100 million in the year after that. It would also retain funding for the "backup centers," vital for legal research but banned under the House-passed bill.

Thus, while the Senate conferees may have been compelled to yield too much, the version reported out at least preserves and in many ways advances the principle that equal justice is not just for those who can afford to buy it. The House and Senate should move promptly to send this measure to the White House.

[From the Pittsburgh Post Gazette, June 7, 1974]

LEGAL SERVICES PROGRAM IN DANGER

A program to provide legal services so the poor can have access to the courts is in danger of being entrapped in Watergate impeachment politics.

During the dismantling of various anti-poverty programs, the legal services program has been an exception. It was considered to undergird equal justice under the law.

To insure the survival of the program as a separate entity, Congress fashioned the Legal Services Corporation Act. Conferences with administration officials brought a compromise bill which the White House said it could support. The measure, H.R. 7828, received the endorsement of the American Bar Association and, in our state, the Pennsylvania Bar Association and the Allegheny County Bar Association among others. Congressional passage came in May.

But now fear has arisen that President Nixon may veto the measure to please a group of conservative senators who oppose the concept. If impeachment proceedings go to the Senate, it is expected that Mr. Nixon will lean heavily on conservatives to provide the one-third support necessary to block a guilty verdict.

We hope this assessment is wrong and that Mr. Nixon will sign the measure. As the support of such essentially conservative organizations as the bar associations demonstrates, proper representation for the needy in our complicated system of law and courts is necessary to provide justice for all.

[From the Providence (R.I.) Journal, June 11, 1974]

LEGAL AID CLOUD

Of all the advances made in recent years toward greater equality in the system of American justice, one of the most significant has been the creation of a publicly supported system of legal services available to people of limited means.

In its 300 centers across the country, the legal services program has provided many thousands of Americans with their first chance to obtain a lawyer's advice and help with their problems. For these people, the program has opened access to a legal system that few of them previously had reached.

Yet there now are signs, as Congress completes work on a bill giving permanent status to the legal services program in the form of an independent corporation, that this crucial enterprise may be in serious trouble.

President Nixon is under pressure from conservative members of Congress to veto the legal services bill, on which the House and Senate have all but reached final agreement. Given the strained temper of these times, it appears possible that the President may bow to this pressure from the right and turn down the legal services plan that he himself proposed three years ago.

The bill, as thrashed out by a conference committee of the House and Senate members, is much more limited in its scope than we would like to see. It places restrictions—restrictions that are harassing and needlessly tight—on the type of legal work that legal services lawyers may do. Nonetheless, it is felt to be a version that the program's lawyers can live with. Moreover, it may represent the program's only chance for survival; if the bill should be vetoed, the program could well die at the end of this month, when the fiscal year ends.

Some indication of what a blow this would mean can be gleaned from a look at the program in our state, Rhode Island Legal Services, Inc. Since it began five years ago, this agency has provided legal aid to more than 30,000 people. It now helps between 6,000 and 7,000 new clients each year on a broad range of civil problems from landlord-tenant relations through financial difficulties to domestic relations. It presently has in its files more than 2,500 pending cases, which would be thrown into chaos—and possibly simply allowed to expire—if the program were to shut down.

Beyond its invaluable assistance on individual legal problems, the program has become a vigorous force in advancing social justice. Its lawyers have had a positive impact, far greater than their small number would indicate, in such areas as welfare reform, the rights of prisoners, the availability of school lunches and the rights of handicapped children to equal educations with normal youngsters.

The broad public interest and the need for individual access to legal advice should prove persuasive enough that Mr. Nixon would not even consider vetoing this most important bill. But he never has been especially known for his sensitivity to the problems of the less fortunate, and thus the concern over the bill's fate has spread. With impeachment politics coloring most moves the White House makes, the concern has intensified.

We urge the Senate to give such solid support to the conference version of this bill that the President will be dissuaded from any thought of a possible veto. We urge him to sign it promptly into law. A veto of this measure, in our view, would indicate a most callous disregard for the ideal of equal access to our nation's system of justice.

[From the Memphis (Tenn.) Press-Scimitar, June 17, 1974]

LEGAL AID IN TROUBLE

Neighborhood legal services for the poor will dry up soon unless Congress approves and President Nixon signs new legislation keeping the program alive.

A bill creating a new Legal Services Corporation is under strong attack by conservatives, who say poverty lawyers spend too much time agitating for political and social reforms.

In fact, such lawyers spend most of their time handling divorce, child custody and housing dispute cases for people who have no other access to legal aid.

This has been one of the more successful anti-poverty programs at providing practical help where help is needed.

Yet the program will expire unless new legislation, setting up an 11-member operating board, is approved by the end of the month.

The fear now is that Nixon will veto the Legal Services Bill (which he once supported) in an effort to woo conservative support for his upcoming impeachment battle.

Such an action would be unfortunate—not only for the President's own image, but for hundreds of communities that now benefit from free legal aid to the poor.

[From the Seattle (Wash.) Post Intelligencer, June 5, 1974]

EQUAL JUSTICE

The U.S. Senate has a job to do: Vote "yes" on a bill that will fund a legal-services program for another year.

The legal services bill, which is expected to be debated this week on the floor of the Senate, provides free legal counseling to the poor and indigent.

Strongly supported by the American Bar Association, major bar groups and law schools, the legal service program is believed by urban experts to be one of the best means to correct the injustices that led to rioting in the streets in the 1960s.

One of its problems has been that it is too successful. For example, six selected lawsuits recently resulted in the return to poor persons of $187 million to which they were entitled; suits brought in Boston, Cleveland, Detroit and other cities resulted in extending federal lunch programs to schools in poor communities, and an action in Seattle resulted in the extension of the commodity assistance program during the recent period of high unemployment.

Because Legal Services has battled for the poor against what is euphemistically known as "the establishment," some reactionaries in Congress are working against passage of legislation that will fund the program another year.

They must not succeed. The legal services bill already has been passed by the House of Representatives, and now it is clearly the obligation of the U.S. Senate to make certain the poor are not thrust back to a time when they did not have equal justice under law.

[From the Burlington (Vt.) Free Press, June 6, 1974]

LEGAL AID PROBLEMS

Vermont legal aid and similar agencies throughout the country which offer legal assistance to low-income people could be phased out by the end of the year if there is a Presidential veto of legislation that is likely to pass the Senate this week.

Vermont Legal Aid Director John Dooley, who is in Washington this week, estimated Monday that there is a 50-50 chance of a veto of a bill which would create a National Legal Services Corp. to channel funds to the program.

The corporation has been a part of the Office of Economic Opportunity, but that organization is due to close its doors June 30, Dooley explained.

The bill, creating the new corporation, passed the House and the Senate earlier this year and went to a conference committee, according to Dooley. "The conference report came out May 13 and the House passed it May 16," he said. "The Senate is expected to pass the conference bill this week and then the 10 days will start to run on the President's action."

Pressure is being put on by conservative congressmen for a veto and some White House advisers reportedly are pushing to kill the bill even though President Nixon himself supports the concept, Dooley noted.

He recalled that the Ash Commission in 1971 suggested the national legal services program be taken out of the OEO and put in a separate corporation. "Congress and the White House have been arguing about how to do it for three or four years now," he said.

"If the bill is vetoed, Legal Aid in Vermont could be out of business by the end of September," Dooley predicted. "Any federal money beyond that depends on the passage of the bill."

By the end of the year, all Legal Aid programs will "be out of business" unless the bill is passed, he said.

"In Vermont, we are taking about 6,000 cases a year statewide," Dooley noted.

He said the program's case load has grown year by year since it was started in the state in 1967. Right now, he pointed out, about 50 persons are handling cases in the state. The agency handles only civil cases and about 30 per cent of them are domestic relations cases, Dooley said.

The Vermont Congressional delegation supported the bill to create the national corporation, Dooley said.

Should the bill be vetoed, many of those people in low-income groups who now rely on Legal Aid will have no access to legal advice at all and will be forced into a position of spending portions of their slim incomes to hire lawyers to handle their cases.

Most bar associations and low-income groups support the program and lawyers and law professors serve on the agency's board.

We think the Legal Aid program in its seven-year tenure has done outstanding work for low-income persons and we believe it should receive the necessary funding to continue its excellent work.

[From the Milwaukee (Wis.) Journal, June 7, 1974]

A TEST OF LEADERSHIP

For several years, a bill to create a new version of legal services for the poor has been kicked around Capitol Hill like a tin can in an alley full of 10 year olds.

Now, a House-Senate compromise has run into a new kind of trouble. Painstakingly drafted, it is basically what President Nixon has sought. It is acceptable to the American Bar Association and other moderate groups. It has cleared the House. But, in the Senate, it is stuck in the mushy politics of impeachment.

Hard core conservatives demand that Nixon promise a deadly veto. So far, responses from the White House are unclear. But, since conservative senators are vital to maintaining the "one third plus one" Nixon needs against conviction in any impeachment trial, he's probably listening hard. Meanwhile, backers of the bill delay Senate approval, hoping that moderate voices will ultimately sway Nixon.

How far has Nixon's leadership capacity fallen? This reasonable bill—clearly needed to strengthen equal justice in America—is a test. The measure needs only a presidential nod. But, with Nixon fighting for survival, even that small gesture is proving sadly difficult.

[From the News-Sentinel, July 6, 1974]

LEGAL SERVICES LIMBO

The Office of Economic Opportunity probably was one of the most contentious and contended governmental structures in the history of American bureaucracy. Its sins were numerous, including the wanton wasting of public funds and an unwillingness or inability to apply itself to its assigned objective—the relief of poverty in the country. However, its greatest flaw was the fact that it became, almost overnight, a focus of ideological activism aimed at changing or altering the government to its liking. Somehow, it doesn't seem fair to the citizen or taxpayer to make him support legislatures to determine what government ought to be, and, at the same time, support a bureau dedicated to making government something else.

As a result of that flaw, the Nixon Administration terminated or dismantled the OEO, with quite broad support. Some of the OEO functions or subdivisions were abandoned. Others were assigned to various existing governmental departments or bureaus.

One such function or subdivision—the Legal Services program—has been consigned to a bureaucratic limbo until Congress and the President get together on what it ought to be and how it should be run and controlled. Twice, the House and Senate have passed measures which would establish an independent Legal Services Corporation to carry on the function of providing qualified legal counsel for indigents with legal problems and needs. On the first occasion, President Nixon vetoed the act with specific objections which may or may not have been resolved in new versions of the measure which still must be reconciled in House-Senate conference sessions.

Meanwhile, there seem to be severe apprehensions that the President again will veto the Legal Services Corporation bill and that the program will be dickered out of existence in vote trading over the Watergate-impeachment issue or that it will be continued on an interim 90-day financing basis until something jells.

Without passing on the adequacy of the pending legislation or on a possible veto, we would offer several observations and suggestions:

1. Legal Services appears to have matured considerably since the days when its principal interest seemed to center on the defense of pot and long hair.

2. That in the present context, there are occasions when all types and classes of citizens, including indigents, need and should have legal representation.

3. That, since the scope of these occasions and areas of need are relatively limited, adequate controls are needed to insure that the program does not again become a focus of political concern or contra-government activism.

4. And, finally, that if the Legal Services Program is worth saving (and there seems to be fairly general belief that it is), it is worth being saved properly which cannot be accomplished on a 90-day-to-90-day basis.

Mr. TUNNEY. Mr. President, the administration has fought against the poor at every turn. Nowhere has this attitude been clearer than in the battle over Legal Services. Despite continual congressional declarations of support, the administration has worked to deprive the poor of legal representation. I need not recall all the details of this fight. The administration has tried every tactic. First, it sought to subject the lawyers to the control of hostile local authorities. We stopped that. Then, it attempted illegally to refuse to spend money Congress had authorized and appropriated. Several of my fellow Senators went to court and stopped that.

Three days ago, we learned of the forced resignation of Alvin J. Arnett, Director of the Office of Economic Opportunity, further indicating the administration's contempt for programs which serve our Nation's poor. This firing could not have come at a more inopportune time. Just when a smooth transition of the existing programs is most needed, the Administrator of the program is removed. Arnett's mistake was not that he did not fulfill the responsibilities of his job, but his mistake was that he did his job too well. In attempting to serve the Nation's poor, fulfill the mandates of Congress, as well as the wishes of the Nation's Governors and mayors by seeking the continued life of the OEO programs, Mr. Arnett "lost his party compass." In exercising conscience and independence over partisan concerns and in garnering overwhelming support for the continued life of the community action program to the point where a veto would not hold, Arnett's effectiveness mandated his dismissal.

Arnett's firing makes it imperative that we delay no longer in enacting the independent Legal Services Corporation. The maintenance of the independence of this corporation and the attorneys in the program is more important than ever. Additionally, Arnett's firing makes clear the need to support the continuation of OEO's community action program under the auspices of an independent agency, free from political reprisals. It is for this

reason that I will support legislation to be introduced shortly by Senators JAVITS, KENNEDY, and others, to accomplish this result.

For 3 years now, the Senate Subcommittee on Employment, Poverty and Migratory Labor and the full Labor Committee have worked long, and hard to reach a compromise legal services bill acceptable to the House and to the administration. The Senate-passed version of the bill, while not one I would have authored, gave supporters of legal services an acceptable bill. The conferees then attempted to reconcile differences in the House and Senate-passed version of the bill. The conference report, while weakening the bill, was an admirable attempt to single out broad areas of accord and to structure the bill to implement those aspects of a Legal Services Corporation upon which there is agreement.

The administration, sensing the inability of the Congress to override a veto on this program, has upped the ante. It now has required that the authority to contract with backup centers be deleted. These centers are vital to the legal services program. They assist neighborhood legal services offices in litigating, conducting research, compiling and analyzing the effect of recent administrative rulings and judicial decisions which might affect eligible clients. Without these centers, the whole legal services program will be less efficient and substantial duplication of work by many different legal services offices may result.

I feel that the support functions currently performed by the backup centers can and must be undertaken by the Corporation itself. In making this statement, I assume that the Corporation will recognize the importance of research, training, technical assistance and clearinghouse activities to overworked lawyers in the legal services offices, and will use its authority in this area. Such services must be provided to our local, State and national legal services programs. The Corporation can do this by setting up several offices around the country to do research, training, and other services, or its employees may all be located in one office.

Because the backup services are so important, I do not want them to be interrupted while the Corporation is being organized, and hiring and training the necessary personnel. Therefore, the existing Center should be enabled to continue providing backup services until they can reasonably be undertaken directly by the Corporation.

One of the basic premises of the legislation before us today, is that poor people are entitled to the same range of professional assistance as those who can afford to pay. This includes the provision of legal assistance by national legal services centers specializing in a particular area of law, or in the problem of a particular group of people. Since section 1006(c) prohibits the Corporation from participating in litigation or legislative advocacy except on behalf of itself, I assume the Corporation will fund specialized groups to provide legal assistance under section 1006(a)(1).

Government-sponsored legal services programs have been able to provide an important component of needed legal representation. These programs support the handling of 1.5 million cases each year in areas ranging from family problems to employment and consumer issues. In addition to the large volume of cases handled, there is evidence of high-quality lawyering in the programs. The General Accounting Office reports that only 28 percent of legal services cases lead to court action. Seventy-eight percent of those cases are won or settled while only 12 percent are lost.

Sometimes, the voluminous publicity surrounding landmark litigation often brought by legal services attorneys creates the mistaken impression that legal services attorneys spend too much time trying to reform the law instead of dealing with the more mundane but critical, day-to-day problems of their clients. The evidence available simply refutes this contention. For example, after 16 days of hearings, three justices concluded that from 95 to 98 percent of the cases handled by California Rural Legal Assistance dealt with day-to-day problems. A 1973 GAO report noted that legal services attorneys lack sufficient time to devote to law reform cases.

The Judiciary Subcommittee on Representation of Citizen Interests, which I chair, has, for the past year, been investigating new ways to bring affordable legal representation to all Americans. To date, we have held 15 days of hearings on various aspects of the problem. The subcommittee is studying new developments in the delivery of legal services such as prepaid legal services, legal clinics, and the increased use of paralegal personnel which may aid the "legal enfranchisement" of people at all levels of the economic spectrum.

Accordingly, two aspects of the amended bill are particularly important to the work of my subcommittee. First, I am pleased that the amended bill at least allows the Corporation to conduct research, in the area of the delivery of legal services in order to determine the most efficient and economic way to provide high-quality representation. These research efforts will be of great assistance to the work of my subcommittee. While I believe the ongoing efforts of the American Bar Association and numerous State and local bar associations can be most helpful to the Corporation, the research and developments effort must also include input from the consumers of legal services.

The second aspect of this legislation of particular importance to my subcommittee concerns the role of the organized bar in promoting or inhibiting developments in the area of legal services. In this regard, the subcommittee held a hearing in February of this year in Houston, Tex., the site of the ABA midwinter meeting, entitled "The Organized Bar: Self-serving or Serving the Public?" We learned that there is no simple answer to the question. Sometimes the ABA is motivated by narrow self-interest, such as I pointed out during the floor debate on the National No-Fault Motor Vehicle Insurance Act. But in urging Government-sponsored legal services for the poor, the ABA has taken a selfless stance.

From the inception of the OEO program in 1964, the ABA endorsed the notion of Government-supported legal services for the poor. In 1971, when the President suggested the establishment of an independent legal services corporation, the ABA went on record in support of this concept. The association has numerous times repeated its endorsement.

Since that time, the ABA's efforts have been directed toward insuring that the integrity and the independence of lawyers who provide legal services to the poor are not compromised. I applaud the association's efforts. As a result in part from the ABA's commitment, H.R. 7824 places no substantial restraints on the legal services attorneys' freedom to decide in what forms, and under what circumstances, their clients' best interests may be represented. The only significant restraints on legal services attorneys are those which are placed upon the profession at large by the Code of Professional Responsibility.

The sponsors of this bill have been given assurances that the President will not veto this bill. The price of these assurances has been high. But overall the program is a vital one which must be preserved.

This legislation will provide millions of Americans with needed legal representation; it is open and flexible in approaching new ways to deliver legal services and insures the independence and integrity of the providers of legal services. I urge a strong showing of support in the Senate.

I ask unanimous consent to insert certain statements and articles in the RECORD at this point.

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

SAN FRANCISCO, CALIF.,
May 30, 1974.

Senator JOHN TUNNEY,
Capitol Hill,
Washington, D.C.

Following telegram was sent to President Nixon:

DEAR MR. PRESIDENT: The bar association of San Francisco joins with the Board of Governors of the American Bar Association in urging your approval of H.R. 7824. Based on its close observation of the Legal Services program in San Francisco for several years, this bar association is convinced that this Federal program is indispensable to the goal of equal justice which you eloquently expressed in your 1973 State of the Union address. With reference to your forthcoming proposal for a legal services corporation, H.R. 7824 in its present form is what has emerged from that proposal. While we would have preferred fewer restrictions than it contains for the corporation's lawyers we recognize that the scope of legal services for poor persons is a matter about which reasonable people strongly differ.

We urge prompt enactment of this bill.

Sincerely,

ROBERT H. FABIAN, *President.*

LOS ANGELES, CALIF.,
May 30, 1974.

Senator JOHN V. TUNNEY,
Senate Office Building,
Washington, D.C.

The House has reported out H.R. 7824, the legal services corporation bill; and although the compromised bill severely restricts the scope of legal services, it does assure the poor some access to judicial assistance.

It is my hope you will resist any attempts to further dilute the bill.

I urge the Senate's timely passage of this much needed legislation.

TOM BRADLEY,
Mayor of Los Angeles.

LEGAL AID SOCIETY
OF SAN JOAQUIN COUNTY,
Stockton, Calif., May 24, 1974.

Re Legal Services Corporation Bill, House Resolution 7824

JOHN TUNNEY,
U.S. Senator,
Washington, D.C.

DEAR SENATOR TUNNEY: As you may be aware, legislation creating the National Legal Services Corporation passed the House of Representatives on a 227 to 143 vote last Thursday. House Resolution is No. 7824, authored by Representative Albert Quie, R-Minn. I am writing this letter to you as a Directing Attorney of a Legal Services Program located in Stockton, California. This office supports the legislation that has passed the House and I am specifically asking you to do everything in your power to see that it passes the Senate with as strong a vote as possible.

The indications are, at this point, that President Nixon will veto this legislation unless it gets past the Senate with a strong margin.

In my opinion, the legislation provides a very strong program for legal services for the poor. I am asking you to please support this legislation as much as you possibly can, especially by getting as many Senators as possible to vote for it when it reaches the House.

Yours very truly,

JOHN W. COYNE,
Directing Attorney.

ALAMEDA COUNTY BAR ASSOCIATION,
Oakland, Calif., June 24, 1974.

Senator JOHN V. TUNNEY,
Senate Office Building,
Washington, D.C.

DEAR SENATOR TUNNEY: The Board of Directors of the Alameda County Bar Association has consistently supported the creation of a Legal Services Corporation. This position was reaffirmed at its meeting of June 6, and I was instructed to write to you urging you to support H.R. 7824 when it comes before the United States Senate for final approval.

Very truly yours,

HAROLD C. NORTON,
Secretary.

[From the Daily Journal, Los Angeles, Calif., June 10, 1974]

BAR URGES PRESIDENT TO SIGN LEGAL SERVICES LEGISLATION

(By Andrews Erskine)

The Los Angeles County Bar Association has sent a telegram to President Nixon urging that he sign the bill which would create a national legal services corporation if passed by the Senate.

The bill, House Resolution 7824, by Rep. Albert Quie, R-Minn., was passed by the House on May 16, and action by the Senate is expected this week.

The President has said that he will not sign a bill "one comma" more liberal than the original HR 7824, which he earlier approved.

The bill as it stands now is a compromise between the President's original bill and a more liberal measure sponsored by Sen. Alan Cranston, S 2686.

The telegram, authored by Association President G. William Shea and sent also to Senators Cranston and John Tunney, stated, "As you know, (the bill) is a compromise bill arrived at after scores of hearings and months of negotiations in an attempt to draw a fair balance between the competing interests. We believe that the bill will provide for continuation of an independent legal services program which will give important assurance that our courts are accessible to the poor."

It continued, "Contrary to certain claims, we believe that this measure does not provide legal services to the poor which are different in kind or in any way more political than legal services available to clients who pay."

The bill, which would take legal services out of the control of the federal Office of Economic Opportunity and place them under control of an independent corporation, has been termed one of the most controversial measures on Capitol Hill for some time, and has been the victim of much legislative log-rolling.

It has drawn the fire of many conservatives, notably Gov. Ronald Reagan, who, on the day of the bill's passage in the House of Representatives, sent a telegram urging the President not to sign the measure.

Reagan said, "Signing this bill will mean that states will be subject to virtually unlimited harassment by tax-subsidized groups allied with or controlled by groups such as the ACLU, the National Lawyers' Guild and the National Welfare Rights Organization.

"This bill would perpetuate and extend drastic changes in the manner by which legal services have traditionally been provided in this country, providing interest groups which favor such things as unrestricted abortion, busing and increased welfare demands," the governor continued.

The Los Angeles Daily Journal reported last month that a Washington spokesman for the Governor said it was probable that the bill would pass the Senate, as that body has passed even more liberal legislation.

The telegram sent by the Bar Association expressed a different view, claiming that in the city of Los Angeles, the Legal Aid Foundation handles approximately 24,000 cases a year. When the efforts of the Pasadena, Long Beach and San Fernando Valley legal services programs are added, approximately 40,000 cases are handled per year for indigents in Los Angeles County alone.

"Should support for such legal services cease, the impact on indigents in this county would be gravely adverse," the telegram concluded.

Mr. McGOVERN. Mr. President, I am pleased to add my voice in favor of the Legal Services Corporation bill presently before us. This bill does not represent the type of bill that I would have liked to see us pass; it is filled with compromises that I disagree with. Nevertheless, insofar as it does take important steps towards assuring "equal justice for all," I will support it.

This compromise bill, which incorporates virtually all of the fundamental features that the administration requested, is of utmost importance to the poor in our country. It will make sure that the poor are provided with equal access to the judiciary so that their grievances can be settled in the courts rather than on the streets. It will demonstrate to all that ours is a society of laws rather than men, and that all people can protect their legal rights regardless of economic circumstances.

In my State of South Dakota, the legal services program has made a marvelous contribution to the poor, and consequently, to the State as a whole. Our programs in Rapid City and at Rosebud have worked well to make sure that the poor are adequately given their day in court. Without regard to ethnic background or political affiliation, the legal services program in our State has provided first-rate quality legal services.

It is now important to expand the program and to insulate it from all potential political pressures. This can best be done by establishing a politically independent Corporation. Certainly, if I had my way, I would change many of the restrictive features in this bill. But, despite such differences, this bill is effective enough to warrant the support of everyone in this chamber today.

The most recent compromise—the one which shifts the backup functions of research, technical assistance, training and clearinghouse of information from the current backup centers to the Corporation—is one of the compromises that I disagree with. However, since this compromise does not directly affect the provisions of legal assistance to eligible clients, and since legal services offices of a local, State, and national scope can continue to provide legal representation to the poor, even where such offices are established solely for the purpose of providing specialized legal assistance on complicated subject matters, I will support the bill presently before us.

I urge all of you to vote for this bill and I urge the President to sign it. As the President stated on May 5, 1971, when he first proposed the establishment of the Legal Services Corporation:

> The Federal program of providing legal services to Americans otherwise unable to pay for them is a dramatic symbol of this nation's commitment to the concept of equal justice.

The President's statement was appropriate 3 years ago, and it is no less appropriate today.

Our country so vitally needs reassurance that our Government is dedicated to the causes of justice for all. With the passage and signing of this bill, we can provide that reassurance, particularly to the impoverished across our land.

Mr. HUGHES. Mr. President, the bill that is currently before us is the conference bill with only one exception. That exception relates to the functions of research, training, technical assistance and clearinghouse information activities which are currently provided by numerous national centers throughout the country.

Under the amended bill currently before us, these functions will continue but they will be handled by the Corporation, and not through grant or contract. Thus research activities—which involve the preparation of position papers, model memoranda and complaints, as well as information distribution on legal issues of major concern to the poor—will be handled by the Corporation. This, however, does not suggest that the Corporation will be permitted to engage in litigation since the Corporation is prohibited from doing so under section 1006(c)(1) of the bill. To the contrary, all legal assistance activities will remain intact and they will be handled by legal services offices that provide representation to clients on a local, State, or national level—whether such offices were established for general legal representation purposes or whether they were established for the provision of

specialized and complex representation on particular subject areas.

The research, training, technical assistance and clearinghouse information functions that we are going to shift to the Corporation are vital to the provision of high-quality legal services. Therefore, it is critical that no interruption be permitted in the continuation of these functions to local, State, and National legal services offices. Insofar as it should take the Corporation at least half a year subsequent to its first board meeting to develop the necessary expertise and to hire and to train the personnel necessary to carry out the backup functions, it is expected that the current backup centers will continue to provide research, training, technical assistance and clearinghouse informational functions until the Corporation is properly prepared to do so.

When the Corporation assumes these functions, it will have sole responsibility for them. This does not mean that the Corporation has to conduct all of these activities in Washington, D.C. To the contrary, the Corporation is enabled to deploy its personnel at different locations throughout the country so that these backup functions can be performed in the most efficient, effective and responsible manner. Moreover, the Corporation can obtain consultant services for these functions from individuals and groups that are especially equipped to help the Corporation in its responsibility for these backup functions. Consequently, it is clear that the Corporation will have the capability to discharge the backup functions efficiently, albeit without having them rendered by contract or grant.

The change in the conference bill, therefore, is not intended to diminish the program's ability to serve the poor effectively. Indeed, all of the legal assistance work that could be provided under the conference bill can still be conducted under the present bill. Local, State and national offices will continue to provide high quality legal assistance work for eligible clients. This is so regardless whether such offices handle either general and simple matters such as matrimonial and landlord-tenant cases, or specialized and complicated matters such as cases relating to benefits under the Social Security Act.

In sum, under this new bill, high quality legal services offices serving local, State, or larger areas will not be hampered in their mission of providing the poor with competent and appropriate legal representation. I am hopeful, therefore, that this bill will be immediately passed and signed by the President.

Mr. MONDALE. Mr. President, as one of the conferees on H.R. 7824, to establish a Legal Services Corporation, I would like to make some additional comments on this vital piece of legislation.

The legal services program established by this legislation is, of course, a continuation of the activities now funded through the Office of Economic Opportunity. In this regard, it is assumed that the institutions providing services today will, to the extent that they maintain their capacity to offer high-quality services and can operate in compliance with the requirements of the new legislation, continue to be used to provide legal services to the poor.

It is also assumed that there will not be a disruption in attorney-c'ient relationships already established and in representation which is currently underway. Legal services attorneys are required under this legislation to act in conformity with the Code of Professional Responsibility and Canons of Ethics of their profession, a requirement which includes the obligation to carry through on the tasks at hand during the period of transition from OEO to the new Corporation. To do otherwise would violate legal services attorneys' ethical and professional responsibilities.

The conference report on the bill reflects the agreement of all the conferees, including myself. I thought it might be helpful to my colleagues in the Senate who are concerned about this legislation, however, if I were to spell out some of the particular compromises which have been reached with respect to important provisions in the bill which we passed last January.

One change has been made in the conference bill. That change relates to the backup functions of the Legal Services program, which are research, clearinghouse of information, technical assistance, and training relating to the delivery of legal assistance. According to our change in the conference bill, these functions will now be undertaken by the Corporation rather than by grant or contract.

These backup functions for the actual litigators are of vital importance to the provision of high-quality legal services. It is, therefore, expected that these services will continue to be provided, but they will no longer be undertaken by grant or contract. Of course, since these services are of critical importance, and since we expect that these services will continue to be provided without interruption the current university-based centers will continue their backup services until the Corporation is fully prepared to undertake them. Consequently, since it will most likely take the corporation at least half a year to hire and train appropriate backup personnel, the university-based offices will continue their backup work during this period of time.

This new backup services provision, of course, does not affect any other provisions in the bill, including section 1006(a)(1) which authorizes grants for legal assistance activities. Legal services offices, operating throughout the Nation, will continue to provide legal assistance to the poor, whether such offices were or are established for the provision of general or specialized legal services.

We hope that the Corporation will seek to provide these backup functions in a very effective manner. If this means that the Corporation finds that it is best to have these services provided through local and regional offices, then the Corporation is authorized to establish such offices. However the Corporation sets up the provision of these services, it is expected that they will be provided effectively and efficiently.

Section 1006(c)(5) prohibits the bringing of any class action suit, class action appeal, or amicus curiae class action by a staff attorney without the express approval of the project director in accordance with policies established by the governing body of the recipient. This is an area of responsibility that has been left to the local programs, and it is not expected to involve the Corporation in any way. It is clear that the Congress expects legal services attorneys to afford clients the fullest and most appropriate representation, explicitly including class actions where they appear to be the most efficacious manner of obtaining relief.

A local program may not become involved in such activity, however, until the project director gives his approval. It is expected that this will assure accountability within the local offices and promote proper attention to these types of activities.

The House provision directing the National Corporation to pay costs and fees when they are awarded by court order (and in conformity with State law, procedure, and court rules of general applicability) against a recipient in a case in which the recipient brought an action against a defendant and lost, section 1006(f), has been substantially altered to make clear that: First, such provision relates to situations only where the court finds that the action was commenced or pursued for the sole purpose of harassment of the defendant, or second, that the recipient's plaintiff maliciously abused legal process. Only on these limited circumstances can fees and costs be collected against the Corporation.

This section, therefore, is only applicable in the extraordinary situations where legal services attorneys have totally abused the judicial system in violation of the Canons of Ethics and Code of Professional Responsibility. Such fees and costs can only be charged against the Corporation and may not be taxed against recipients and their employees. Moreover, this provision is not intended to deter or limit legal services recipients from obtaining fees and costs in any cases where they have successfully brought suit for their clients. Thus, if recipients win a case for their clients and persuade a court that it is appropriate, under a "private attorneys general" or other legal theory, that they should receive fees and costs, this bill would certainly permit the court to exercise its discretion in this regard.

Legislative and administrative representation by recipients is covered in section 1007(a)(5) of the bill contained in the conference report. As it now reads, the act prohibits any attempt to influence executive orders or legislation with two exceptions, namely, that the attorney has been requested to make such representations by the agency or legislature involved, or any committee or individual member thereof, or the attorney is acting on behalf of an eligible client and is pursuing an appropriate remedy with respect to the client's legal rights and responsibilities. This provision assures that the legislative and administrative activities of the numerous local legal

services programs and support projects may continue when the Corporation is established.

The purpose of the legal services program is to make lawyers available to individuals and organizations composed predominantly of eligible clients that need legal assistance with respect to their legal problems. It is not to provide a soap-box or source of income for individuals seeking to press ideological or sociological concerns of their own. The attorneys are not to be restricted in the full and efficient advocacy of their clients' cause, but it must be their clients' cause. At the same time the legislation makes available the expert services of the legal services attorneys to employees of agencies or legislators who may wish to draw on the knowledge or ideas that the attorney may have. Thus, the attorney may answer questions, testify, serve on an advisory body, or draft proposed legislation or rules, depending upon the request made.

In section 1007(a)(2)(B), we required that the Governors of the various States be consulted in setting client eligibility guidelines. The various factors relating to eligibility to be taken into account in the Senate and House bills were combined so that many factors are reflected. The criteria of section 1007(a)(2)(B)(iv) of course, do not include situations in which the determination which the client seeks to challenge is the determination that work has been refused or discontinued without good cause. There is not change in the expectation that information with respect to eligibility generally would be obtained solely through a simple form to be completed by the potential client, and that eligibility will be determined in a manner that produces utmost trust and confidence between attorney and client.

In section 1007(a)(8) the bill contains the House provision requiring that the suggestions of local bar associations be solicited before staff attorney positions are filled, and that preference be given to qualified persons residing in the community. This provision has the laudable goals of seeking a cooperative working arrangement with the local bar, and assuring that persons familiar with the local community are employed by the program to the extent a program is able to find qualified persons. This does not mean that a program is required to hire attorneys who will not serve the poor effectively or are otherwise not as qualified as other applicants.

Mr. HUGHES. The time has come to pass a bill and do away with the cloud of uncertainty which has hung over the legal services program around the country.

Resort to the courts for the solution of grievances is one of the most fundamental, enduring rights of citizenship. This ideal is readily embraced by most Americans as a fundamental right under our Constitution. As a matter of fact, the influence of our legal structure on the daily lives of most Americans is enormous. Permit me to quote from the testimony of a legal aid recipient before hearings I chaired in Iowa in April 1973:

The low-income people need the counsel of the law professions as much, if not more, than the middle and upper income classes. To say that these people do not have the right or the need is stupid. The average lawyer will not handle a case involving a low-income I feel, because of the lack of monetary gain. If America is a land of equal opportunity, then we must provide an equal chance for the low-income people to have counsel. The only way we have to meet a large portion of this need is the use of the legal aid agencies. The ghetto areas need these lawyers for all types of problems, but predominately because of business racketeers who have large operations in their areas. The ghettos also come under garnishments often and easier.

I am convinced that the effort to make legal counsel available to everyone has been one of the single most important programs launched by the Federal Government for needy Americans. In Iowa our legal aid programs have been successful in countless ways unknown and unrecorded, except by the recipients themselves. They have been a major force for good in the State, and with an ongoing Federal commitment they could do much more.

I ask unanimous consent that a number of news stories and editorials from the Iowa press be included in the RECORD at the conclusion of my remarks.

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

[From the Des Moines Register, June 14, 1974]

LEGAL AID FOR THE POOR

Congress has been struggling since 1971 to create a permanent Legal Services Corporation to operate legal aid programs administered by the Office of Economic Opportunity. The end of the struggle is in sight—provided the President does not veto the Legal Services Corporation Act.

President Nixon in 1971 vetoed one measure to create a corporation to provide legal services for the poor. The President said his chief objection was that he was empowered to name just six of the corporation's 17 governing board members. Congress upheld the veto and went to work to devise a substitute.

Different versions of a revised bill were passed by the House last year and the Senate this year. A conference committee report filed May 13 was approved by the House three days later. The Senate is expected to act soon to send the measure to the President.

The new bill calls for an 11-member governing board to be appointed by the President and confirmed by the Senate. The measure is honeycombed with restrictions to meet the objections of conservatives.

Legal aid lawyers, for example, are barred from providing "legal assistance with respect to any proceeding or litigation relating to the desegregation of any elementary or secondary school or school system." Lawyers for the poor are barred from giving legal assistance "with respect to any proceeding or litigation which seeks to obtain a non-therapeutic abortion" or from representing anyone in connection with a violation of the Selective Service Act.

A host of limitations are placed on the personal activities of legal aid lawyers. Legal services attorneys are barred even from taking part in non-partisan voter registration drives during non-working hours.

The measure is backed by legal aid supporters, despite the restrictions, in the belief that it provides the best chance for putting federally-financed legal services on a permanent footing. The corporation would provide protection against the efforts now launched annually to scuttle or sharply curtail the nationwide legal aid program.

Fears of a presidential veto are based on the earlier veto and concern that the President may be tempted to play "impeachment politics." The lawmakers most opposed to the legal services program are lawmakers the President may be able to influence on impeachment by catering to them on other issues.

It would be deplorable if the nation's poor were made the innocent victims of Watergate.

[From the Des Moines Tribune, June 21, 1974]

VOLUNTEER WORKERS POUR INTO ANKENY FOR CLEANUP

(By Gary Heinlein)

Volunteers from surrounding communities converged on Ankeny Friday to lend a hand—and heavy equipment—as the city of 10,000 persons began to recover from the devastation of Tuesday night's furious storm.

Crews and equipment were concentrated in five areas where mounds of rubble were still piled along city streets, City Manager Jeff Segin said.

Segin said a sixth crew was at work in an area where there was less debris to haul away.

Volunteers included city crews donated by Ames, Johnston, West Des Moines and Urbandale, plus young people from Polk City, Knoxville, Ames, Des Moines and West Des Moines. In addition, Segin said, several construction firms have sent in men and equipment without charge.

A log and sign-in sheet being kept at the cleanup command post at the Hy-Vee store parking lot on U.S. Highway 69, indicated that among the volunteers were 23 teenagers and four supervisors from the Ames Youth Conservation Corps.

Jerry Dunn, 41, supervisor of the Conservation Corps contingent, said:

"We just decided to come down for a day and help clean up. It was all the kids' idea."

Dunn said the youths had been working on bike trails and other facilities at Ames Municipal Park, and Friday was to have been one of the "education days" provided for under the Youth Conservation Corps program—a day on which the youths would have been relaxing and discussing environmental topics.

But Dunn said the 12 girls and 11 boys who are members of the group heard about the need for volunteer help in Ankeny and decided unanimously to come to the city's aid.

A member of the group, Pat Reynolds, 16, an Ames High School senior, said in an interview:

"I wanted to help. Some people say it was my idea to come down here, but I just heard it on the radio and told people about it."

Another Conservation Corps member, Anda Galejs, 15, an Ames High School sophomore, denied that the cleanup work was too heavy for a girl. "It's just as hard for everybody," she said.

"Some guys just have more muscle, that's all."

Ankeny Manager Segin said the city still needs volunteers, provided they come in groups and check in first at the Des Moines Area Community College from where they will be bused to work areas.

Segin said the clean-up operation—now in its third day—is expected to continue until late Sunday. By then, he said, the bulk of the heavy work should be finished.

"But our city crews will be busy for I don't know how long after that," Segin added.

The city, in effect, is "sealed off" in an effort to keep out sightseers, officials said, adding that they are on the lookout for "con artists" intent on making a "fast buck" from the misfortunes of residents with bogus real estate deals and rebuilding offers.

In addition, a midnight to 6 a.m. curfew remains in effect.

Main entrances to the city were being guarded by Ames police. Military police were aiding in traffic control.

"Our biggest problem is still traffic," said City Councilman Jack Leinen, who was manning a two-way radio at the Hy-Vee parking lot, keeping in communication with police directing traffic.

"Cars are getting into the areas where we are moving debris with heavy equipment and it's causing jam-ups," Leinen said.

Leinen said that the new traffic-control measures were initiated after an extremely heavy inflow of sightseers from south of the community that turned Thursday evening's clean-up efforts into "a fiasco."

"Cars were lined up as far south as you could see," Leinen said. "We sealed off the south entrance to the city."

Leinen said residents have reported seeing suspicious persons and cars in tornado-damaged neighborhoods.

In other developments:

Classes resumed Friday morning at the Ankeny campus of the Des Moines Area Community College and officials at the college said registration for summer arts and sciences classes will continue Monday and Tuesday until 8:30 p.m. each day.

Robert Oberbillig, director of the Polk County Legal Aid Society, said Friday that the society is providing free emergency legal services to "all residents of Polk County who have suffered loses as a result of the tornado and severe storm."

The society will have lawyers available to answer questions and give advice at the Ankeny City Hall, or at the society's offices at 102 E. Grand Ave. in Des Moines.

Oberbillig said the services will be available throughout the weekend and "as long as necessary" to provide assistance to people who have questions or problems.

U.S. Representative Neal Smith (Dem., Ia.) was due to tour the city at 9 a.m. Saturday, followed by U.S. Senator Dick Clark (Dem., Ia.) at 10 a.m. Sunday. They were to survey damage and confer with local officials about possible federal disaster aid.

George Frink, disaster chairman for the Central Iowa Chapter of the American Red Cross, said disaster welfare inquiries from anxious relatives and friends throughout the United States poured into the chapter at the rate of about 50-an-hour Wednesday.

All but about 10 inquiries had been answered Friday and others were still coming in, he said.

[From the Des Moines Register, Jan. 12, 1974]

CLAIM NEW HOUSING CODE WOULD HURT FARM FAMILIES

(By John Hyde)

Critics of a proposed state housing code said Friday the code would cause hundreds of unnecessary expenses for farm families if it were to go into effect as drafted.

The proposed code could also cause dissension in small towns and would be a step backwards in the fight for tenants' rights, the critics contend.

The housing standards were designed by the Iowa State Department of Health, which was mandated by the Sixty-fourth General Assembly to develop a new state-wide code. The code will go into effect in some form July 1.

About 100 state, county and municipal officials, as well as interested individuals, appeared Friday at a hearing in Des Moines to criticize and comment on the proposed code.

"UNIFORM" CODE

The code would apply "uniformly to the construction, maintenance, use and occupancy of all residential buildings" in Iowa, but one state official said it is uncertain whether it could be enforced in rural areas.

Norman Pawlewski, Iowa Commissioner of Public Health, said the attorney general's office has been asked to prepare an opinion on the code's applicability to rural housing.

Harold Anderson, director of local affairs for the Iowa Farm Bureau, said the code should not concern itself with "isolated farm dwellings."

The cost to many farm families forced to meet the code, said Anderson, would be "exorbitant and unnecessary."

Anderson argued that the need for a strong housing code exists primarily in urban areas, where congestion creates a potential for health hazards.

Another critic of the proposed code, Robert Oberbillig, director of the Polk County Legal Aid Society, questioned "the validity of the code as applied to single, owner-occupied units."

Oberbillig said many of his clients could not afford to meet the code's requirements without some form of subsidy.

"Unless we have something better to offer," said Oberbillig, "these people should be allowed to remain there."

Oberbillig's main complaint centered on the code's protection of tenants' rights, which he said would be a "serious step backwards" from existing law.

At present, tenants living in units not meeting housing codes can legally withhold rents from their landlords, as a sanction, Oberbillig noted. The proposed code would require that the local board of health seek an injunction against the landlord before rents could be withheld, he said.

SANCTION OF TENANT

"That puts the tenants' chief sanction in the hands of the board of health," he said.

He also said the proposed code offers inadequate protection against utility cut-offs as a means of eviction.

Richard Biondi, president of the Iowa Environmental Health Association and assistant director of the Polk County Health Department, praised the bulk of the code, but he argued for changes in a number of sections. Enforcement of the Code should be the responsibility of local health departments, he said. The proposed code currently is vague on the subject of enforcement responsibilities, he said.

The minimum heating capacity of units should be 70 degrees, Biondi said, instead of the 68 degrees now in the code. Biondi said the extra 2 degrees would provide an important measure of comfort for the elderly and children. He also argued that temperatures should be measured 18 inches from the floor, where infants are, rather than the three feet now in the code.

Biondi also asked that the appeal process be shortened from 21 to 10 days, and that second notices, now required by the code, be eliminated. He also suggested that local health boards not be given the power to grant variances.

Arthur Peterson, Clear Lake city councilman, said he could not understand why "a person who owns a home and is satisfied should be subject to these standards."

"You can't infringe on someone's personal happiness and come in and inspect someone's house and say you're not living right," he said.

The proposed code has no "grandfather clause", which means that it would apply to all buildings, including those constructed and occupied at the time the code goes into effect.

"I don't know where we'd find a man to enforce that code in Clear Lake," Peterson continued. "If we did, he would have to wear a suit of armor."

Peterson said he would probably have to resign from the Clear Lake City Council if the code goes into effect, because of public criticism he expects to result from enforcement of its provisions.

THE ENFORCER

"Well, Mr. Peterson, it looks like you're going to have to resign," said Choquette. "The law states that the code shall be enforced by local housing boards and other officials. We don't have anything to say about that."

The proposed code sets minimum standards of lighting, ventilation, heating and plumbing for residences, as well as standards for space and density. It establishes an appeals procedure and a system of fines for landlords not complying.

In spite of its faults, said health official Biondi, its adoption will make Iowa a "leader in the nation in providing safe housing."

Mr. STENNIS. Mr. President, I rise to voice my very strong opposition to the revised conference report on the Legal Services Corporation bill.

In this bill as it is presented to us, Mr. President, are organizations, mechanisms, and procedures that brook interference with justice, rather than promoting it. In this bill are the means of creating strife, and if enacted it will surely do so, and on a wide scale. This legislation carries the means to promote dissent and to compound it over and over again. It does so in the name of social justice. What it will promote is social discontent, and the most discontented will be the average solid citizens who go about their business of creating a good home for their families, a good community for them to live in, and a good Nation, founded on Christian principles and the free enterprise system. They are the ones whose rights are going to be imposed upon. They are the ones who will suffer from this totally unsatisfactory approach to settling social problems, and they are the ones who will pay for it, in hard cash out of their pockets to the tax collector—cash that they do not have because their paychecks cannot stretch far enough to cope with the inflation that already has their backs to the financial wall.

Mr. President, there is enough dissent in this Nation without Congress passing legislation to provide the means to create more of it. Our civil and criminal courts are jammed. Civic procedures are often hamstrung by small numbers of highly vocal dissenters. Community endeavors are delayed or halted by small groups who use the laws Congress has already passed to circumvent worthy endeavors. The accomplishment of the greater good for the greater number is already an uphill battle. This bill would insure that to get any large number of people together on any worthy enterprise is going to be harder than ever.

Mr. President, I believe that the American people are beginning to think that the Federal Government does not understand them, or their problems. The people do not understand some of the things the Congress does, and I do not blame them. They will not know why the Congress has unleased on them a system of lawyers dedicated to promoting litigation on a grand scale, regardless of the facts, and I would not blame them, based on what is in this bill.

There have been discussions of whether the President would veto this bill as presented. I have no personal knowledge of his intentions in this regard. It was my understanding that he would veto a bill that departed radically

from the proposal the President sent to Congress a year ago, embodying his recommendations for reform of legal services. I submit that this bill does depart drastically from the administration proposal. The funding of the so-called "back-up centers" was only one of many departures between the two concepts, in my opinion. A number of them were pointed out on the floor on July 10 by the distinguished Senator from North Carolina (Mr. HELMS).

There is the matter of a termination date for the Corporation, rather than setting it in stone, as a monument to misguided good intentions, to be a permanent infliction to haunt us forever. There is the problem of the legal costs of the innocent parties sued. There is the furtherance of the pursuits of the purposes of advocacy groups, whether or not they are aimed at the greater good of the majority, or even have merit in any way. There are many others. These are unwise departures from common sense, logic, and justice, and invite rejection on their lack of merit. I hope and urge that this body, in its wisdom, will reject them.

The deletion of the funding for the backup centers would be a step in the right direction. These regional supporting offices were referred to in the other body as "hotbeds of social activism," which in my view would be an accurate description. As pointed out, however, by the distinguished Senator from North Carolina, the conference report as amended would still permit funding of backup centers within the Corporation, rather than through outside agencies, and would allow the use of "public interest law firms" to accomplish backup center functions. I strongly support amendment No. 1575, as offered by the Senator from North Carolina, to preclude these means of funding backup centers.

Mr. President, even if the backup centers are in fact eliminated, I oppose the purposes of this legislation. It does not do what it purports to do. It does, unfortunately, do many unwise things which it does not purport to do. It should not be inflicted on Americans. I urge very strongly that the Senate reject this legislation.

Mr. NELSON. Mr. President, many staff members have assisted the committee throughout its deliberations on the Legal Services Corporation Act and we are indebted to them for their dedicated efforts. Among these are the Employment, Poverty, and Migratory Labor Subcommittee's counsel, Richard E. Johnson, and its associate counsel, Larry Gage, who have worked closely together with the minority counsel, John K. Scales. Among other staff members to whom special thanks are due are Roger Colloff of Senator MONDALE's staff, and Jonathan Steinberg of Senator CRANSTON's staff, as well as Randy Stayin, Roger King, and Robert Hunter of Senator TAFT's staff. Blair Crownover of the Senate Legislative Counsel's office assisted the committee throughout markup and conference committee sessions.

Mr. JAVITS. I join with Senator NELSON in expressing appreciation for these services from the staff persons whom he has just named and I wish to commend again Senator NELSON, the chairman of the subcommittee, Senator TAFT, the ranking minority member of the subcommittee, as well as Senator MONDALE and Senator CRANSTON, who have contributed so much in the long struggle to establish a Legal Services Corporation which now is only one final step from realization.

Mr. KENNEDY. Mr. President, the legal services bill now before the Senate, H.R. 7824, is the culmination of 3 years of hard work and compromise. It is a product of three long conferences, the latest lasting over 6 weeks. It represents, despite its much diluted nature, the final hope to maintain a program of legal services for the poor. I believe we owe a special debt to Senator NELSON, for his work and leadership over the past 3 years on this matter. Senator MONDALE, Senator JAVITS, Senator CRANSTON, and Senator TAFT also deserve the commendation of those who support legal services for the poor, for their efforts.

The history of the struggle for an independent Legal Services Corporation began in 1971. Congress and the administration then endorsed the transfer of the national legal services program from the Office of Economic Opportunity to an independent Legal Services Corporation.

However, in 1971, the President vetoed legislation establishing that Corporation. In 1972, a revised bill died in conference under the threat of a second veto.

In both instances, the President insisted on full power to appoint the Corporation Board of Directors, while Congress urged that the board include nominees of various national legal professional organizations such as the American Bar Association and the Association of American Law Schools.

Our concern then and our concern still is to insulate the new Corporation from political pressures and insure that it will be responsive to the needs of the poor rather than the policies of the White House under any administration.

Despite these objectives, we were unable to persuade the White House to accept a truly independent board of directors. Therefore, during 1973, the Senate Labor and Public Welfare Committee worked closely with the White House staff to fashion a bill that acceded to the administration position regarding board composition. It also recognized administration concerns in a number of other areas, particularly involving the acceptance of additional restrictions on the permissible activities of the individual legal services attorneys.

While I opposed those restrictions as representing a view that the poor were not entitled to the same legal rights as other citizens, the restrictions were part of an agreement negotiated with the administration in return for its support of the bill.

The final product was approved in writing by Melvin Laird, former counselor to the President, by the American Bar Association, by numerous public interest organizations, and by many editors and columnists.

That bill was approved by the Senate after the House had passed a more restrictive version.

In the conference, we moved even further toward the administration's position. The conference report was a compromise; but it was a compromise that assured the continuation of all vital elements of the current legal services program, including backup centers.

Following the conference, some 30 Governors reiterated their support of an independent Legal Services Corporation. The American Bar Association also repeated its endorsement along with the heads of 22 State bar associations.

Even with that support, the White House sent its emissaries to the Congress to demand one more pound of flesh from the legal service program, or else the bill still would be vetoed by the President.

The demand was that legal services backup centers be removed. It is interesting to note that in the original administration bill, and in its previous agreement with the Senate on the Senate bill, the administration had not objected to the backup centers. Only recently has the conservative objection to those centers drawn full administration support.

In fact, the backup centers have been a successful and effective aspect of the legal services program for the past several years. They have offered research, technical assistance, and training relating to the delivery of legal assistance for new lawyers—assistance that has improved the quality of legal services programs around the country.

It is important to recognize that a GAO evaluation specifically commended the backup center effort to achieve reforms in the legal system in behalf of the poor.

It also was their success, not their failure, that angered conservative groups and drew the ire of the White House.

They have carried to the highest courts in the land cases on behalf of the poor—and many time they have won.

For an administration that was once so outspoken in defense of law and order, the backup centers should have been proud symbols of the best way for legal grievances to be resolved.

Instead, this administration demanded that the Congress—if it desired any legal representation for the poor at all—radically alter the operation of these centers.

I did not accept that compromise until it became evident that it was the only way to avoid a veto and until House leaders stated that a veto could not be overridden.

I am convinced that the functions the backup centers were providing will have to be maintained by the new Corporation. I shall discuss later the possible ways for this to be done. It is difficult to imagine that a corporation will not find it necessary to provide training to new lawyers, to provide research and a central clearinghouse for information for the various legal services programs and will not be ready to provide technical assistance relating to the delivery of legal assistance as well.

What has been done, however, is to interfere with the best way of accomplishing those functions—that is using our universities and law schools with

their reservoir of legal talent—to continue to undertake those services. Instead, the Corporation will have to undertake those services on its own.

Recently, there has been some argument advanced that even now a veto is possible. A veto now would be the height of cynicism. A Boston Globe editorial is even more apt now than when it appeared on June 5, it stated:

Further it would be particularly irksome for the President to veto a bill providing legal aid to poor people while the American taxpayers are spending untold sums, perhaps in the millions of dollars, for Mr. Nixon's legal defense.

Mr. Nixon should sign the legal services bill when it reaches his desk. Failure to continue the program would not only deepen the disillusion of this country, but would corrode its underpinings of justice.

I believe that after 3 years of compromise between the Congress and the administration of this legislation, there is no excuse for any further delay in its enactment. No further compromises in reconciling those who believe there must be an independent legal services program for the poor, and those who object to that concept, can be made.

If the President chooses to veto this bill, it would mean that the administration has finally decided that the poor are not entitled to due process of law.

I opposed the inclusion of the present restrictions in this bill because I believe that legal advocates for the poor deserve to have the same freedom to defend the rights of the poor as attorneys for other groups in our society. Despite the restrictions, I urge that the amended bill before us be passed since it is the only vehicle to provide for the establishment of a separate Legal Services Corporation. Also, it is the only vehicle to carry us closer to a time when the poor of this country will be assured equal justice under law.

Mr. President, I also want to call attention to the remaining provisions of this bill which are important to insure that adequate and effective representation continues in the new Legal Services Corporation.

The governing body of the Legal Services Corporation will be an 11-member board of directors that is to be nominated by the President and confirmed by the Senate. We expect that the nominees to the board will be broadly representative of the organized bar, the client community, and the legal services lawyers, and that they will have already demonstrated an understanding and commitment to the principles found in the statement of findings and declaration of purpose of the act. It is my hope that the President will make appointments to the board as soon as possible after he signs this bill.

The conference bill provides for State advisory councils, whose sole function will be to notify the Corporation of apparent violations of this act. We used the word "apparent violations" because we definitely do not expect the councils to conduct investigations or hearings. That is the responsibility of the Corporation. Any meetings of these and any other advisory councils will, of course, be open to the public, in accordance with section 1004(g). No provision is made for resources to provide staff for these councils, and we do not expect the very limited resources of the Corporation to be used for such purposes, since it is expected that they will function only when necessary to provide the required notifications.

Under OEO, the National Advisory Council on Legal Services was a valuable body that provided input into the program from the organized bar, the client community, and the poverty bar. This act, like the Economic Opportunity Act, does not require the Corporation by statute to continue such an advisory council, but we fully expect that the Corporation board will do so, and will place on it people who have a demonstrated commitment to the provision of effective legal services to the poor.

Originally the Senate version of this bill had several provisions, such as the one contained in section 1005(e)(1), that precluded Federal bureaucratic and political control of the Corporation and its personnel. In conference, several of these provisions were dropped because it was felt that they were redundant. Now section 1005(e)(1) is designed to shield the Corporation from political interference. Similarly the bill recognizes that there are conflicts of interest or political influence problems with grants to State and local governments. This is why we have prohibited such grants except in highly unusual circumstances and only then upon a special determination by the Corporation board.

In two sections, 1006(d)(5) and 1007(a)(7), the local board of the recipients is required to establish guidelines to insure the efficient handling of class actions and appeals. These provisions are not to be interpreted so as to unethically restrict or even discourage program attorneys from bringing class actions or appealing cases on behalf of clients. The General Accounting Office issued a lengthy study in March 1973 which concluded that legal services programs should, in fact, resort more often to class actions and other economical law reform techniques that can result in more benefits to larger numbers of clients and potential clients. In any case, local boards should be especially careful not to interfere, in any way, in the attorney-client relationship.

The conference bill provides in section 1006(f) for the award of reasonable attorneys fees, to be paid directly by the Corporation, in instances of a court finding of malicious abuse of process. This process should not be read so as to restrict the award of attorneys fees to a legal services program funded by the Corporation. Indeed, we expect that the courts will award fees to legal services programs in cases where an award would be made to a private attorney or where such offices are functioning like "private attorneys general." Similarly, section 1007(b)(1) does not prohibit the award of attorneys fees when, for instance, damages are sought in cases local bar members do not wish to handle. We expect the Corporation to promulgate guidelines continuing current practices in OEO legal services; that is, if several members of the local bar or the local bar referral service express a lack of desire to handle a given fee-generating case, then it may be handled by a legal services lawyer.

In disqualifying potentially eligible clients from legal services under section 1007(a)(2)(B)(iv), because of a prior determination that the client is "voluntarily poor" and refuses to work, it is expected, of course, that the client will be eligible for services in order to rectify or challenge such a prior determination. Moreover, eligibility for legal services will be determined through a simplified self-declaratory form that is most conducive to establishing a trusted attorney-client relationship.

This bill contains several provisions that, while they are restrictive in tone, are aimed at curbing alleged abuses and are not to be construed as prohibiting an attorney from fully, effectively and aggressively representing an eligible client. For example, section 1007(a)(5) prohibits funds to be used to affect the legislative or administrative regulatory process unless an attorney is representing an eligible client or is so requested by a legislator or agency. This provision does not preclude the continuation of current programs or program offices, nor does it preclude attorney participation on governmentally or privately appointed boards, commissions, or organizations. In representing a client, or a group of persons predominantly composed of eligible persons, or responding to a request from a legislator or agency, the attorney may draft model statutes and court rules and comment on existing legislation as well as participate fully in hearings, and all other public and private aspects of the legislative and administrative process, just as a retained attorney would do on behalf of a paying client.

Section 1007(b)(4) limits juvenile representation to the areas provided in that section. It should be noted, however, that the "benefits" and "services" referred to in 1007(b)(4)(D) relates to all of the rights a juvenile should enjoy pursuant to the Constitution, statutes, and court decisions. And, while we have prohibited litigation initiated against the child's parent, we do not mean to prohibit suits where parents or guardians become defendants or respondents to an action subsequent to its initiation. Furthermore, this prohibition refers only to litigation against parents and guardians, not legal advice or the like. I might just add that when this prohibition uses the word "guardian," it does not refer to an institution, institutional official, foster parent, or the like.

Section 1007(b)(6) prohibits certain activities unless the attorney is representing eligible clients or an eligible client group. We have not meant to curtail any existing or continuing representation of national, State, and local poverty organizations. We expect that program attorneys will continue to act as corporate counsel to such organizations if such groups are composed primarily of eligible clients.

There are absolute prohibitions on certain types of cases in sections 1007(b)(6), 1007(b)(7), and 1007(b)(8). Because these cases were not limited under the existing program and since, to require programs to terminate cases upon enactment of this legislation would act like an ex post facto law and possibly violate the Code of Professional Responsibility, we expect that clients now being represented in these types of cases will continue to be represented to the final termination of their case.

Several provisions of the Legal Services Corporation Act seek to insure the hiring of quality attorneys and to focus those attorneys' full energies on the problems. For example, section 1007(a)(8) requires preference to be given to applicants who reside in the community to be served for attorney staff positions. Before any preference can be given, however, such applicants must be qualified by experience, commitment to the goals of the program, academic excellence, background, and second language proficiency where relevant. If all such factors are weighed evenly among individual applicants, preference should be given to local residents.

So that their full attention will be given to the problems of poor people, section 1006(b)(4) prohibits program attorneys from engaging in the outside compensated practice of law. It is expected, however, that they will be allowed and encouraged under guidelines established by the Corporation to fulfill, without compensation, the civic duties that all members of the legal profession are called upon to perform.

The bill authorizes $90 million for fiscal year 1975 and $100 million for fiscal year 1976. Some of us believe this level of funding is much too low. We certainly expect it to be no lower.

Section 1012 is intended to allow the Corporation the full benefit of such governmental services as FTS, GSA, and similar facilities for the sake of efficiency, economy, and wise use of taxpayers' money. For the same reasons, many of the same facilities should be made available to recipients.

Section 1010(c) limits recipients'—except those serving Indian populations—use of private foundation funds—as defined in the Internal Revenue Code—for purposes prohibited by this act. This does not, of course, affect any public funds.

One change has been made in the conference bill in order to assure that the President will sign this legislation. That change relates to backup services that are provided to aid legal assistance lawyers with their cases: training, technical assistance, clearinghouse of information, and research. These services, when provided solely as a separate backup for the litigating attorneys shall be transferred from university-based centers to the Corporation.

This compromise is not intended to inhibit the provision of high-quality legal services by offices serving city, local, State, or nationwide clienteles. Such functions cannot be performed by the Corporation, particularly because section 1006(c)(1) of the bill prohibits the Corporation from litigating in behalf of clients. Thus, offices that provide legal assistance to clients throughout the country, whether established for general representation purposes or for representation purposes or for representation on specialized subject matters, will continue to perform their vital legal assistance functions without any interference. They, of course, should expect, from the Corporation, backup research, training, technical assistance, and clearinghouse of information help on their litigation—help which is now provided by independent grantees or contractees.

The Corporation must acquire expert personnel for the performance of these backup services. Since the hiring and training of these people will take some time, and insofar as it is our intention that there will be no interruption in the provision of these vital services, we expect the current backup centers to continue this work until a reasonable transition can be effective after the Corporation is fully operating. This will give the Corporation time to provide these backup services in an uninterrupted and appropriate manner. And, once the Corporation undertakes these functions, it can do so by providing all of these services through its office in Washington or through regional and local offices established under its auspices.

While I reluctantly support this bill in its present form, because of the backup services provision, I fully expect the Corporation to continue to use the developed experience and expertise of the existing legal services programs that have served their clients so well. It is my fervent hope that those practicing under the Corporation will remain free from political influence, unethical practices, and interference in the attorney-client relationship. I intend to watch the Corporation's development with a critical eye to insure that the poor of our Nation receive equal justice under law.

I ask unanimous consent that two editorials on this subject by the Boston Globe and the Boston Herald-American be printed in the RECORD.

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

[From the Boston Globe, June 5, 1974]

OF MR. NIXON AND LEGAL AID

In the tradition of the Homestead Law and the Civilian Conservation Corps of other periods, the federally-subsidized legal services program has provided a better shake for millions of poor Americans in the past decade.

In 1973 alone, 500,000 needy Americans benefited from legal representation that almost certainly would have been beyond their means without the Federal support. For many old, infirm and powerless persons, this access to legal counsel stands as their only hope for redress of injustice: an unlawful raise in rent, repossession of a refrigerator, or discharge from a job. But now the Federal program is in jeopardy.

In 1971, President Nixon vetoed legislation to establish an independent, non-profit corporation to oversee the legal services agency. The veto prevented the transfer of the agency outside the jurisdiction of the Office of Economic Opportunity (OEO).

This year, a House-Senate conference committee has reported a compromise version of the bill Mr. Nixon rejected three years ago. The House last month approved the amended bill, but by a vote less than the two-thirds majority necessary to override a presidential veto. Final action on the bill in the Senate is expected this week.

If Mr. Nixon vetoes the bill this year, it almost certainly will mean the demise, as of June 30, of the legal services program, for Congress is proceeding apace with the dismantlement of OEO.

The compromise bill provides for a $190 million, two-year appropriation for legal services. It accords with the President's stipulation—the rationale for his 1971 veto—that he have the authority to appoint all 11 directors of the legal services corporation. As a further concession to conservatives, it would restrict more extensively than its 1971 predecessor the power of legal service attorneys to engage in political activities and litigate controversial cases, such as those involving abortions, racial desegregation and the Selective Service.

The legislation has the support of the American Bar Assn. and the bar associations in numerous states, including Massachusetts. But conservatives, most notably former OEO director Howard Phillips of Danvers, have been pressing Mr. Nixon to veto the bill, even in its diluted form.

The conservative Washington weekly, Human Events, reported that at least one "leading conservative Republican congressman," whose name was not disclosed, threatened that he would vote for Mr. Nixon's impeachment unless the President vetoed the legal services bill.

It would be a travesty if Mr. Nixon yielded to such coercion. Further, it would be particularly irksome for the President to veto a bill providing legal aid to poor people while the American taxpayers are spending untold sums, perhaps in the millions of dollars, for Mr. Nixon's legal defense.

Mr. Nixon should sign the legal services bill when it reaches his desk. Failure to continue the program would not only deepen the disillusion in this country but also would corrode its underpinnings of justice.

[From the Boston Herald American, June 14, 1974]

EQUAL JUSTICE FOR ALL

It is an almost foregone conclusion at this point that Congress will go along with the administration in dismantling the federal Office of Economic Opportunity through which the Great Society's war on poverty was conducted.

But one of the phases of that federal effort to aid the needy—legal services for the poor and disadvantaged—is now given a fair chance of survival after almost four continuous years of controversy.

Recenty, the governors of 28 states, the American Bar Ass'n, the heads of 22 state bar associations and a congressional conference committee endorsed the plan to establish an independent, non-profit national corporation to provide proper legal counsel for those who could not otherwise afford it.

House Rule 7824 subsequently has been passed by the House and is expected to be taken up shortly in the Senate. The new Corporation would succeed OEO's Legal Services Program which had come under considerable fire because so much of its activity was directed towards the government itself.

But the years of trial and error have compromised different versions to make them more acceptable to all sides in Congress and in the administration. Some of the more controversial elements have been eliminated by absolute prohibitions against such activities as abortion, school desegregation and amnesty cases.

Even with these and other deletions—

with which we are inclined to agree—there are still many other legal services that need providing for a great body of the citizenry if all are to receive, in fact, the equal justice under the law to which they are entitled in constitutional theory.

President Nixon has twice submitted messages since 1971 calling for the Legal Services Corporation; and though radical changes proposed by Congress led to threats of White House veto, most of those differences have now been resolved and the changes of passage are brighter now than ever before.

Mr. MATHIAS. Mr. President, if the concept upon which our Republic was founded—equal justice under the law—is to have any meaning in our adversary system of legal representation, then every individual must be provided the means whereby he can enforce his rights and redress his grievances. The Legal Services Corporation bill provides the opportunity to do just this—creating an independent structure to assure all Americans regardless of their economic position that they will have the assistance of a competent lawyer to pursue their just objectives aggressively within the framework of our judicial system.

I have seen the ability to accomplish this in my own State of Maryland. The Legal Aid Bureau, through funding receiving from OEO since 1966 has provided lawyers throughout the Baltimore metropolitan area, in those very areas where low-income populations are most prevalent. This program has provided a law firm for the poor that in its last year of operation served over 35,000 low-income citizens. The most common thread in all these cases was a lack of money to pay a lawyer. But the legal problems handled by these poverty lawyers covered the myriad day-to-day crises of the poor—evictions from homes, family problems, overreaching by unethical, fly-by-night sales artists, and countless problems with the bureaucracy of governmental agencies that touch upon the lives of the poor on a daily basis.

Lawyers funded by Federal programs have assured the poor of effective representation, and given to them the confidence that the law and the courts are a valuable tool accessible to them on a basis comparable to that of a person fortunate enough to be able to afford his own representation. New meaning has, therefore, been given to the concept of equal justice under the law, for the low-income community.

This bill creating the Corporation comes to us after a great deal of debate and fine study. It represents the best that can be done under all the circumstances. For example, there are checks on any kind of partisan political activity by Legal Services lawyers, assuring that legislative advocacy is solely to pursue the objectives of the low-income client community. Of importance is the Board makeup of this Corporation, regarding the composition and selection of board members, and providing for national and local advisory boards to assure input from every level. But most importantly, perhaps, is the clearly recognized protection in the bill of the vital attorney-client relationship.

The bill in short provides assurance to the low-income community of a meaningful commitment by our Government to the principle of equal justice under the law. The record of Legal Services under OEO is one which gives strength to the belief that this bill will create a corporation to continue this fine tradition of service. I, therefore, have no hesitation in giving my full support to this bill and urge its acceptance with no further amendments.

Mr. President, I ask unanimous consent that the following documents be printed in the RECORD at the close of my remarks:

First. Memo and resolution from the American Bar Association regarding H.R. 7824;

Second. A letter from the Maryland Bar Association stating its position on the bill;

Third. An editorial from the Baltimore Sun of July 8, 1974;

Fourth. A copy of a newspaper column by James J. Kilpatrick on the legal services bill; and

Fifth. An excerpt from the annual report of the Legal Aid Bureau of Baltimore, Inc., showing the type of services rendered during a recent year.

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

[From the American Bar Association, May 24, 1974]

MEMORANDUM—BOARD OF GOVERNORS ACTION ON LEGAL SERVICES CORPORATION LEGISLATION

To State and Local Bar Associations listed in ABA Redbook.
From Chesterfield Smith.

I am pleased to transmit for the information and appropriate action of your association a resolution adopted by the Board of Governors of the Association at its meeting in Washington, D.C. yesterday. The Board, in reaffirming the Association's support for a national legal services corporation, specifically urged favorable action on H.R. 7824 upon the Senate and enactment of the legislation, if passed, on the President.

The legislation, unanimously approved by a Committee of Conference of the House and Senate, has been passed by the House and is expected to be taken up by the Senate shortly after the Memorial Day recess. There has been considerable pressure mounted by the opponents of legal services to secure a veto of the legislation when cleared by the Congress. While I personally am inclined to the belief that the President favors the legislation, I am hopeful that those who support legal services will contact the White House so that the President will have that information.

A copy of the Conference Report is being forwarded to the state bar office with this memorandum. Please contact John Tracey of the Association's Washington Office for further information or any assistance needed on this matter by your association.

CHESTERFIELD SMITH.

Enclosure.

RESOLUTION ADOPTED BY BOARD OF GOVERNORS, MAY 23, 1974

Whereas, The American Bar Association since 1970 has vigorously supported the enactment of legislation authorizing a federally-funded, nonprofit corporation to succeed the Legal Services program of the Office of Economic Opportunity; and

Whereas, The U.S. House of Representatives on May 16, 1974, passed H.R. 7824, the Legal Services Corporation Act of 1974, as reported by a Committee of Conference of the House and Senate; and

Whereas, H.R. 7824 reflects a compromise of differing versions of legislation passed by both Houses of Congress after four years of Congressional consideration of the concept of a legal services corporation during which period the interests and concerns of all interested constituencies, including the organized bar, have been fully considered, debated and resolved; and

Whereas, H.R. 7824, in its current form provides framework which will allow the continuation of a professional program of legals services to the poor;

Now, therefore, be it resolved, That the American Bar Association reaffirms its support for a National Legal Services Corporation; and

Further resolved, That the American Bar Association urges the United States Senate to expeditiously act favorably on H.R. 7824; and

Further resolved, That the President of the United States is urged to approve and enact H.R. 7824 if and when it is approved by the Senate; and

Further resolved, That the President of the American Bar Association is authorized to communicate the position of the Association to the Senate, the President and to state and local bar associations.

MARYLAND STATE BAR ASSOCIATION, INC.,
Baltimore, Md., June 26, 1974.

JOSEPH A. MATERA, ESQ.,
Baltimore, Md.

DEAR JOE: At the June 13, 1974 meeting of the Board of Governors the Board took the following action:

"The Secretary reported on the actions of the Executive Committee in a conference call meeting held June 5, 1974, and on motion of the Secretary, the Board ratified the following resolutions which had been adopted at that session by the Executive Committee:

"*Resolved,* That the Maryland State Bar Association, Inc. recommends that President Nixon sign the Legal Services Corporation Bill into law.

"*Resolved,* That the Maryland State Bar Association, Inc. urges President Nixon to appoint Norman P. Ramsey, Esquire to the Board of the Legal Services Corporation."

If any action is required I am sure you will be in touch with Hal or Norman.

Sincerely,

MANLEY E. DAVIS, JR.,
Executive Director.

[From the Baltimore Sun, July 8, 1974]

A RIGHT-WING CAPTIVE

Government is supposed to be the art of the possible, which means compromise. For three years now Congress has been trying to work out a compromise plan for a Legal Services Corporation. Three separate bills have been written, two of which were re-written in compromising conference committees—and yet still no law has come forth. This idea of providing legal assistance to the poor with an organization which is isolated from political pressures is a tough one to work out to every politician's satisfaction.

Now apparently the best compromise possible has been reached. The most recent Senate-House conference committee agreed to just about all of the key demands of the House. House members preferred a tough and limited bill, with very strict limitations on how far poverty lawyers could go. The House version of the bill was more in line with President Nixon's proposal than was the Senate version. On only one really significant point did the conference committee go along with the Senate. That had to do with using "back-up centers" when the resources of the corporation were not adequate in regard to research, technical assistance and special training. The House's chief spokesman for banning the use of back-up centers, John Ashbrook, (who said in debate that the conference version of the bill was much more like the House version than Senate version)

tried and failed to get the House to insist on this ban.

Thus the stage was set for a conservative, Republican, Nixon-leaning compromise. The House accepted it. The Senate is expected to when it returns from the July 4th recess. But now rightwing Republicans with California Governor Reagan in the fore are pressuring the President to announce that he will veto the bill, and some followers of the story believe the President might veto his own bill just to mollify his surest allies in an impeachment battle.

If this is true, it will be the second time that the President has abandoned his own best ideas for a reason related to impeachment, not the substance of the issue itself. (The first time was land use.) This puts the nation in an unusual and dangerous situation—enthralled to its far right wing. Compromise will be dead. This is one more reason why the impeachment question needs to be settled promptly one way or the other.

[From the Washington Star-News, May 29, 1974]

FAULTY BILL, BUT WORTH A TRY

(By James J. Kilpatrick)

The legal services bill that emerged from conference committee a couple of weeks ago is far removed from the simple straightforward program urged by the President last year. The bill contains several provisions that conservatives view with suspicion.

Yet on balance, the measure holds the prospect of much more good than ill. The President should let it become law.

I am aware that many of my brothers in the conservative community disagree strongly with that view. The respected weekly, Human Events, asserts flatly that "Nixon Must Veto Legal Services Corporation." Ohio's John Ashbrook fought skillfully for recommittal of the bill, and lost by only half a dozen votes. I wish he had won.

It is not always true in politics that half a loaf is better than none: The half loaf may be moldy. But it is generally true that King Compromise rules. He is no bad monarch. In the matter of the legal services bill, neither conservatives nor liberals got all they had hoped for. The question is whether the conference bill is better than no bill. I think it is.

The Congress is concerned here with a fundamental principle of American life. This is the ideal of "equal justice under law."

I would suppose that few of my conservative brothers oppose this principle, and I would suppose that few of them believe the principle is now well served. Despite great improvements in recent years, especially in fields of criminal law untouched by the pending bill, the poor are still far removed from "equal justice."

The paramount purpose of a legal services program is to narrow this gap. We live, all of us, like so many flies floundering in a web of laws, rules and regulations.

The well-to-do family, equipped by education, income and experience, may be able to cope with these complexities. The poor family, often functionally illiterate or handicapped by barriers of language, is frequently helpless.

The President's idea of a proper legal services program was to create an agency that would serve this paramount purpose only—an agency that would limit itself to basic, conventional legal aid.

The new federal corporation that would be created under this bill would be in a position, of course, to provide such fundamental aid. One hopes the directors, advisory committees, and working attorneys will have sense enough to hew to this line.

Unfortunately, the conference bill wound up with enough deceptive and uncertain language to leave justified apprehensions hanging in the air.

The bill takes the form of an amendment to the existing but discredited Economic Opportunity Act; the effect is to give congressional custody of legal services not to the judiciary committees, but to the highly liberal committees on labor and public welfare.

The bill continues, though for a limited time, the 13 "back-up centers" whose gaudy activism did so much to subvert the basic purposes of the former program under OEO. There is one provision, hard for me to understand, that may permit participating lawyers to promote social causes under the pretense that they are serving the armband brigades "on their own time." The provision smells fishy.

But there is also much that is good in the conference bill. The Senate receded in conference from some of the language that had set off alarm bells. In its final form, the bill bristles with prohibitions against political activity in the name of legal services. There seem to be abundant safeguards against the fostering of hot-dog radicals out to have a sensational time.

If the President will appoint a good solid board of directors for the Legal Services Corporation, and name the solidest of these appointees as chairman, it should be possible to expurgate the old abuses and get the program off to a constructive start. The venture may fail, but as we love equal justice, it is worth a try.

ANNUAL REPORT OF THE LEGAL AID BUREAU OF BALTIMORE, INC.

Services—1972

Total requests for assistance, all offices	35,226

TYPES OF CASES

Sales contracts	1,361
Garnishment and attachment	181
Wage claims	261
Bankruptcy	175
Other consumer and employment	1,633
State and local welfare	1,419
Social security	485
Workmen's compensation	186
Veterans' Administration	129
Unemployment insurance	652
Other administrative	1,161
Private landlord and tenant	2,636
Housing code violations	332
Public housing	139
Other housing	904
Divorce and annulment	5,888
Separation	2,651
Nonsupport	2,017
Custody and guardianship	1,665
Paternity	182
Adoption	312
Other family	1,961
Torts	[2] 1,006
Juvenile	324
School cases	31
Misdemeanors	777
Other criminal	1,225
Commitment procedures	284
Other miscellaneous	3,434
Prison assistance	[2] 1,815

SERVICES RENDERED [1]

Referral to:	
Lawyer referral services	3,610
Other grantee programs	107
Social agencies	442
Other	2,181
Consultation and advice	17,835
Completed with court action	2,772
Won	1,907
Lost	146
Settled	209
Client sustained on appeal	3
Prison assistance	[2] 1,806

[1] Services Rendered are noted after case is closed.

[2] Prison Assistance Statistics for period January through December, 1972.

[3] Referred to Lawyer Referral Service, or non-liability advice, non-insured defense, etc.

Mr. WILLIAMS. Mr. President, I am extremely distressed by the step we have had to take in order to gain assurances from the President that he will sign the Legal Services Corporation bill. I believe that the backup centers, which have been so vehemently but unjustifiably attacked on both sides of the aisle, have been a vital element in the provision of high-quality legal services to the poor.

However, I support the bill as it now stands because I believe that it is the only means we have for insuring the continuance of the Legal Services program. I understand that the vital functions now performed by the backup centers will not be allowed to die.

The language of the House bill, which we are adopting, authorizes the Corporation to undertake research, training, technical assistance, and clearinghouse activities. If local, State, and national Legal Services offices, burdened by high caseloads, are to remain abreast of the latest legal developments and make the most efficient use of staff time, the Corporation must accept its responsibility to provide these four services. Moreover, it must provide them in what it deems to be the most effective way, which may well mean locating its research, training, and technical assistance offices in different parts of the country.

The change from the conference report to which we will be agreeing will not affect the furnishing of a full range of legal assistance to eligible clients on a local, State, or national level. If this assistance is to be as complete and effective as possible, grantees under section 1006(a)(1) must, of course, be permitted to do research on their cases, and training of their own staffs, just as any private law firm does. Moreover, grants to programs providing legal assistance in specialized subject areas, or serving populations with unique problems, such as Indians or migrant workers, will probably remain necessary and shall, therefore, be continued.

Since backup services to neighborhood Legal Services programs are so important, they should be continued without interruption while the Corporation is being organized. In order to do this, funding to the present centers will have to be continued until the Corporation has hired and trained the staff necessary to perform research, training, technical assistance, and clearinghouse functions. Hopefully, this process will not take more than 6 months or so after the Board of Directors has met.

Thus, the Legal Services Corporation bill we are now considering, with the House language in section 1006(a)(3), should enable the full complement of services to programs, and legal assistance to the poor, to be provided without the abuses many fear from the performance of the support services by grantees.

Mr. HART. Mr. President, last week, I hoped to be able to lend my support and vote to the conference report on the Legal Services Corporation Act. That report, though creating a corporation with severe limitations on the types of services that could be provided and highly questionable controls on the staff attorneys

funded through it, did at least preserve the vital components of the present legal services program. The process in which we are now engaged, based on an agreement between the administration and the Senate leadership on this legislation, will restructure the legal services program by placing the backup functions of research, technical assistance, and training directly under the corporation.

The backup services have been critical to the effective representation of the poor by the 13 federally funded legal services programs in Michigan. Local attorneys, often overworked in severely understaffed programs, were vitally dependent upon national backup assistance. They relied upon current developments in national poverty law specialties, research on complex issues, the training of young attorneys in litigation skills and substantive areas not covered by traditional legal education.

These services and more were made available to legal services attorneys in Michigan's State and local programs to enable them to successfully carry out their professional responsibilities.

It is clearly not the intent of this legislative compromise to eliminate these vital services or even to reduce their scope. Some of the backup functions—research, training, technical assistance—will be carried on directly by the corporation either through in-house centers or other mechanisms including the purchase of consultant services from those experienced in their delivery. Local or State programs could be provided funds to assure that training of the younger attorneys was carried out.

Nor is it the intent of this legislation to alter the delivery of legal services to eligible clients by national, State, and local programs funded with the capacity to carry on specialized litigation, administrative, or legislative representation, appellate assistance, and group representation. The OEO legal services program has wisely funded such programs to make available to our citizens who cannot afford lawyers the opportunity for full and complete professional representation wherever legal assistance is necessary. This legislative compromise provides authority to the corporation under section 1006(a)(1) to assure the continuation of the vital litigating and advocacy programs in Michigan.

The PRESIDING OFFICER. The question is on agreeing to the motion to concur in the House amendment with an amendment. On this question the yeas and nays have been ordered, and the clerk will call the roll.

Mr. JAVITS. Mr. President, this is a yea-or-nay vote on the Helms amendment.

The PRESIDING OFFICER. The Senator is correct.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. LONG), and the Senator from Arkansas (Mr. FULBRIGHT) are necessarily absent.

I also announce that the Senator from Colorado (Mr. HASKELL) is absent because of illness in the family.

Mr. GRIFFIN. I announce that the Senator from Kentucky (Mr. COOK) is necessarily absent.

The result was announced—yeas 34, nays 61, as follows:

[No. 315 Leg.]

YEAS—34

Allen	Dole	McClellan
Bartlett	Dominick	McClure
Bellmon	Eastland	Nunn
Bennett	Ervin	Randolph
Brock	Fannin	Roth
Buckley	Goldwater	Scott,
Byrd,	Griffin	William L.
Harry F., Jr.	Gurney	Stennis
Byrd, Robert C.	Hansen	Talmadge
Chiles	Helms	Thurmond
Cotton	Hruska	Tower
Curtis	Johnston	Young

NAYS—61

Abourezk	Hatfield	Nelson
Aiken	Hathaway	Packwood
Baker	Hollings	Pastore
Bayh	Huddleston	Pearson
Beall	Hughes	Pell
Bentsen	Humphrey	Percy
Bible	Jackson	Proxmire
Biden	Javits	Ribicoff
Brooke	Kennedy	Schweiker
Burdick	Magnuson	Scott, Hugh
Cannon	Mansfield	Sparkman
Case	Mathias	Stafford
Church	McGee	Stevens
Clark	McGovern	Stevenson
Cranston	McIntyre	Symington
Domenici	Metcalf	Taft
Eagleton	Metzenbaum	Tunney
Fong	Mondale	Weicker
Gravel	Montoya	Williams
Hart	Moss	
Hartke	Muskie	

NOT VOTING—5

Cook	Haskell	Long
Fulbright	Inouye	

So the motion to concur in the House amendment with an amendment was rejected.

The PRESIDING OFFICER. The question recurs on the motion to concur in the House amendment to the Senate amendment to H.R. 7824. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Hawaii (Mr. INOUYE) and the Senator from Louisiana (Mr. LONG) are necessarily absent.

I also announce that the Senator from Colorado (Mr. HASKELL) is absent because of illness in the family.

Mr. GRIFFIN. I announce that the Senator from Kentucky (Mr. COOK) is necessarily absent.

I further announce that, if present and voting, the Senator from Kentucky (Mr. COOK) would vote "yea."

The result was announced—yeas 77, nays 19, as follows:

[No. 316 Leg.]

YEAS—77

Abourezk	Clark	Javits
Aiken	Cranston	Johnston
Baker	Dole	Kennedy
Bartlett	Domenici	Magnuson
Bayh	Dominick	Mansfield
Beall	Eagleton	Mathias
Bellmon	Fong	McGee
Bennett	Fulbright	McGovern
Bentsen	Gravel	McIntyre
Bible	Griffin	Metcalf
Biden	Hart	Metzenbaum
Brock	Hartke	Mondale
Brooke	Hatfield	Montoya
Burdick	Hathaway	Moss
Byrd, Robert C.	Hollings	Muskie
Cannon	Huddleston	Nelson
Case	Hughes	Nunn
Chiles	Humphrey	Packwood
Church	Jackson	Pastore
Pearson	Schweiker	Taft
Pell	Scott, Hugh	Talmadge
Percy	Sparkman	Tunney
Proxmire	Stafford	Weicker
Randolph	Stevens	Williams
Ribicoff	Stevenson	Young
Roth	Symington	

NAYS—19

Allen	Ervin	McClellan
Buckley	Fannin	McClure
Byrd,	Goldwater	Scott,
Harry F., Jr.	Gurney	William L.
Cotton	Hansen	Stennis
Curtis	Helms	Thurmond
Eastland	Hruska	Tower

NOT VOTING—4

Cook	Inouye	Long
Haskell		

So the motion to concur in the House amendment to the Senate amendment was agreed to.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. NELSON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. JAVITS. Mr. President, I have a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JAVITS. Is this now the final step to send the measure to the President?

The PRESIDING OFFICER. The Senator is correct.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the Speaker has affixed his signature to the following enrolled bills:

S. 3679. An act to provide temporary emergency livestock financing through the establishment of a guaranteed loan program; and

H.R. 9440. An act to provide for access to all duly licensed clinical psychologists and optometrists without prior referral in the Federal employee health benefits program.

The above bills were subsequently signed by the President pro tempore.

ENROLLED BILL SIGNED

The PRESIDENT pro tempore announced that on today, July 18, 1974, he signed the following enrolled bill, which had previously been signed by the Speaker of the House of Representatives:

H.R. 11295. An act to amend the Anadromous Fish Conservation Act in order to extend the authorization for appropriations to carry out such act, and for other purposes.

DEPARTMENT OF AGRICULTURE-ENVIRONMENTAL AND CONSUMER PROTECTION APPROPRIATIONS, 1975

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of H.R. 15472 which the clerk will report.

The legislative clerk read as follows:

A bill (H.R. 15472) making appropriations for agriculture-environmental and consumer protection programs for the fiscal year ending June 30, 1975, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations with amendments.

The PRESIDING OFFICER. Will the Senate suspend until we have order?

Mr. STENNIS. Mr. President, may we have order? We cannot hear.

PROGRAM

Mr. HUGH SCOTT. Mr. President, I ask unanimous consent that I may proceed for 3 minutes notwithstanding any previous order?

The PRESIDING OFFICER. Will the Senator suspend until we have order.

Mr. STENNIS. May we have order, Mr. President. We cannot hear.

The PRESIDING OFFICER. The Senator may proceed.

Mr. HUGH SCOTT. Mr. President, I rise to ask the distinguished majority leader as to what is the order of business for today and hopefully the order of business for tomorrow and the order of business until Monday.

Mr. MANSFIELD. Mr. President, with the permission of the distinguished Republican leader, I will yield to the deputy majority leader so that he can give the Senate the benefit of some agreements which he hopes will be accepted by the Senate as a whole.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate.

The PRESIDING OFFICER. Senators are requested to take their seats or take their conversations to the cloakroom. The Senator may proceed.

Mr. ROBERT C. BYRD. Mr. President, the appropriations bill (H.R. 15472) is presently before the Senate, and under the plan as outlined by the leadership on yesterday and in the whip notice of today the Senate would proceed with consideration of the appropriations bill during this afternoon. Obviously it cannot be finished this afternoon and it would lap over until tomorrow. I am advised by various Senators that we probably would not finish it tomorrow and it would still be around here on Monday. Therefore, after consulting with the various Senators, the leadership is prepared to make the following unanimous-consent request: That on Monday the Senate convene at the hour of 10 o'clock a.m.

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

Mr. ROBERT C. BYRD. That immediately following morning business on Monday the Senate resume consideration of the appropriation bill—before the Senate at the moment I am speaking, that the Senate resume consideration of the appropriation bill with a time limitation thereon of 2 hours, to be equally divided between Mr. McGEE and Mr. FONG; that there be a time limitation on an amendment by Mr. HRUSKA of 2 hours; that there be a time limitation on an amendment by Mr. CASE of 1 hour; a time limitation on an amendment of Mr. NELSON of 1 hour; a time limitation on any other amendment of 30 minutes; a time limitation on any debatable motion or appeal of 20 minutes, with the agreement to be in the usual form with respect to the division and control of time; provided further, that no vote occur before the hour of 3:30 p.m. on Monday.

Ordered further, that the vote on final passage of the appropriation bill occur at no later than 5 o'clock p.m. on Monday.

Mr. GRIFFIN. Mr. President, reserving the right to object, did the majority whip refer to a possible amendment by Senator CASE?

Mr. ROBERT C. BYRD. Yes; with 1 hour.

Mr. HRUSKA. Reserving the right to object.

Mr. NELSON. Did the Senator say that no vote would occur prior to 3:30?

Mr. ROBERT C. BYRD. The Senator is correct.

Mr. NELSON. That all of these amendments may then be debated prior to 3:30?

Mr. ROBERT C. BYRD. The Senator is correct.

The PRESIDING OFFICER. The Presiding Officer in his capacity as a Senator from the State of North Carolina suggests the absence of a quorum.

Mr. ROBERT C. BYRD. I hope the Chair will not do that at the moment; the agreement will not be approved until the Senator now presiding has his opportunity to object.

Mr. HRUSKA. May I ask the assistant majority leader whether the opponents of an amendment may borrow on time allotted to the bill?

Mr. ROBERT C. BYRD. Yes, under the usual form.

Mr. HRUSKA. I thank the Senator.

Mr. ROBERT C. BYRD. In accordance with the usual form.

Mr. CRANSTON. When will the Consumer Protection Agency be again considered?

The PRESIDING OFFICER. Does the Senator wish rule XII to be waived?

Mr. ROBERT C. BYRD. Yes, paragraph 3 thereof.

Mr. CRANSTON. When will the Consumer Protection Agency bill again be before the Senate?

Mr. ROBERT C. BYRD. If the agreement is approved, the Consumer Protection Agency bill will not again be before the Senate until Tuesday, because the actions on the appropriation bill will consume all of Monday, at least up until 5 o'clock.

Mr. CRANSTON. I thank the Senator.

Mr. METCALF. Mr. President, reserving the right to object, and I am as interested in the Hruska amendment as the Senator from Nebraska is, he suggested that he may need to borrow time. I think a complete explanation of this amendment would entail greater time than maybe the 1 hour permitted, perhaps another half hour being more satisfactory. Then, we would not have to borrow some time from the bill.

Would the Senator from Nebraska join me in asking for another half hour on his amendment?

Mr. HRUSKA. On my amendment?

Mr. METCALF. Yes.

Mr. HRUSKA. I would be happy to. I think it may be a more orderly process that way because there may be other demands on the time of the bill and it would assure a little bit more orderly procedure.

Mr. METCALF. If we did not need it, we could turn it back.

Would it be satisfactory to the Senator from West Virginia if we had an additional half hour on the Hruska amendment?

Mr. HRUSKA. Mr. President, if the Senator will yield, I wish to say that later this afternoon I shall make a preliminary statement on my amendment which will outline its basis and reason. I shall do so in a more complete fashion tomorrow, so that would alleviate the demands on the time allotted to this matter, and then yield back.

Mr. ROBERT C. BYRD. Mr. President, I believe the Senator from New York reserved the right to object.

Mr. JAVITS. No. I was going to ask the same question the Senator from California (Mr. CRANSTON) asked about the CPA. That question has been answered.

Mr. HUGH SCOTT. Mr. President, may we have a ruling on the unanimous-consent request?

The PRESIDING OFFICER. Is there objection to the unanimous-consent request? Without objection, it is so ordered.

ORDER OF BUSINESS FOR TUESDAY, JULY 23, 1974

Mr. ROBERT C. BYRD. Mr. President, if the distinguished majority leader wishes me to proceed, I ask unanimous consent that on Tuesday next, at the conclusion of routine morning business the Senate resume consideration of S. 3164, the Real Estate Settlement Procedures Act, and that the amendment by the Senator from Wisconsin (Mr. PROXMIRE) be the pending question before the Senate at that time, with a time limitation of 2 hours, in accordance with the usual form, and that upon the disposition of the Proxmire amendment the Senate resume consideration of the unfinished business, the consumer protection bill.

The PRESIDING OFFICER. Is there objection?

Mr. GRIFFIN. Mr. President, reserving the right to object, do I understand, and I ask this only for the RECORD, that the agreement is merely on the Proxmire amendment and that there is no other agreement with respect to the bill?

Mr. ROBERT C. BYRD. The Senator is correct. I was unable to get an agreement on the bill. I took half a loaf, or as the saying goes, a bird in the hand rather than two in the bush.

Mr. GRIFFIN. I express the hope that, there being a unanimous-consent agreement to vote on the Proxmire amendment, we would be able to get to vote on the bill sometime thereafter.

Mr. ROBERT C. BYRD. The leadership on this side of the aisle agrees with the assistant Republican leader.

ORDER FOR ADJOURNMENT UNTIL 10 A.M. MONDAY, JULY 22, 1974

Mr. ROBERT C. BYRD. Mr. President, in view of the agreements reached, I ask

unanimous consent that when the Senate completes its business today it stand in adjournment until 10 o'clock a.m. on Monday.

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

ORDER FOR RECOGNITION OF SENATOR STENNIS ON MONDAY, JULY 22, 1974

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday, after the two leaders or their designees are recognized under the standing order, the Senator from Mississippi (Mr. STENNIS) be recognized for not to exceed 15 minutes, prior to the transaction of routine morning business.

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

ASSISTANCE AND SERVICES FOR PRESIDENT AND VICE PRESIDENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed now to the consideration of S. 3647, and that the unfinished business be temporarily laid aside.

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

The bill will be stated by title.

The bill was stated by title as follows:

A bill (S. 3647) to clarify existing authority for employment of White House Office and Executive Residence personnel, and employment of personnel by the President in emergencies involving the national security and defense, and for other purposes.

The Senate proceeded to consider the bill which had been reported from the Committee on Post Office and Civil Service with amendments on page 1, at the end of line 8, strike out "administrative and staff personnel" and insert in lieu thereof "employees".

On page 2, line 1, after "Executive Residence" insert "at the White House".

On page 2, in line 3, after the word "competitive" strike out "service, and to fix the pay of such personnel, without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5 relating to classification and General Schedule pay rates. Such personnel" and insert in lieu thereof the word "service".

On page 2, at the beginning of line 7 insert the words "Those employees".

On page 2, at the end of line 10 after the words "pay of" insert the words "not more than".

On page 2, in line 12 after "(1)" strike out the words "not more than fifteen of such personnel at respective rates not more than" and insert in lieu thereof "fifteen employees at rates not to exceed".

On page 2, beginning at line 17 strike out the following language:

"(2) not more than twenty-five of such personnel at respective rates not more than the rate of basic pay then currently in effect for level III of the Executive Schedule of section 5314 of title 5; and

"(3) such other personnel as he considers necessary at respective rates not more than the maximum rate of basic pay then currently paid under the General Schedule of section 5332 of title 5.

and insert in lieu thereof the following new language:

"(2) twenty-five employees at rates not to exceed the rate of basic pay then currently in effect for level III of the Executive Schedule of section 5314 of title 5; and

"(3) thirty-five employees at rates not to exceed the rate of basic pay then currently paid for GS–18 of the General Schedule of section 5332 of title 5, without regard to chapter 51 and subchapter III of chapter 53 of such title.

On page 3, at the end of line 10, after the words "Executive Residence" insert the words "at the White House".

On page 3, in line 19, after the word "services" strike out the words "as he considers necessary".

On page 3, in line 21, after the word "Residence" insert the words "at the White House".

On page 4, in line 6, after "(f)" strike out the words "There are authorized to be appropriated each fiscal year such sums as may be necessary" and insert in lieu thereof the words "In order".

On page 4, at the end of line 11, after the word "responsibilities," strike out "including the use of such funds to—" and insert in lieu thereof "the Vice President is authorized to—"

On page 4, in line 22, after the word "service," strike out "and fix the pay of, without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5 relating to classification and General Schedule pay rates—" and insert in lieu thereof "and fix the pay of not more than—".

On page 5, in line 1 after the words "at a rate" strike out "not more than" and insert in lieu thereof "not to exceed".

On page 5, beginning at line 5, strike out the following language:

"(B) not more than six employees at respective rates not more than the rate of basic pay then currently in effect for level III of the Executive Schedule of section 5314 of title 5; and

(C) such other personnel as the Vice President considers necessary at rates not more than the basic pay then currently paid under the General Schedule of section 5332 of title 5."

and insert in lieu thereof the following new language:

"(B) six employees at rates not to exceed the rate of basic pay then in effect for level III of the Executive Schedule of section 5314 of title 5; and

"(C) seven employees at rates not to exceed the rate of basic pay then currently paid for GS–18 of the General Schedule of section 5332 of title 5, without regard to chapter 51 and subchapter III of chapter 53 of such title."

On page 6, beginning at line 3, strike out the following language:

§ 106. Assistance to President in emergencies involving the national interest, security, or defense

"There are authorized to be appropriated to the President each fiscal year such sums as may be necessary to enable the President, in his discretion, without regard to any provision of law regulating employment and pay of persons in the service of the Federal Government or regulating expenditures of Federal Government funds, to respond to and deal with emergencies involving the national interest, security, or defense which may arise within or outside the United States of America."

and insert in lieu thereof the following new language:

"§ 106. Unanticipated personnel needs

"There are authorized to be appropriated to the President not to exceed $1,000,000 each fiscal year to enable the President, in his discretion and without regard to any provision of law regulating employment and pay of persons of the Government or regulating expenditures of Government funds, to appoint and pay employees to meet unanticipated personnel needs and to pay administrative expenses incurred with respect thereto."

On page 7, after line 3, strike out "'106. Assistance to President in emergencies involving the national interest, security, or defense.'." and insert in lieu thereof "'106. Unanticipated personnel needs.'."

On page 7, beginning at line 8, insert the following new language:

SEC. 4. (a) Section 102 of title 3, United States Code, is amended by striking out "Executive Mansion" and inserting in lieu thereof "Executive Residence at the White House".

(b)(1) Section 109 of such title 3 is amended—

(A) by striking out the section caption "Executive Mansion" and inserting in lieu thereof "Executive Residence at the White House"; and

(B) by striking out of the text "Executive Mansion" wherever it appears and inserting in lieu thereof "Executive Residence at the White House" each time.

(2) Item 109 in the table of sections at the beginning of chapter 2 of such title 3 is amended by striking out "Executive Mansion" and inserting in lieu thereof "Executive Residence at the White House".

(c)(1) Section 110 of such title 3 is amended—

(A) by inserting in the section caption, immediately before "White House", the following: "Executive Residence at the";

(B) by inserting in the first sentence immediately after "President's", the following: "Executive Residence at the White"; and

(C) by inserting immediately before "White House" wherever it appears "Executive Residence at the" each time.

(2) Item 110 in the table of sections at the beginning of chapter 2 of such title 3 is amended by inserting, immediately before "White House", the following: "Executive Residence at the".

SEC. 5. (a) Chapter 2 of title 3, United States Code, is amended by adding at the end thereof the following new section:

"§ 112. Statement of expenditures for employees

"(a) The President shall transmit to each House of the Congress reports with respect to expenditures for employees performing duties in the White House Office and the Executive Residence at the White House. Each such report shall be transmitted not later than sixty days after the end of each fiscal year and shall contain a detailed statement of such expenditures during the most recent complete fiscal year.

"(b) Each report required under subsection (a) shall contain (1) the name of every employee in the White House Office and the Executive Residence at the White House, (2) the amount of appropriated moneys paid to each such employee, (3) a general title and general job description for each such employee, (4) the amounts of any reimbursements made to each department, agency, or establishment for employees detailed to the White House Office under section 107 of this title, and (5) the name and general duties of the employee so detailed and the department, agency, or establishment from which the employee was detailed."

(b) The table of sections for chapter 2

of such title 3 is amended by adding at the end thereof the following new item:

"112. Statements of expenditures for employees.".

(c) The amendments made by the provisions of this section shall apply with respect to fiscal years beginning after June 30, 1974.

SEC. 6. Effective July 1, 1978—

(1) sections 105, 106, and 107 of title 3, United States Code, are repealed; and

(2) items 105, 106, and 107 in the table of sections of chapter 2 such title 3 are repealed.

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

The PRESIDING OFFICER. Without objection, the committee amendments are considered and agreed to en bloc.

Mr. TOWER. Mr. President, will the Senator yield to me for 30 seconds?

Mr. ROBERT C. BYRD. I yield.

Mr. TOWER. Mr. President, I ask unanimous consent that during the consideration of S. 3647 and all amendments thereto Pat Watkins and Linda Russell of my staff be permitted to have the privilege of the floor.

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

ORDER OF BUSINESS FOR MONDAY, JULY 22, 1974

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday the unfinished business be temporarily laid aside and remain in a temporarily laid aside status until the disposition of the agriculture appropriation bill, or the close of business that day, whichever is earlier.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. HUGH SCOTT. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. HUGH SCOTT. Mr. President, I understand, then, as to Friday, since we have had no specific statement, that the order for Friday is "everybody out of the pool." Is that correct?

Mr. ROBERT C. BYRD. Mr. President, the distinguished majority leader will respond to the distinguished Senator from Pennsylvania.

Mr. MANSFIELD. Mr. President, the answer is in the affirmative. In other words, no session tomorrow.

Mr. HUGH SCOTT. I thank the distinguished majority leader.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate is not in order. The Senator is entitled to be heard.

The Senator may proceed.

CONSIDERATION OF CERTAIN MEASURES ON THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, without the time being charged against the pending business, that the Senate proceed to the consideration of four following measures, all of which have been cleared on both sides of the aisle: Calendar No. 972, No. 973, No. 976, and No. 977.

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

OVERSEAS CITIZENS VOTING RIGHTS ACT OF 1974

Mr. HUGH SCOTT. Mr. President, I would like to point out that Calendar No. 976, extends and guarantees the right to American citizens abroad to vote in Federal elections. This has now been safeguarded by the action of individual members of the Committee on Rules and Administration in carefully checking certain provisions of the bill which were not satisfactory to them in their original form.

Now, all that is necessary for anyone seeking to vote who is an American citizen and is abroad, is to produce his or her passport or an acceptable Card of Identity and Registration to prevent duplicate voting by those who may have only a transitory or evanescent claim to American citizenship.

I think we have covered those provisions as well as we can so now it will be possible for those American citizens who are traveling in some other part of the world to take part in our elections.

Many of us who travel have been confronted by urgent calls to us by those of our fellow citizens who have not been in a position to vote, and I think we have done an act of justice, now that we have protected ourselves against possible fraud in the exercise of the franchise.

ROBERT J. BEAS

The bill (H.R. 3544) for the relief of Robert J. Beas was considered, ordered to a third reading, read the third time, and passed.

EMMETT A. AND AGNES J. RATHBUN

The bill (H.R. 7207) for the relief of Emmett A. and Agnes J. Rathbun was considered, ordered to a third reading, read the third time, and passed.

OVERSEAS CITIZENS VOTING RIGHTS ACT OF 1974

The Senate proceeded to consider the bill (S. 2102) to guarantee the constitutional right to vote and to provide uniform procedures for absentee voting in Federal elections in the case of citizens who are residing or domiciled outside the United States, which had been reported from the Committee on Rules and Administration with amendments, on page 1, in line 4, strike out "1973" and insert in lieu thereof "1974".

On page 3, at the end of line 22, strike out "States, the District of Columbia, and the Commonwealth of Puerto Rico;" and insert in lieu thereof "States and the District of Columbia;".

On page 4, at the end of line 1, strike out "Rico" and insert in lieu thereof "Rico, Guam, and the Virgin Islands".

On page 4, at the end of line 3, strike out "Guam, the Virgin Islands,".

On page 4, in line 9, after "United", strike out "States." and insert in lieu thereof "States, and who has a valid Passport or Card of Identity and Registration issued under the authority of the Secretary of State."

On page 5, at the end of line 5, strike out "and".

On page 5, in line 8, after "United", strike out "States." and insert in lieu thereof "States, and

(5) has a valid Passport or Card of Identity and Registration issued under the authority of the Secretary of State."

On page 7, in the fourth line of subparagraph (3) following line 5, strike out "(defined not to include the Territories and Possessions of the United States).

On page 8, between subparagraphs (10) and (1)), insert:

"Passport or Card of Identity and Registration Number----------

"Expiration Date----------"

On page 11, beginning with line 12, insert:

AUTHORIZATION OF APPROPRIATIONS

SEC. 9. (a) There are authorized to be appropriated to the Administrator of General Services such sums as are necessary to enable him to carry out his duties under section 5(d).

(b) Section 2401(c) of title 39, United States Code (relating to appropriations for the Postal Service), is amended—

(1) by inserting after "title" a comma and the following: "the Overseas Citizens Voting Rights Act of 1974,"; and

(2) by striking out "Act." at the end and inserting in lieu thereof "Acts.".

On page 12, in line 2, strike out "9" and insert in lieu thereof "10".

On page 12, in line 4, strike out "1974" and insert in lieu thereof "1975" so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Overseas Citizens Voting Rights Act of 1974".

CONGRESSIONAL FINDINGS AND DECLARATIONS

SEC. 2. (a) The Congress hereby finds that in the case of United States citizens domiciled or otherwise residing outside the United States, the imposition and application of a State or local residency or domicile requirement as a precondition to voting in Federal elections and the lack of sufficient opportunities for absentee registration and balloting in such elections—

(1) denies or abridges the inherent constitutional right of citizens to vote in Federal elections;

(2) denies or abridges the inherent constitutional right of citizens to enjoy their free movement to and from the United States;

(3) denies or abridges the privileges and immunities guaranteed under the Constitution to citizens of the United States and to the citizens of each State;

(4) in some instances has the impermissible purpose or effect of denying citizens the right to vote in Federal elections because of the method in which they may vote;

(5) has the effect of denying to citizens the equality of civil rights and due process and equal protection of the laws that are guaranteed to them under the fourteenth amendment to the Constitution; and

(6) does not bear a reasonable relationship to any compelling State interest in the conduct of Federal elections.

(b) Upon the basis of these findings, Congress declares that in order to secure, protect, and enforce the constitutional rights of citizens residing overseas and to enable such citizens to better obtain the enjoyment of such rights, it is necessary—

(1) to abolish completely for citizens residing overseas the domicile and residence requirements as preconditions to voting in Federal elections, and

(2) to establish nationwide uniform standards relating to absentee registration and absentee balloting by such citizens in Federal elections.

DEFINITIONS

SEC. 3. For the purposes of this Act, the term—

(1) "Federal election" means any general, special, or primary election held solely or in part for the purpose of selecting, nominating, or electing any candidate for the office of President, Vice President, Presidential elector, Member of the United States Senate, Member of the United States House of Representatives, Delegate from the District of Columbia, or Resident Commissioner of the Commonwealth of Puerto Rico;

(2) "State" means each of the several States and the District of Columbia;

(3) "United States" includes the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, and the Virgin Islands, but does not include American Samoa, the Canal Zone, the Trust Territory of the Pacific Islands, or any other territory or possession of the United States; and

(4) "citizen residing overseas" means a citizen of the United States who is domiciled, or otherwise residing outside the United States, and who has a valid Passport or Card of Identity and Registration issued under the authority of the Secretary of State.

RIGHTS OF CITIZENS RESIDING OVERSEAS TO VOTE IN FEDERAL ELECTIONS

SEC. 4. (a) No citizen residing overseas shall be denied the right to register for, and to vote by an absentee ballot in any State or election district in any Federal election solely because at the time of such election he is not domiciled or otherwise residing in such State or district and does not have a place of abode or other address in such State or district if—

(1) he last voted or last registered to vote in such State or district, or if he did not so register or vote, was last domiciled in, such State or district prior to his departure from the United States;

(2) he has complied with the requirements concerning the casting of absentee ballots applicable in such State or district (other than any requirement which is inconsistent with this Act); and

(3) he is qualified to vote in such State or district but for his failure to maintain residence, domicile, or place of abode in such State or district·

(4) has not registered to vote and is not voting in any other State or election district or territory or possession of the United States; and

(5) has a valid Passport or Card of Identity and Registration issued under the authority of the Secretary of State.

ABSENTEE BALLOTS FOR FEDERAL ELECTIONS

SEC. 5. (a) (1) Each State shall provide by law for the registration or other means of qualification of all citizens residing overseas and entitled to vote in a Federal election in such State pursuant to section 4(a) who apply, not later than thirty days immediately prior to any such election, to vote in such election.

(2) Each State shall provide by law for the casting of absentee ballots for Federal elections by all citizens residing overseas who are entitled to vote in such State pursuant to section 4(a), and if required by State law have registered or otherwise qualified to vote under section 5(a)(1), and who have submitted properly completed applications for such ballots not later than seven days immediately prior to such election and have returned such ballots to the appropriate election official of such State not later than the time of closing of the polls in such State on the day of such election. In the case of any such properly completed application for an absentee ballot received by a State or election district, the appropriate election official of such State or district shall as promptly as possible in any event, no later than (i) seven days after receipt of such a properly completed application, or (ii) five days after the date the absentee ballots for such election have become available to such official, whichever date is later, mail the following by airmail to such citizen:

(A) an absentee ballot,

(B) instructions concerning voting procedures, and

(C) an airmail envelope for the mailing of such ballot free of United States postage.

(b)(1) In the case of a citizen residing overseas, a State or election district may accept as an application for an absentee ballot to vote in a Federal election (and as an application for registration to vote in such election, if registration is required by such State or district) a duly executed overseas citizen Federal election postcard in the form prescribed by paragraph (2).

(2) The form of the overseas citizen Federal election postcard referred to in paragraph (1) shall be as follows:

(A) The card shall be nine and one-half inches by four and one-eighth inches in size.

(B) Upon one side, perpendicular to the long dimension of the card there shall be printed in black type the following:

FILL OUT BOTH SIDES OF CARD

POST CARD APPLICATION FOR ABSENTEE BALLOT FOR FEDERAL ELECTIONS

State or Commonwealth of (Fill in name of State or Commonwealth).

(1) I hereby request an absentee ballot to vote in the coming election: (Presidential), (General), (Primary)*, (Congressional), (Special), Election.

(Strike out inapplicable words).

(2) *If a ballot is requested for a primary election, print your political party affiliation or preference in this box: (If primary election is secret in your State, do not answer).

(3) I am a citizen of the United States, and am qualified to register and vote in the above State in Presidential and Congressional elections, even though I am presently residing outside the above State and the United States and such State may not be my current domicile, and—

a. I last voted or was registered to vote in the above State.

b. The above State was my last domicile even though such State may not be my current domicile.

(4) I was born on ——.

(5) Until (Month) (Year), my home (not military) residence in the above State was ——— in the county or parish of ———.

The voting precinct or election district for this residence is ———.

(6) Remarks: ———.

(7) Mail by ballot to the following address: ———.

(8) I am NOT requesting a ballot from any other State, Territory or Possession of the United States, and am not voting in any other manner in this election, except by absentee process, and have not voted and do not intend to vote in this election at any other address.

(9) (Signature of person requesting ballot).

(10) (Full name, typed or printed)———.

Passport or Card of Identity and Registration Number———.

Expiration date ———.

(11) Subscribed and sworn to before me on (Day, month, and year); (Signature of official administering oath); (Typed or printed name of official administering oath); (Title or rank, service number (if any), and organization of administering official).

INSTRUCTIONS

A. Type or print all entries except signatures. Fill out both sides of card.

B. Address card to proper State official.

C. Mail card as soon as your State will accept your application.

D. No postage is required for the card if deposited with a U.S. Embassy, consulate, legation or other office of a U.S. Government agency, either within or outside the United States.

E. This card is an application to vote only in Federal elections. If you wish to request a ballot for State and local elections, as well as Federal elections, and are qualified to do so in your State, you can use the Standard Federal Post Card Application or other form accepted by your State for this purpose.

(C) Upon the other side of the card there shall be printed in red and blue type the following:

FILL OUT BOTH SIDES OF THE CARD

FREE of U.S. Postage Including Air Mail	Official Mailing Address

OFFICIAL ELECTION BALLOTING MATERIAL—VIA AIR MAIL

To: (Title of Election Official); (County or Township); (City or Town, State).

(c) Overseas citizen Federal election post cards and the absentee ballots, envelopes, and voting instructions provided pursuant to this Act and transmitted to or from citizens residing overseas, whether individually or in bulk, shall be free of postage, including airmail postage, in the United States mail.

(d) The Administrator of General Services shall cause overseas citizen Federal election post cards to be printed and distributed to carry out the purposes of this Act, and he may enter into agreements with the Postmaster General, with heads of appropriate departments and agencies of the Federal Government, and with State and local officials for the distribution of such cards.

(e) Ballots executed outside the United States by citizens residing overseas shall be returned by priority airmail wherever practicable, and such mail may be segregated from other forms of mail and placed in special bags marked with special tags printed and distributed by the Postmaster General for this purpose.

ENFORCEMENT

SEC. 6. (a) Whenever the Attorney General has reason to believe that a State or political subdivision undertakes to deny the right to register vote in any election in violation of section 4 or fails to take any action required by section 5, he may institute for the United States, or in the name of the United States, an action in a district court of the United States, in accordance with sections 1391 through 1393 of title 28, United States Code, for a restraining order, a preliminary or permanent injunction, or such other order as he deems appropriate.

(b) Whoever shall deprive or attempt to deprive any person of any right secured by this Act shall be fined not more than $5,000, or imprisoned not more than five years, or both.

(c) Whoever knowingly or willfully gives false information as to his name, address, or period of residence in the voting district for the purpose of establishing his eligibility to register or vote, or conspires with another individual for the purpose of encouraging

his false registration to vote or illegal voting, or pays or offers to pay or accepts payment either for registration to vote or for voting shall be fined not more than $10,000, or imprisoned not more than five years, or both.

SEVERABILITY

SEC. 7. If any provision of this Act, or the application thereof to any person or circumstance, is held invalid, the validity of the remainder of the Act, and the application of such provisions to other persons or circumstances, shall not be affected.

EFFECT ON CERTAIN OTHER LAWS

SEC. 8. (a) Nothing in this Act shall—

(1) be deemed to require registration in any State or election district in which registration is not required as a precondition to voting in any Federal election, or

(2) prevent any State or election district from adopting or following any voting practice which is less restrictive than the practices prescribed by this Act.

(b) The exercise of any right to register or vote by any citizen residing overseas shall not affect the determination of his place of residence or domicile (as distinguished from his place of voting) for purposes of any tax imposed under Federal, State, or local law.

AUTHORIZATION OF APPROPRIATIONS

SEC. 9. (a) There are authorized to be appropriated to the Administrator of General Services such sums as are necessary to enable him to carry out his duties under section 5(d).

(b) Section 2401(c) of title 39, United States Code (relating to appropriations for the Postal Service), is amended—

(1) by inserting after "title" a comma and the following: "the Overseas Citizens Voting Rights Act of 1974,"; and

(2) by striking out "Act." at the end and inserting in lieu thereof "Acts.".

EFFECTIVE DATE

SEC. 10. The provisions of this Act shall take effect with respect to any Federal election held on or after January 1, 1975.

Mr. PELL. Mr. President, as chairman of the Subcommittee on Privileges and Elections, I am indeed pleased by the action taken by the Senate today in approving S. 2102, to guarantee the constitutional right to vote in Federal elections for citizens of our Nation residing or domiciled outside the United States.

This legislation removes the stigma of second-class citizenship from these citizens. It makes them first-class citizens having an appropriate voice in the conduct of their Government.

Last September I conducted comprehensive hearings on this legislation. I have been involved in its development during the past 5 years.

A significant forerunner was the Federal Votings Rights Act Amendments of 1970, which provided an incentive for some States to permit the enfranchisement of civilian citizens temporarily living away from their regular homes and working or studying abroad.

In this respect, let me commend especially the work of Senator Goldwater who joined with me in urging at that time a broad interpretation of the 1970 legislation. While a number of States favored broader interpretations of this act, others—23 in total—did not move in this direction. This created confusion and, in my judgment, unnecessary hardships on the citizens involved. The need for today's legislation became increasingly evident.

Mr. President, this legislation affects approximately 750,000 citizens of our country.

During the hearings I pointed out,

Hundreds of thousands of citizens whose vocations require them to live in foreign countries are denied the right to participate in the elective process because there are no absentee registration and voting procedures in the States where they formerly resided, or because they no longer can claim residence or domicile in such States.

I went on to say that,

Most citizens cannot afford to maintain homes in two or more places, and therefore, lose a physical residence in the United States when they travel abroad for their employers, or as missionaries, or for any other purpose. But they are all citizens. They are interested in what goes on at home. They want to express their opinions, and most urgently, they want to vote—at least in Federal elections.

Essentially, this legislation makes clear that citizens, wherever situated, have an inherent constitutional right to vote, and that such a right should not be denied simply because those citizens cannot claim a residence in any State. The central provision of this legislation permits citizens to register and vote in that State where they last resided, or were domiciled, or where they were last registered.

Mr. President, I wish, in particular, to extend my commendations to Senator MATHIAS, who introduced this legislation in 93d Congress. He and I worked closely together on very similar legislative proposals. I was happy to report his bill favorably from the subcommittee.

Let me also express my high regard for Senator CANNON, chairman of the Rules Committee, for his initiatives in reporting this bill to the Senate.

The amendments were agreed to.

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

SALE OF CERTAIN RIGHTS IN THE STATE OF FLORIDA

The bill (H.R. 377) to authorize the Secretary of the Interior to sell certain rights in the State of Florida, was considered, ordered to a third reading, read the third time, and passed.

ASSISTANCE AND SERVICES FOR PRESIDENT AND VICE PRESIDENT

The Senate continued with the consideration of the bill (S. 3647) to clarify existing authority for employment of White House Office and Executive Residence personnel, and employment of personnel by the President in emergencies involving the national security and defense, and for other purposes.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that no time be charged at this point against that bill.

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

Mr. ROBERT C. BYRD. This would be a good time at this point for someone to inquire if yea and nay votes are expected on any amendments or final passage thereon.

Mr. HATHAWAY. Mr. President, if the Senator from West Virginia will yield, I am in the process of offering an amendment drafted by the Senator from Wisconsin (Mr. PROXMIRE) with which I am in agreement. I do not know at this time whether to ask for a rollcall vote. It may be the managers of the bill may want a rollcall vote on that amendment.

I do not know how much time is needed by others before the amendment is offered in the next half hour.

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

Mr. ROBERT C. BYRD. I yield.

Mr. McGEE. Perhaps I can shed a light on that point. It will not take a great deal of time to lay the bill before the Senate, present the committee action, and the Senator from Hawaii (Mr. FONG) and I do not anticipate a protracted period of time on that.

Therefore, it will not be very long before the amendment is eligible. If we knew the full content of the amendment, we might dispose of it sooner.

Mr. HATHAWAY. I would be glad to discuss the amendment with the Senator, perhaps in the next 5 or 10 minutes. It would only take 15 minutes at the most.

Mr. GRIFFIN. Mr. President, I should raise something I just learned, and that is that the Senator from Connecticut (Mr. WEICKER) may have an amendment and he may ask for the yeas and nays. I hope that is not the case.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays on the Hathaway-Proxmire amendment.

The PRESIDING OFFICER. Does the Senator ask that it be in order to ask for the yeas and nays on the amendment?

Mr. MANSFIELD. Mr. President, I ask unanimous consent that it may be in order at this time to make that request.

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

Mr. MANSFIELD. Mr. President, I make the request.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Who yields time?

Mr. McGEE. Mr. President, what is the time agreement on this measure?

The PRESIDING OFFICER. There is a 1-hour limitation on the bill, the time to be equally divided between the distinguished Senator from Wyoming and the distinguished Senator from Hawaii.

Mr. McGEE. Lest that division of time be misleading to the Members of this body, the committee unanimously reported this bill, and the minority leadership and the majority leadership agree on the terms of the bill. However, in order to protect the time of any who may want to dissent from it, the Senator from Hawaii will be in charge of delegating that time to whoever may rise to speak in opposition. I yield myself 5 to 8 minutes.

Mr. President, one of the purposes of S. 3647 is to comply with rule XXI of the House, which provides that no appropriations shall be reported by the House Appropriations Committee for expenditures not previously authorized by

law. S. 3647 provides the legislative authority for the appropriation of funds for staff support, administrative expenses, and the operation of the White House: and it provides authorization for staff support for the Vice President to enable him to provide assistance to the President in connection with the performance of the duties assigned to him. This bill does not appropriate money. This is an authorization bill for White House expenses.

The authorizations requested by the Office of Management and Budget in its proposal to the Senate have been substantially reduced in S. 3647 as reported by the committee. Whereas the request proposed authorization of an unlimited number of positions to pay scales at the pay rate for grade GS–18, the bill as reported provides authorization for a total of 35 such positions. This represents an increase of only 5 over the 30 now authorized for the White House and the Executive Residence at the White House. But it does impose a ceiling, rather than an open end, on the original request received from the Office of Management and Budget.

In the legislative proposal, an unlimited number of positions at pay scales at the rate for grade GS–18 were authorized for the Vice President. The bill as reported authorizes the Vice President to appoint seven such employees.

In total, S. 3647 authorizes 75 upper level positions, an increase of 11 over those now authorized and 10 over those as authorized in the House bill.

Specifically, S. 3647 authorizes for the White House and the Executive Residence at the White House 15 employees at the Executive level II pay scale, 25 employees at rates not to exceed the rate for Executive level III, and 35 employees at rates not to exceed the pay rate for a grade GS–18.

For the Vice President, the bill authorizes one employee at the pay scale of Executive level II, six employees at the pay scale for Executive level III, and seven employees at the grade GS–18 pay scale. The President is allowed experts and consultants at pay rates equal to the daily equivalent of those for Executive level II, and the Vice President may employ experts and consultants at the maximum rate for a grade GS–18.

The legislation as proposed would have authorized the President to secure goods and services "as he considers necessary for the maintenance, operation, improvement, and preservation of the Executive Residence at the White House." The bill as reported deletes the words "as he considers necessary," to convey the meaning and the committee's intention that the President in this instance shall be subject to the provisions of the Federal Property and Administrative Service Act of 1949.

The commitee considerably diminished the authority requested for emergencies involving the national interest, security, or defense. As requested, the bill would have authorized that there be appropriated each fiscal year "such sums as may be necessary to respond to and deal with emergencies involving the national interest, security, or defense, which may arise within or without the United States of America."

The committee considered this language very carefully, and I wish the junior Senator from Maine were in the Chamber so that I could explain the reason for the committee's action. Rather than allow such requests as may seem necessary, the committee considered this language far too broad and substituted for it a section authorizing $1 million to be appropriated each fiscal year for the purpose for which, in the past, such funds have in fact been used by the President—to pay for unanticipated personnel and administrative needs.

Further, the bill as reported requires a report from the President to the Senate and House on the expenditures he has made for employees performing duties at the White House office and the Executive Residence at the White House. The bill as reported provides that the report, to be made each fiscal year, shall contain, first, the name of every employee, second, the amount of appropriated funds paid to each such employee, third, a general title and job description of each such employee, fourth, the amount of any reimbursements made to departments and agencies for employees detailed to the White House and, fifth, the name and general duties of each such employee so detailed and the Department, agency, or establishment from which the employee was detailed.

S. 3647 also provides that the authorizations it makes are repealed as of July 1, 1978. At that time, Congress will have the opportunity to review again the President's and Vice President's personnel needs and the other authorizations of the bill in the light of conditions prevailing at that time.

Mr. President, the committee, having carefully considered this legislation, is of the opinion that the President needs and ought to have such personnel as the bill authorizes and that the Vice President is similarly in need of adequate staff suport. The committee has raised somewhat the levels at which certain of the 75 employees may be compensated. This was done in view of the fact that Executive-level salaries have not been increased since March of 1969 and that the pay scales involved are accordingly depressed when compared with those of comparable positions outside of Government, from which personnel will have to be selected in order to fill the positions. With the safeguards which it incorporates, S. 3647 constitutes a necessary housekeeping measure which I urge all Members to support.

The PRESIDING OFFICER. Who yields time?

Mr. FONG. Mr. President, I yield myself 5 minutes.

Mr. President, the purpose of S. 3647, is to provide legislative authorization for staff support, administrative expenses, maintenance, and operation for the White House Office of the President, the Executive residence at the White House, and for the executive duties and responsibilities of the Vice President.

This measure is necessary to comply with clause 2, rule XXI, of the House of Representatives as interpreted by the House Appropriations Committee.

During consideration of the Supplemental Appropriations Act of 1974, H.R. 11576, the House Report No. 93–663 accompanying that bill recommended that authorizing legislation be obtained for the funding of certain activities of the White House Office of the President and the Executive residence at the White House. This was to comply with clause 2, rule XXI, which in part provides that no appropriation shall be reported by the Appropriations Committee of the House of Representatives in any general appropriation bill for any expenditures not previously authorized by law.

As a result, H.R. 14715 was introduced in the House of Representatives and passed on June 25, 1974, I introduced a companion measure, S. 3647, in the Senate on June 13, 1974.

S. 3647 is similar to draft legislation submitted to the Senate by Director Roy Ash, Office of Management and Budget, on April 29, 1974.

Mr. President, it is very important that the Senate approve S. 3647 at this time. These appropriations include payments for the President's White House staff, the Vice President's staff, the President's Executive Office's representation, entertainment activities, and the continuation of certain commissions empaneled by the President to investigate unanticipated problems that arise from time to time.

Appropriations for these activities and payrolls are included in the Treasury-Post Office, General Government Appropriations bill. This appropriation bill is presently in markup in the Senate Appropriations Committee. To insure that the necessary funds are available in fiscal year 1975, it is essential that the Senate act favorably on this measure now.

It has long been the practice that appropriations for the President's Executive Office and White House staffing and operations were governed only by the amount of money appropriated in the appropriations bill rather than a specific authorization bill. However, as I stated earlier, the House Appropriations Committee maintains that under the new rules of the House, enactment of this authorization bill is a prerequisite to funding.

It is critical to the operations of the Executive Office of the President and his residence at the White House that this bill be approved.

It contains the authorization for his top staff, the top staff of the Vice President, and the necessary funds for the operations of the President's offices.

Because this authorization bill will be the law under which appropriations for the President's and Vice President's offices for the next 4 years will be made, the committee unanimously voted to add a few more positions than are presently being used by the Executive Office. The total number of positions authorized, however, is still less than that authorized in the original bill I introduced.

At the present time, under the provisions of section 105 and 106 of title 3, United States Code, the President is au-

thorized six administrative assistants, the Executive Secretary of the National Security Council, the Executive Secretary of the National Aeronautics and Space Council, the Executive Secretary of the Economic Opportunity Council, and eight other secretaries or immediate staff assistants in the White House Office at rates of basic pay not to exceed that of level II, Federal Executive Salary Schedule. Excluding the Executive Secretaries cited in section 105, the President is now authorized 14 assistants at a rate of pay not to executive level II.

Other than those two provisions in law, there is no other authorization for the employment of persons on the President's staff outside of the General Schedule of the U.S. Civil Service System.

Section 3101 of title 5, United States Code, contains the permanent legislation with general authorization for such employment.

So, at the present time, the President is authorized by law to appoint 14 assistants at pay rates not to exceed Executive Level II and the positions contained in section 3101.

Under the applicable appropriations bills, the President at the present time has appointed 21 assistants at pay rates not exceeding Executive Level III—$40,000—and 30 assistants at rates not exceeding that of the GS–18 General Schedule pay—$36,000.

The Vice President under appropriations bill language has appointed one assistant at a level not to exceed Executive Level II, four assistants not to exceed Executive Level III and six assistants not to exceed the level of General Schedule 18.

S. 3647 would authorize the President to appoint 15 assistants at rates not exceeding Level II—an increase of 1; 25 assistants at rates not to exceed Level III—an increase of 4; and 35 assistants not to exceed General Schedule 18—an increase of 5.

The Vice President would have the same number—one—at a rate not to exceed Executive Level II; six assistants at a rate not to exceed Executive Level III—an increase of two; and seven assistants at a level not to exceed General Schedule 18—an increase of one.

In addition both the President and the Vice President would be authorized to appoint consultants limited only by the availability of funds in the appropriations bill.

It must also be pointed out that the President can also have detailed to the Executive Office certain employees from the other executive agencies and departments.

At the present time there are 30 such employees so detailed. The White House reimburses the deploying agencies for any employee detailed over 6 months.

S. 3647 also authorizes the appropriation of funds to cover the expenditures necessary for official reception, entertainment and representation activities of the White House.

Also authorized in the bill is $100,000 for travel expenses covering the President's staff and party.

A final authorization of $1,000,000 for unanticipated personnel needs is included in the bill. These funds are used to pay for the appointment by the President of commissions and committees to investigate problems that arise from time to time that were not programed. In the past this has included the Energy Policy Office, the Federal Property Council, the U.S. Puerto Rico Ad Hoc Advisory Group, and the Special Action Office for Drug Abuse Prevention.

The committee also voted to end the authorizations in this bill in July, 1978. At that time the Congress will have another opportunity to review the staffing of the President and Vice President and vote on another authorization bill.

The committee feels that the bill it has brought out is a fair one that will not hinder the operations of the Executive Office of the President and the office of the Vice President and provide the President with the necessary funds to carry out his official duties. It was a unanimous report from the committee.

This is not a liberal authorization bill. The committee has tightened several provisions in the bill as first introduced. The committee also imposed a number of restrictions in the bill it reported out as compared with the bill as originally introduced.

Undoubtedly, the bill will be referred to a conference committee with the House. The House bill is much more restrictive than the Senate bill. For this reason I believe that the Senate bill should not be amended to be more restrictive than that reported out by the committee.

I strongly urge Senate approval of S. 3647 without further amendment.

Mr. HARRY F. BYRD, JR. Will the Senator yield for a question?

Mr. FONG. I yield.

Mr. HARRY F. BYRD, JR. As I understand it, this legislation provided for 75 upper level——

Mr. FONG. That is true.

Mr. HARRY F. BYRD, JR. Did I understand the Senator to say that is a number greater than that has been requested by the White House?

Mr. FONG. The White House has requested unlimited; we put a ceiling on it for GS–18, whereas they asked for an unlimited number.

Mr. HARRY F. BYRD, JR. Well, I see. The request then was for an unlimited number of GS–18 and the committee put a ceiling?

Mr. FONG. That is correct, of 35.

Mr. HARRY F. BYRD, JR. How many are in that category at the present time?

Mr. FONG. At the present time, there are 30 employees who are drawing GS–18 pay of $36,000, and we have increased that by 5.

Mr. HARRY F. BYRD, JR. How many are now at Executive Level III?

Mr. FONG. Executive Level III is 21. We have increased it by 4 to 25, and there are presently 14 at Level II, and we have increased it by 1.

Mr. HARRY F. BYRD, JR. What is the figure for Level II?

Mr. FONG. Level II is 14, to 15.

Mr. HARRY F. BYRD, JR. Yes, but what is the dollar figure?

Mr. FONG. $42,500.

Mr. HARRY F. BYRD, JR. And then for Level III it is how much?

Mr. FONG. $40,000.

Mr. HARRY F. BYRD, JR. So the request, then, as I understand it—what was the request for Level II?

Mr. FONG. For Level II was 15.

Mr. HARRY F. BYRD, JR. Fifteen; and the committee gave what number on that?

Mr. FONG. Gave them 15.

Mr. HARRY F. BYRD, JR. And what was the request for Level III?

Mr. FONG. For III was 25.

Mr. McGEE. Grades 3, 4, and 5 were 25 all together.

Mr. FONG. Not to exceed the pay of Level III.

Mr. HARRY F. BYRD, JR. Yes. The committee met the request for level 2 and the request for level 3?

Mr. McGEE. Yes.

Mr. FONG. And we put a ceiling on GS–18's.

Mr. HARRY F. BYRD, JR. A ceiling on 18 of 35?

Mr. FONG. Yes; and this will be reviewed every 4 years.

Mr. HARRY F. BYRD, JR. This will stand for 4 years. Is it customary to make it as long as 4 years?

Mr. FONG. Heretofore there have been no authorizations. The White House has been limited only by the appropriation bill, except for the executive level 2, which was limited to 14.

Mr. HARRY F. BYRD, JR. I thank the Senator.

The PRESIDING OFFICER. Who yields time?

Mr. McGEE. Mr. President, I suggest the absence of a quorum, the time for the quorum call to be equally divided.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HATHAWAY. 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. HATHAWAY. Mr. President, I send an amendment to the desk on behalf of myself and the Senator from Wisconsin (Mr. PROXMIRE) and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. HATHAWAY. I ask unanimous consent that further reading of the amendment be dispensed with, and that the amendment be printed in the RECORD at this point.

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

Mr. HATHAWAY'S amendment is as follows:

On page 4, lines 1 and 2, strike out "and accounted for solely on his certificate" and insert in lieu thereof a comma and the following: "except that the Comptroller General shall be furnished information requested by him relating to the expenditure of such

funds and access to all necessary books, documents, papers, and records relating to any such expenditure, in order that he may determine whether the expenditure was for payment of official reception, entertainment, and representation expenses".

On page 7, line 7, immediately before the period insert "and by deleting 'and accounted for on his certificate solely' and inserting in place thereof a comma and the following: 'except that the Comptroller General shall be furnished information requested by him relating to the expenditure of such sums and access to all necessary books, documents, papers, and records relating to any such expenditure, in order that he may determine whether the expenditure was for payment of traveling expenses of the President of the United States.' ".

The PRESIDING OFFICER. Is this the amendment of the Senator from Wisconsin on which a 1-hour time limitation was agreed upon?

Mr. HATHAWAY. No, this is not the amendment for which an hour was agreed upon. I am still holding that amendment in my hand.

The PRESIDING OFFICER. In that case, there will be a limitation of 15 minutes on each side.

Mr. HATHAWAY. This is an amendment which requires that travel and entertainment expenditures be subject to GAO audit, which I believe the managers of the bill would agree to accept. We have discussed this previously.

Mr. McGEE. The only reason it was not in the original bill is that, as discussed in the committee, the GAO already has that authority; but it makes a good point that we underscore the responsibility to exercise that authority, and the committee is prepared to accept that amendment for inclusion in the measure.

Mr. HATHAWAY. I thank the Senator from Wyoming very much.

While I have the time, I would like to ask the Senator a few questions that may obviate the necessity of my offering the other amendment, of which the Senator from Wisconsin (Mr. PROXMIRE) is also a cosponsor, in regard to the number of personnel and other matters.

I understand that the total number of employees authorized by the Senate bill would be 75, which is 10 more than what the House authorizes in the bill it has passed. I would like to ask the Senator why we are authorizing 10 more.

Mr. McGEE. That is not quite the full picture on that yet. When the House selected the figure of 65, they still left language in their bill that made open-ended the actual final number on the GS–18s. It could just as well have been 95 or 100 later on, if the President so desired.

The Senate committee, after taking additional testimony upon the receipt of the House bill, decided upon two things. The first was that we were not going to leave that open end in there, and we decided we ought to be employed, and we proposed such a ceiling on that category.

Second, we put the ceiling at 75. The reason for the 75 was that the case was well made, in the committee's judgment, that with the new programs that are beginning to emerge in Congress now, we are faced with uncertainty as to how that would tax employees' time at the White House level, in order to meet those responsibilities. Because no one can know that at this point, since the measures have not finished their course through the legislative mill, we felt it was a reasonable figure to apply the 75. That is a ceiling, not a requirement; in other words, the President could go no higher than that, but we thought that was a legitimate protection for the executive branch, in view of some of the uncertainties in the pending legislation.

I would add, for the distinguished Senator from Maine, that likewise this is only the authorization; there is no money actually appropriated here, and that in itself is an innovation, since, in the past, it has been allowed to be open-ended.

Mr. HATHAWAY. Thank you. I commend the Senator from Wyoming as well as the Senator from Hawaii and the members of the committee for making this historic move in limiting the authorization of the numbers that can be on the White House staff. I understand that previous to this bill the only limitation was with the Appropriations Committee.

In the light of possible new programs, as the Senator has stated, I would assume when the matter comes before the Appropriations Committee that if it appears that the new programs are not going to work out, and the personnel will not be needed, that the money would not be appropriated for that purpose.

Mr. McGEE. That is correct.

Mr. HATHAWAY. With regard to job classification, I understand that job classifications for all White House personnel have to be presented to Congress.

Mr. McGEE. Yes. This, again, for the first time requires the President to describe each job position, the duties, the name, the salary, and all relevant information in that regard, and furnish that information to Congress; and that, again, is an advance forward from where we have been.

Mr. HATHAWAY. I understand also that there is a $1 million fund provided for in the Senate bill, which is not provided in the House bill. Until I talked with the Senator recently, I was afraid that we were providing some million-dollar slush fund for the President that the House was not; but I understand I am not correct in that regard, and that we are really placing a limitation of $1 million on unanticipated needs for personnel, whereas, if we did not have that limitation, there would be no limitation.

Mr. McGEE. Under the legislation that was submitted to the committee from the executive branch, that would have been unlimited. It was for unanticipated expenses for personnel, and there was no ceiling on it.

We weighed that one very carefully, and we appreciated the fact that there would be unanticipated kinds of things that would require personnel, but rather than leave that open-ended, which always leaves the risk that it might be abused, we decided to put the ceiling on that.

The ceiling we put on was $1 million, but it has to be accounted for.

Mr. HATHAWAY. Every year?

Mr. McGEE. Every year.

Mr. HATHAWAY. So that, if the President decided to hire 20 new people with that million dollars, and after his accounting at the end of the year, the Appropriations Committee could say, "We are not going to appropriate money for more than 5 or 10 of them next year" and the limitation would be whatever they decided?

Mr. McGEE. That is correct.

Mr. HATHAWAY. And the House bill did not have this provision in it?

Mr. McGEE. They did not have the money ceiling at all.

Mr. HATHAWAY. So there would be no limitation?

Mr. McGEE. That is correct.

Mr. HATHAWAY. There is one other point, which I have covered in an amendment which I shall offer shortly, that concerns the personnel which the President may borrow from various agencies downtown. I refer to those which are detailed, say, from the Department of the Interior to the White House.

I understand that the Senate bill has a requirement that the reason for this borrowing will be presented to Congress, but I would like to see a limitation such as that contained in the House bill, which limits the time of service of any of these persons detailed from an agency to the White House to 1 year.

Mr. McGEE. The bill really goes farther than that, than the House bill. What the bill does is specify that anybody taken from an agency, borrowed from an agency, it must not only be specified as to what he is borrowed for, described, but the agency then has to be compensated for him from the funds available to the White House. No more of the loose flow back and forth of agency personnel at the whim of a phone call from the executive branch.

Therefore, it is considerably tightened up. Under the existing law, a man borrowed from an agency, under whatever terms, cannot be retained for more than a year without a review of that, for approval for another year. It would be acceptable to the committee, and a reinforcing factor and a good offer, if we put that on the bill as a further requirement to live up to the letter of the law.

Mr. HATHAWAY. I thank the Senator. I shall offer that amendment as soon as the one pending is voted upon. I thank the Senator very much, and yield back whatever time I have remaining on the pending amendment.

Mr. McGEE. I yield back such time as I have remaining.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HATHAWAY. 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 proceeded to read the amendment.

Mr. HATHAWAY. 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 8, between lines 16 and 17 insert the following:

SEC. 4. Section 107 of title 3, United States Code, is amended to read as follows:

"§ 107. Detail of employees of executive departments to office of President

"At the request of the President, the head of any department, agency, or independent establishment of the executive branch of the Government shall detail, from time to time, employees of such department, agency, or establishment to serve in the White House Office. The President shall advise the Congress of the names and general duties of all such employees so detailed to the White House Office. An employee may not be so detailed for full-time duty on a continuing basis for any period of more than one year. The White House Office shall reimburse each such department, agency, or establishment, for the pay of each employee thereof so detailed for full-time duty on a continuing basis, for any period of such detail occurring after the close of the sixth month following the date on which such detail first becomes effective.".

Mr. HATHAWAY. Mr. President, I wish to ask——

The PRESIDING OFFICER. The Senator will suspend, the Chair wishes to ask the Senator from Maine if this is the amendment of the Senator from Wisconsin on which a time limit was set or is this another amendment of the Senator from Maine?

Mr. HATHAWAY. Mr. President, this is an independent amendment of my own. It is not the Proxmire amendment.

The PRESIDING OFFICER. The time is limited to 15 minutes to a side.

The Senator may proceed.

Mr. HATHAWAY. Mr. President, this is the amendment we just discussed which places a 1-year limitation on the President's borrowing power from other agencies. I presume the Senator is in agreement with the amendment and that there is no need for further discussion.

Mr. McGEE. Mr. President, the committee is prepared to accept the amendment. In one sense, it is sort of self-defeating, only in the context that a matter could be reasserted in a year's time, but it serves a constructive end.

Mr. HATHAWAY. I thank the Senator.

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

Mr. McGEE. I yield back the remainder of my time.

The PRESIDING OFFICER. All time is yielded back. The question is on agreeing to the amendment.

Mr. FONG. Mr. President, may I have the amendment read?

The PRESIDING OFFICER. The amendment will be read.

The assistant legislative clerk read as follows:

On page 8, between lines 16 and 17 insert the following:

SEC. 4. Section 107 of title 3, United States Code, is amended to read as follows:

"§ 107. Detail of employees of executive departments to office of President

"At the request of the President, the head of any department, agency, or independent establishment of the executive branch of the Government shall detail, from time to time, employees of such department, agency, or establishment to serve in the White House Office. The President shall advise the Congress of the names and general duties of all such employees so detailed to the White House Office. An employee may not be so detailed for full-time duty on a continuing basis for any period of more than one year. The White House Office shall reimburse each such department, agency, or establishment, for the pay of each employee thereof so detailed for full-time duty on a continuing basis, for any period of such detail occurring after the close of the sixth month following the date on which such detail first becomes effective.".

The PRESIDING OFFICER. All time has been yielded back. The question recurs on the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. Who yields time? The Senator from Wyoming is recognized.

Mr. McGEE. Mr. President, the Senator from Connecticut has an amendment.

The PRESIDING OFFICER. The Senator from Connecticut is recognized.

Mr. WEICKER. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The amendment was read, as follows:

On page 8, line 19, strike out "section" and insert in lieu thereof "sections".

On page 9, line 13, strike out the quotation marks.

On page 9, between lines 13 and 14 insert the following:

"§ 113. Limitation upon access of executive branch personnel to tax returns

"Notwithstanding any other provision of law or of any regulation made pursuant thereto, no return made with respect to any tax imposed by the Internal Revenue Code of 1954 shall be open for inspection by, nor shall any copy thereof be furnished to, any officer or employee in the executive branch, other than the President personally upon written request, or an officer or employee of the Department of the Treasury or the Department of Justice concerned with the filing and audit of such return, the payment, collection, or recovery of the tax with respect to which such return was made, or the prosecution of any offense arising out of that return."

On page 9, in the matter between lines 16 and 17, strike out the end quotation marks and the last period and insert in lieu thereof the following:

"113. Limitation upon access of executive branch personnel to tax returns."

The PRESIDING OFFICER. The Senator from Connecticut is recognized.

Mr. WEICKER. Mr. President, I intend to ask for the yeas and nays on this vote.

Mr. President, I wish to spend a few minutes describing what is in this amendment. We have before us a bill which is described as a bill to clarify existing authority for employment of personnel in the White House Office and in the Executive residence at the White House, and employment of personnel by the President in emergencies involving the national security and defense, and for other purposes.

Evidence has been acquired over the past several months that indicates widespread abuses by White House personnel, which abuses specifically have related to illegal access to Internal Revenue Service material. More specifically the tax returns of various American citizens.

The law on the acquisition of such returns by White House personnel has been somewhat on the fuzzy side. It is my purpose here to legislatively prohibit anyone from acquiring such information from such returns, except as they are required by the President himself for himself.

The record is replete with the acquisition of Internal Revenue Service files by the very type of personnel that are the subject matter of this bill. On the second page of the bill the statement is made:

Those employees shall perform such official duties as the President may prescribe.

My amendment specifically sets forth that area which is out of bounds whether ordered by the President, or anyone else.

Everybody is aghast at those instances that have been revealed in the way of Internal Revenue Service information coming into White House possession. But the question is: What are we going to do about it?

Here we have a bill, relating to White House personnel. We also have before us very specific examples of how these personnel, time and time again, acquired information from the Internal Revenue Service, and how it was used in a negative or derogatory sense.

I want to make sure that whatever duties are prescribed by the President under this bill, those duties will not include the right or the authority to gain such information except by him on his written request. It is as simple as that.

Here is the opportunity to make sure an enemy or friend list taxwise does not happen again, and it is with that in mind that I propose this amendment, which though limited in scope is very clear in the end which it seeks to achieve.

I ask unanimous consent, Mr. President, that Mr. Dotchin, Mr. Baker, Mr. Mihalec and Mr. Field, of my staff be permitted access to the floor during debate on this amendment.

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

Mr. WEICKER. Mr. President, I also ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is not a sufficient second.

Mr. WEICKER. Mr. President, I suggest the absence of a quorum. I ask unanimous consent that the time not be charged to either side.

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

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. McGEE. 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. McGEE. Mr. President, I yield to the Senator from Hawaii.

Mr. FONG. Mr. President, I make the point of order that under the unanimous-consent agreement, this amendment is not germane.

The PRESIDING OFFICER. The point of order is not in order until the time of

the Senator from Connecticut has been used up or yielded back.

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

The PRESIDING OFFICER. On whose time?

Mr. WEICKER. The time to be charged to both sides.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. McGEE. 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. McGEE. Mr. President, I yield to the Senator from Hawaii.

Mr. WEICKER. Mr. President, as I understand the ruling of the Chair, it is first in order that I should yield back the remainder of my time on this amendment. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. WEICKER. I yield back the remainder of my time.

Mr. McGEE. I yield back to the time on this side.

The PRESIDING OFFICER. All time has been yielded back.

Mr. FONG. Mr. President, I make the point of order that under the unanimous-consent agreement, this amendment is not germane.

The PRESIDING OFFICER. The Chair after reviewing the matter, sustains the point of order that the amendment is not germane.

Mr. WEICKER. Mr. President, I appeal the ruling of the Chair, and I ask for the yeas and nays.

The yeas and nays were not ordered.

Mr. McGEE. Mr. President, I suggest the absence of a quroum, with the time not to be charged to either side.

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

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. McGEE. 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. FONG. Mr. President, I ask unanimous consent that my request for a ruling on the germaneness be withdrawn and that the decision of the Chair be vitiated.

The PRESIDING OFFICER. Without objection, the action on the point of order is vitiated and the appeal is withdrawn.

The question is on the amendment.

Mr. GRIFFIN. Have the yeas and nays been ordered?

The PRESIDING OFFICER. The yeas and nays have not been ordered.

Mr. FONG. Mr. President, we are willing to accept that.

Mr. McGEE. Mr. President, we had a consultation here, with the distinguished Senator from Connecticut, and we are prepared to accept the amendment and take it to conference. I do not know what will occur in conference. We cannot make guarantees, as the Senator well knows, but we will take it to conference in good faith.

Mr. WEICKER. Mr. President, I thank the distinguished Senator from Wyoming and the distinguished Senator from Hawaii. I believe they will battle through this principle of privacy. It is not difficult or complicated. I think it should be established. I thank both Senators very much.

Mr. FONG. Mr. President, may I ask the distinguished Senator a question?

This does not debar the President or anyone in the White House from asking the Internal Revenue, if a certain person is up for appointment, whether he has any tax problems?

Mr. WEICKER. It requires the President to make that request in writing. He can then get that information, that is correct.

The PRESIDING OFFICER. All time on the amendment having been yielded back, the question is on agreeing to the amendment of the Senator from Connecticut.

The amendment was agreed to.

Mr. McGEE. Mr. President, I know of no other amendments to the bill.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. PROXMIRE. Mr. President——

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, is there a time limit on this bill?

The PRESIDING OFFICER. There is a time limit on the bill.

Mr. PROXMIRE. Have we had a third reading?

Mr. McGEE. Mr. President, we were just prepared to ask for the third reading.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. PROXMIRE. Do I have the right to suggest the absence of a quorum under the circumstances?

The PRESIDING OFFICER. Not without time being used at this point.

Mr. PROXMIRE. Mr. President, I ask unanimous consent I may suggest the absence of a quorum for a brief period without time being charged to either side.

The PRESIDING OFFICER. Is there objection? If not, it is so ordered, and the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the quorum call be rescinded.

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

Mr. McGEE. Mr. President, I know of no other amendments.

Mr. FONG. We yield back the remainder of our time.

Mr. McGEE. We yield back the remainder of our 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 and third reading of the bill.

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

The bill was read the third time.

Mr. FONG. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MONDALE. Mr. President, I rise to support S. 3647, and to commend the Post Office and Civil Service Committee and its distinguished chairman (Mr. McGEE) for the outstanding job which he and the committee have done in shaping what I believe to be legislation of historic importance.

I was privileged to testify before the distinguished chairman (Mr. McGEE) and the distinguished ranking minority member (Mr. FONG) on this legislation on June 26. My comments then reflected the fact that S. 3647, as originally introduced, was a dangerous and potentially ly destructive piece of legislation. Based largely on language supplied by the Office of Management and Budget, it granted authority for key White House staff positions without limitations as to time, dollars or numbers. In my view, the bill as originally introduced would have been worse than no authorization at all, and would have been an endorsement of more of the same type of lawlessness and arrogance which has typified the White House in recent years.

Sadly, the White House staff of today bears little resemblance to the White House staff envisioned when the Executive Office of the President was created some 35 years ago.

President Roosevelt's Committee on Administrative Management, which first proposed the creation of an Executive Office of the President during the late 1930's, stated that assistants to the President "would not be assistant presidents in any sense," and "would remain in the background, issue no orders, make no decisions, emit no public statements." President Roosevelt, in the Executive order which created the EOP, followed this advice by directing that "in no event shall the administrative assistants be interposed between the President and the head of any department or agency."

This is surely a far cry from the White House staff of today. From an original staff of 6 assistants to the President under Franklin Roosevelt, the Executive Office of the President has mushroomed to a staff of over 2,000 today. And the administration has asked for over $100 million in budget authority for fiscal year 1975 to run the EOP.

This, of course, is not a sudden development. Previous administrations—and the Congress—must share the blame for the growth of a White House staff of enormous size and influence. But even in this context, I believe this administration has used the White House office staff—and particularly the key advisors to the President—to aggrandize and centralize power to a degree never before experienced in our history. As the National Academy of Public Administration noted in its recent report to the Senate Select Committee on Presidential Campaign Activities, "the principal assistants and counselors have been converted from intimate personal advisors to the President to the equivalent of assistant presidents managing the executive establishment out of the White House."

Along with the growth in the White House staff's size and arrogance has come the corresponding ability to hide behind bloated notions of executive privilege in seeking to avoid responsibility to the Congress. Only recently, the President's newly appointed economic czar, Kenneth Rush, refused to appear before the Joint Economic Committee, citing executive privilege. This is only the latest of a series of similar refusals, all of which are aimed at reducing the ability of the Congress to exercise its oversight responsibilities.

I am sure that many in this body have had the same experience as I have during the past 5 years. We worked on a piece of legislation, believing that the representatives of this administration with whom we were dealing were those who should be representing it: the Cabinet departments, whose heads are subject to Senate confirmation and general congressional oversight. We bargained in good faith with these Cabinet officers, believing that positive results could be achieved. And often, we reached agreement—or what we thought was agreement—only to be told at the last minute that the Cabinet officer with whom we were dealing was really only a front man, a PR official sent out by the White House to fend off inquisitive Congressmen.

The real decisions, we were then told, were being made in the White House, by staff members not subject to congressional scrutiny, who could claim executive privilege at will, and who did an excellent job of thwarting the will of the Cabinet officers, whose job it should be to make Government policy.

Many of the extremely important issues raised by the growth in size and arrogance of the White House staff clearly go beyond the scope of S. 3647. And yet this legislation is one important and historic part of the entire White House staff problem, for it marks the first time that much of the present key White House staff has been legislatively authorized.

Particularly because of the importance of this legislation, I am extremely pleased to note that the major problems with S. 3647 as introduced have been resolved, and many desirable features have been incorporated in the committee-reported bill.

First, the committee bill does away with the open-ended authorization for high-level White House staff personnel which was incorporated in the bill as introduced. Although the limit of 75 supergrade and Level II through V positions which it sets is in my view too high, since it expands the present staff by 10 authorized positions, the bill does incorporate the all-important concept of a legislatively mandated maximum on high-level personnel.

Hopefully, the Appropriations Committees of the House and Senate will exercise restraint in funding these positions, and will very critically examine the need for any expansion of key positions within the White House, in view of the rapid growth of these key positions in recent years.

Second, the bill as reported does away with the shockingly broad language in the original bill which would have authorized the President, without any limitation of dollar amount, to deal with "emergencies involving the national interest, security, or defense which may arise within or outside the United States of America."

The committee-reported bill has wisely eliminated this extraordinarily broad language, which in my view was inexcusable after all we have been through with Watergate. In its place, the committee has inserted a legislative authorization of up to $1 million annually, to be used by the President "to appoint and pay employees to meet unanticipated personnel needs and to pay administrative expenses incurred with respect thereto."

This language conforms with past usage of the so-called emergency fund of the President, which has been used for a variety of legitimate purposes for over 20 years. By placing a maximum of $1 million in yearly authorization, it successfully eliminates the potential threat of dangerous Presidential action which the White House language implied.

Third, the committee-reported bill placed a July 1, 1978 cutoff date for the authorization for White House personnel and the President's emergency fund envisioned by this legislation. I am particularly pleased with this provision of the bill since it will require future Presidents to come to the Congress and make their case for their own staff needs. In view of the usurpation by the White House staff of recent years of the functions of Cabinet officers and others to whom principal responsibility for executive department policymaking should be delegated, I believe that it is essential that any future President, of whatever political party, be required to come to the Congress and grant us our proper role in determining the size and shape of the White House staff.

Fourth, the committee-reported bill requires that statements of expenditures for White House office employees, including employees detailed to the White House office, be transmitted to the Congress on a regular basis. Once again, this provision was lacking in the bill as introduced, and once again, it performs an extremely valuable function by allowing the Congress to know precisely who is employed in key positions in the White House, what they are earning, and what the general range is of their responsibilities. In addition, by giving us a count on detailees in the White House, it will enable the Congress to frame legislation in the future which takes into account the real levels of staff assistance in the White House, and the necessity for placing future limits on the extent of detailing.

Mr. President, for too many years, we in the Congress let ourselves be lulled into unthinking compliance with White House wishes, whenever it came to staffing for the President. Comity between the branches of government, we were told, required that we not look at the authority for White House positions or the budget for these positions.

Yet for too long, comity has been used as an excuse by the Congress to shirk its responsibility to make the White House more responsive and accountable to the Congress.

We have the power of the purse. We have the power to authorize or not to authorize programs and positions. And unless we use these powers, comity becomes a cruel joke, slowly sapping the vitality out of our system of checks and balances.

When I testified before the Post Office and Civil Service Committee in opposition to S. 3647 as originally introduced, I stated that:

> The real question is whether we have an issue of executive usurpation and, if so, whether the role of authorizing and appropriating money to the White House and its staff can diminish this trend toward such usurpation.

I am happy to note that as a result of the action by the committee, I believe that this legislation will help us reduce the possibility of any White House, now or in the future, attempting to aggrandize power and centralize functions to the detriment of the national interest.

Mr. McGEE. Mr. President, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of H.R. 14715 and that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. The clerk will state the bill by title.

The assistant legislative clerk read the bill as follows:

> A bill (H.R. 14715), to clarify existing authority for employment of White House Office and Executive Residence personnel, and for other purposes.

Mr. McGEE. Mr. President, I ask unanimous consent that the Senate vacate the yeas and nays on S. 3647 and ask for the yeas and nays on H.R. 14715.

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

The yeas and nays were ordered on H.R. 14715.

Mr. McGEE. Mr. President, I ask unanimous consent that all after the enacting clause of H.R. 14715 be stricken, and the language of S. 3647, as amended by the Senate, be substituted.

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

The bill was read the third time.

The PRESIDING OFFICER. All time has been yielded back.

The bill having been read a third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Mississippi (Mr. EASTLAND), the Senator from North Carolina (Mr. ERVIN), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. LONG), the Senator from Ohio (Mr. METZENBAUM), the Senator from Connecticut (Mr. RIBICOFF), and the Senator from Mississippi (Mr. STENNIS) are necessarily absent.

I also announce that the Senator from Colorado (Mr. HASKELL) is absent because of illness in the family.

Mr. GRIFFIN. I announce that the Senator from Kentucky (Mr. COOK),

the Senator from New Hampshire (Mr. COTTON), the Senator from Oregon (Mr. PACKWOOD), and the Senator from Virginia (Mr. WILLIAM L. SCOTT) are necessarily absent.

I further announce that, if present and voting, the Senator from Kentucky (Mr. COOK) would vote "yea."

The result was announced—yeas 85, nays 3, as follows:

[No. 317 Leg.]

YEAS—85

Abourezk	Eagleton	Metcalf
Aiken	Fannin	Mondale
Allen	Fong	Montoya
Baker	Fulbright	Moss
Bartlett	Gravel	Muskie
Bayh	Griffin	Nelson
Beall	Gurney	Nunn
Bellmon	Hansen	Pastore
Bennett	Hart	Pearson
Bentsen	Hartke	Pell
Bible	Hatfield	Percy
Biden	Hathaway	Proxmire
Brock	Hollings	Randolph
Brooke	Hruska	Schweiker
Buckley	Huddleston	Scott, Hugh
Burdick	Hughes	Sparkman
Byrd, Harry F., Jr.	Humphrey	Stafford
Byrd, Robert C.	Jackson	Stevens
Cannon	Javits	Stevenson
Case	Johnston	Symington
Chiles	Kennedy	Taft
Church	Magnuson	Talmadge
Clark	Mansfield	Thurmond
Cranston	Mathias	Tower
Curtis	McClellan	Tunney
Dole	McClure	Weicker
Domenici	McGee	Williams
Dominick	McGovern	Young
	McIntyre	

NAYS—3

Goldwater	Helms	Roth

NOT VOTING—12

Cook	Inouye	Ribicoff
Cotton	Long	Scott, William L.
Eastland	Metzenbaum	Stennis
Ervin	Packwood	
Haskell		

So the bill (H.R. 14715) was passed.

The title was amended so as to read: "A bill to clarify existing authority for employment of personnel in the White House Office and in the Executive Residence at the White House, employment of personnel by the President to meet unanticipated personnel needs, and for other purposes."

Mr. McGEE. 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.

Mr. McGEE. Mr. President, I ask unanimous consent that the title of H.R. 14715 be amended to read as follows:

An act to clarify existing authority for employment in the White House and in the Executive Residence at the White House, and employment of personnel by the President to meet unanticipated personnel needs, and for other purposes.

The motion was agreed to.

Mr. McGEE. Mr. President, I move to reconsider the vote by which H.R. 14715 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.

Mr. McGEE. Mr. President, I ask unanimous consent that S. 3647 be indefinitely postposed.

The motion to postpone was agreed to.

Mr. McGEE. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make any necessary technical and clerical corrections in the engrossment of the Senate amendments.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. McGEE. Mr. President, I ask unanimous consent that the Senate insist upon its amendments, and request a conference with the House of Representatives thereon, that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. FONG, Mr. RANDOLPH, and Mr. McGEE conferees on the part of the Senate.

CONSUMER PROTECTION AGENCY ACT

The PRESIDING OFFICER. The Senate will resume consideration of the unfinished business which the clerk will report.

The legislative clerk read as follows:

(A 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.

DEPARTMENT OF AGRICULTURE-ENVIRONMENTAL CONSUMER PROTECTION APPROPRIATION, 1975

Mr. MANSFIELD. Mr. President, I ask that the pending business be laid aside temporarily and the Senate turn to the consideration of Calendar No. 974, H.R. 15472, so that it may be the pending business.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The legislative clerk read as follows:

An act making appropriations for agricultural-environmental and consumer protection programs for the fiscal year ending June 30, 1975, and for other purposes.

SOUTH KOREAN DEFENDANTS: ANGRY POET AND FRAIL FORMER PRESIDENT

Mr. FULBRIGHT. Mr. President, will the Senator yield 30 seconds for the introduction of a bill?

Mr. JAVITS. Yes.

Mr. FULBRIGHT. In today's New York Times, there appears an article datelined Seoul, Korea, by Fox Butterfield, about the recent drive of the government to stifle all dissent against that regime

Since we now have before the Congress the foreign aid bills in which large sums of our people's money is to be given to the Government of Korea, I think it should be of interest to my colleagues to see what we are supporting with our money.

Ninety-one people have so far been convicted, 14 sentenced to death and another 100 awaiting trial for the crime of advocating democracy in that country.

I am constantly astonished that the Members of this body are willing and eager to support such repressive regimes as that which exists in Korea and Greece, but at the same time are so shocked by the immigration policies of the Soviet Union. It is, at least, an interesting psychological question to reconcile these views.

I ask unanimous consent to insert this article in the RECORD.

SOUTH KOREAN DEFENDANTS: ANGRY POET AND FRAIL FORMER PRESIDENT

(By Fox Butterfield)

SEOUL, SOUTH KOREA, July 17.—When Kim Chi Ha, South Korea's best-known young poet, heard a death sentence pronounced against him by a military judge last week, he was reported to have laughed.

"Even a sparrow squeaks before dying!" he is said to have shouted, quoting a Korean proverb. "So let me tell you my cause is just. I would do the same thing over again if I am released."

Yesterday, before another military tribunal, a former President of South Korea, Yun Po Sun, calmly admitted having given the equivalent of $1,000 to dissident students. Under emergency decrees proclaimed by President Park Chung Hee this year, that is a crime punishable by death.

The two defendants seem unlikely associates, either in crime or in their blunt defiance of the Government. Mr. Kim, 33 years old, is a brilliant satirical poet whose writing has twice been interrupted by bouts of tuberculosis. Mr. Yun, 77, is a frail, reclusive elder statesman from an old aristocratic family. They have been thrown together in the most sweeping series of political trials in South Korea's troubled history.

NINETY-ONE CONVICTED SO FAR

The trials, which began in February and March but then slackened off until June, are President Park's response to demonstrations last winter against his increasingly authoritarian 13-year rule. Ninety-one people have been convicted so far—14 of them sentenced to death—and it is estimated that 100 or more are in jail awaiting trial.

The prisoners, including clergymen, professors, students and members of the opposition, share certain links. They are largely from the urban middle class and well educated, and many are members of the Christian minority of 12 per cent, which has long played an active role in politics and movements for social justice.

Mr. Kim, a Roman Catholic, has long been under the influence of the Most Rev. Daniel Chi, the most outspoken Catholic leader, who was himself arrested last week but then released. For several years, Mr. Kim lived with and worked for the Bishop, and one of the charges against both of them was that Mr. Kim took money from the Bishop to give to student demonstrators.

Many years ago Mr. Yun's father built a small brick Presbyterian church next to their sprawling traditional home, which covers several acres in downtown Seoul.

"All we are working for is democracy in this country," Mr. Yun explained to a visitor earlier this week. Yesterday he was placed under house arrest and forbidden to talk with correspondents.

COMMUNIST LINK DENIED

"The students are Christians, not Communists," Mr. Yun said the other day, speaking in the English he learned 50 years ago as a student in Scotland. "If we don't have

democracy here, why did the American soldiers come to Korea to fight and die?"

He sat on an old, carved Chinese-style wooden chair, surrounded by antique porcelain vases and scroll paint-ancestors. Above his head was a Chinese inscription reading, "Study and loyalty to repay the nation." It was drawn in the 19th century by one of Korea's last kings.

Mr. Yun, was elected President in 1960 after the overthrow of President Syngman Rhee, walks slowly with the aid of a cane. Seventy members of his family once inhabited the home—actually a series of tile-roofed compounds joined around a park—but only he and his wife live there now.

Mrs. Yun accompanied her husband to the court-martial yesterday. Each defendant is allowed to have only one close family member present.

Mr. Kim's wife went to the dozen sessions of her husband's trial, taking with her their son, born since Mr. Kim was arrested in April. She has not been allowed to visit him in prison or exchange letters with him.

IDENTITY IS CONCEALED

Though Mr. Kim is well known, many Koreans still are not aware that he was tried and given the death penalty. In announcing the verdict a military spokesman described him only by his little-used original name, Kim Young Il, and the strictly controlled press did not venture to supply the missing information.

To avoid her own arrest, Mrs. Kim declined to speculate whether the charges against her husband were true. However, a letter circulating in Seoul that was drawn up by families of some of the 54 others convicted in the same trial alleges that the Government manufactured the evidence and subjected the prisoners to "intolerable torture by water, electricity and denial of sleep."

Whatever the Government's case, there is no doubt that Mr. Kim's writing has incensed President Park for years. His poetry, in a lyrical, compelling style that drew heavily on traditional folk themes and classical allusions, grew more and more political.

His most famous poem, titled "The Five Thieves," describes an orgiastic contest in corruption between officials, businessmen and generals. It says:

Long ago peace reigned over the land.
Farmers ate to their fill. Many died of ruptured sides.
People went naked because they became tired of fine silk.
But right in the middle of Seoul there lived five thieves.
Watch the general—he crawls on all fours, with tens of thousands of medals made of gold and silver wrapped around his body.
He misappropriates his soldiers' rice and fills the sacks with sand.
What wonderful war tactics he has.

ORDER FOR NOTIFICATION OF THE PRESIDENT OF THE CONFIRMATION OF EXECUTIVE NOMINATIONS

Mr. MANSFIELD. Mr. President, on July 15 the Senate confirmed a number of nominations to the U.S. Railway Association, the National Railroad Passenger Corporation, and the Federal Energy Administration. The nominations were as follows:

U.S. RAILWAY ASSOCIATION

Arthur D. Lewis, of Connecticut, to be chairman of the Board of Directors of the U.S. Railway Association for a term of 4 years.

NATIONAL RAILROAD PASSENGER CORPORATION

Gerald D. Morgan, of Maryland, to be a Member of the Board of Directors of the National Railroad Passenger Corporation for a term of 4 years.

FEDERAL ENERGY ADMINISTRATION

The following-named persons to be Assistant Administrators of the Federal Energy Administration:

Leonard B. Pouliot, of Virginia.
John W. Weber, of Connecticut.
Eric Roger Zausner, of Virginia.

As in executive session, I move at this time that the President be notified of the confirmation of those nominations, so that they can be expedited to the White House for his signature.

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

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. HUMPHREY. Mr. President, I ask unanimous consent that Robert Kerr of my staff be given the privilege of the floor during the consideration of this bill (S. 707).

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

Mr. HUMPHREY. 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.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on July 18, 1974, he presented to the President of the United States the following enrolled bill:

S. 3679. An act to provide temporary emergency livestock financing through the establishment of a guaranteed loan program.

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS ON MONDAY NEXT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday, after the remarks of Mr. STENNIS, for which an order has already been entered, there be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements limited therein to 5 minutes each.

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

ORDER FOR CONSIDERATION ON MONDAY OF H.R. 15472, APPROPRIATIONS FOR AGRICULTURE-ENVIRONMENTAL AND CONSUMER PROTECTION PROGRAMS

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene again on Monday next at the hour of 10 a.m. After the two leaders or their designees have been recognized under the standing order, Mr. STENNIS will be recognized for not to exceed 15 minutes, after which there will be a period for the transaction of routine morning business, of not to exceed 15 minutes, with statements limited therein to 5 minutes each, at the conclusion of which period the Senate will resume consideration of H.R. 15472, an act making appropriations for agricultural, environmental, and consumer protection programs for the fiscal year ending June 30, 1975, and for other purposes.

There is a time agreement on that bill under which no votes will occur before the hour of 3:30 p.m., and under which a final vote on the disposition of the bill will occur at 5 p.m., on Monday.

There will be rollcall votes on final passage of the bill and on amendments thereto.

ADJOURNMENT UNTIL 10 A.M. MONDAY

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand adjourned until 10 o'clock on Monday next.

The motion was agreed to; and at 4:52 p.m., the Senate adjourned until Monday, June 22, 1974, at 10 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 18, 1974:

NATIONAL RAILROAD PASSENGER CORPORATION

Roger Lewis, of the District of Columbia, to be a member of the Board of Directors of the National Railroad Passenger Corporation for a term of 2 years.

DEPARTMENT OF STATE

Robert P. Smith, of Texas, a Foreign Service officer of class 2, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Malta.

James B. Engle, of the District of Columbia, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Dahomey.

COUNCIL ON INTERNATIONAL POLICY

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

(The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA

H. Mason Neely, of the District of Columbia, for a term of 3 years expiring June 30, 1977.