HISC—SELECTIVE SECURITY?

HON. ROBERT L. LEGGETT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1974

Mr. LEGGETT. Mr. Speaker, I recently received in the mail the printed hearings of the House Internal Security Committee on Chile. I remark on this not because it is unusual to receive hearings in the mail, but because this particular volume came to me from the Embassy of Chile. While I am very aware that it is the responsibility of any embassy to keep abreast of happenings in Washington that affect its government, and that embassies generally try to disseminate information about their respective countries that they wish made known for one reason or another, it seems to me that the distribution of congressional hearings to Members of Congress by an embassy transcends the limits of good taste. The United States has its difficulties at the moment, but it does not need the Embassy of Chile to keep it abreast of what its own elected representatives are doing.

While we are on the subject of what our Government and its various organs are doing, I am curious as to why the Internal Security Committee, whose mandate is to inquire into internal matters, has taken the time and effort to compile a 225-page hearing record on Chile's internal problems. Dictatorships are not uncommon in this world—we should know, we support some of the best that money can buy—but none of them have been deemed worthy of the energy and efforts of the Internal Security Committee. It appears that what we have here is a case of selective security: it does not matter how repressive, how undemocratic, or how dictatorial a government, it is OK with HISC—as long as it is not Communist. In my estimation, a dictatorship does not have to be Communist to be odious to free men, and if the Internal Security Committee gets into the business of investigating dictatorships, it is going to have a lot to do for a long time. I think, though, after reading the areas of inquiry that the House has assigned to HISC, it would be far better served by concentrating its efforts on whatever internal threats may exist.

SENATE—*Wednesday, July 24, 1974*

The Senate met at 10 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, in the fret and fever of these troubled times, when we know not what a day may bring forth, we thank Thee for this quiet moment when all else is shut out and our hearts are uplifted to Thee. We cannot make better laws or a better world except as we are better persons. Make and keep our inner lives pure and kind and just, that we fail not. May our highest incentive be not to win over one another but to win with one another by doing Thy will for all. Show us what Thou dost will for this Nation and help us to be faithful agents for bringing it to pass. Correct our mistakes, redeem our failures, confirm our right actions, and crown this day with the benediction of Thy peace.

We pray through Him whose joy was to do Thy will. Amen.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Tuesday, July 23, 1974, be dispensed with.

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 Executive Calendar under "New Reports."

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

The PRESIDENT pro tempore. The nominations will be stated.

DEPARTMENT OF THE TREASURY

The legislative clerk proceeded to read sundry nominations in the Department of the Treasury.

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.

NATIONAL TRANSPORTATION SAFETY BOARD

The legislative clerk proceeded to read sundry nominations in the National Transportation Safety Board.

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.

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

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

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to, and the Senate resumed the consideration of legislative business.

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.

ADDITIONAL TIME FOR CONSIDERATION OF AMENDMENTS TO FEDERAL RULES OF CRIMINAL PROCEDURE

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 984.

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

The second assistant legislative clerk read as follows:

A bill (H.R. 15461) to secure to the Congress additional time in which to consider the proposed amendments to the Federal Rules of Criminal Procedure which the Chief Justice of the U.S. Supreme Court transmitted to the Congress on April 22, 1974.

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

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that Calendar No. 983, S. 3684, be indefinitely postponed.

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

QUORUM CALL

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

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

The second assistant legislative clerk proceeded to call the roll.

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

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

"BIG SHOTS" REQUIRED TO STAND IN LINE, TOO

Mr. MANSFIELD. Mr. President, I ask unanimous consent that Calendar No. 674, Senate Resolution 292, be removed from the general orders on the calendar and placed under "Subjects on the table."

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

DO WE NEED A CONSUMERS' BUREAU?

Mr. GRIFFIN. Mr. President, in the July 23 issue of the Wall Street Journal there appeared a very penetrating analysis and commentary on S. 707, the bill to establish a so-called Consumer Protection Agency, now renamed an Agency for Consumer Advocacy.

The article, written by Arlen J. Large, entitled "Do We Need a Consumers' Bureau?" is important reading for Members of Congress as well as others who subscribe to the CONGRESSIONAL RECORD. I ask unanimous consent that the article be printed in the RECORD.

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

DO WE NEED A CONSUMERS' BUREAU?

(By Arlen J. Large)

Rep. David Henderson of Iowa, during final House debate in 1887 on a bill creating the Interstate Commerce Commission:

"This city is today swarming with keen, zealous, able agents of the railroad power trying to defeat passage of this bill. Every vote cast at their dictation and every vote cast against this bill is a vote for railroad supremacy and against the people. . . . The passage of this bill will be one of the greatest steps that can be taken to speed the coming of still happier days for our people."

Sen. William Proxmire of Wisconsin, introducing in 1974 a bill to abolish the Interstate Commerce Commission:

"There are more whiskers and cobwebs at the ICC than any other place in the government. With fierce competition among air, rail, barge and road transportation, regulation for other than safety purposes has long been unnecessary. The answer is abolition plus strong enforcement of the antitrust laws."

Unfortunately, there's no swarm of railroad agents pestering Congress to pass Sen. Proxmire's bill; the railroads have grown comfortable with the ICC. Instead, Washington is a swarm with lobbyists promising that there'll be "still happier days for our people" if Congress sets up just one more new government agency to see that the ICC and other sleepy bureaucracies start working harder for ordinary consumers. And a rival flock of business lobbyists is warning of chaos and disaster if the proposed Consumer Protection Agency ever starts charging around Washington raising hell in triplicate.

While there's no chance that Congress soon will bestir itself and abolish the ICC, there's considerable unhappiness with it and the other alphabet agencies that regulate transportation, energy, medicine, food and other industries. That unhappiness has led to overwhelming House passage of the Consumer Protection Agency bill earlier this year. The Senate is debating it hotly now. Virginia Knauer, the President's powerless consumer adviser, is keen for it. Yet the unsatisfactory record of the old-line regulators ought to be a strong argument against trying to cure the ills of bureaucracy with more bureaucracy.

For Congress, setting up a "good" new agency to correct its own mistakes of the past is the easy way, a cop-out. The consumer agency would be doing the job Congress itself should be doing, has the power to do, but hasn't the energy to do.

SOME SCARY SCENARIOS

This isn't the argument of the consumer agency's business opponents and their allies in the Senate; they essentially want to keep the status quo. Thus the opposition's debating points run to a new-found admiration for the existing "orderly processes of the government," and scary scenarios of the consumer agency using its vast powers to bully even Henry Kissinger.

Sen. Sam Ervin of North Carolina and three other Senate opponents note in a written argument that the consumer agency can give advice to the State Department on foreign trade policies that affect consumers. So suppose, they say, that U.S. diplomats are negotiating an oil deal with the Arabs. Sen. Ervin's camera rolls:

"Can anyone imagine the Secretary of State telling some sheik, 'Excuse me, before I decide on your new proposition, I must contact the administrator of the Consumer Protection Agency or one of his agents.' It would appear that an advocate of the (agency) will have to fly around with the Secretary of State—that would be the only way possible to comply with the letter of this proposed law."

With the opposition portraying the agency as a reckless bureaucratic giant, its supporters naturally stress how small and prudent it will be. Sen. Abraham Ribicoff of Connecticut and his allies promise the agency will consist of "a relatively small number of professionals" helping regulators, "on a case by case basis" to see the consumer viewpoint.

But this contradicts the proponents' simultaneous visions of a truckload of consumer triumphs to be won in the federal regulatory snakepit. A checklist of examples of wrongs the agency supposedly could correct is long and ambitious: The high price of heating oil, Food and Drug Administration foot-dragging on safety rules for X-ray machines, Commerce Department sloth in banning fire-prone clothing, Civil Aeronautics Board tolerance of high air fares and lost luggage, FDA laxity toward dangerous toys, Transportation Department snoozing on rickety school buses, Federal Aviation Administration flabbiness on DC–10 cargo doors that pop open in flight, which proved fatal to 344 people in a crash near Paris this year.

Such a list belies the claim that the new agency would be a midget; it would have taken a many-eyed monitor to note that the FAA's ruling on DC–10 cargo doors was "permissive" instead of "mandatory," and to get the ruling reversed. But the list also belies any assertion that the status quo is all right and that the existing regulators are doing their jobs well.

A congressional decision to correct regulatory wrongs with an institutionalized consumer advocate would just endorse and enlarge a dark side of government that's already subject to ridicule. Advocacy proceedings before federal regulatory bodies can drag on for years in a lawyerish nightmare of hearings and appeals. Sen. Ribicoff's bill would put a new set of faces at attorneys' tables in hearing rooms all over town, adding new parties to a function of government that has a life of its own.

In his irreverent book "The Institutional Imperative (How to Understand the United States Government and Other Bulky Objects)," Robert Kharasch describes the purpose of the regulators this way: "The activity of regulation, the sheer running of the machinery processing minute inquiries and complex questions, is itself the only 'purpose' of regulation. This is so because the machinery defines the purpose: You cannot say whether a rate is reasonable without establishing a rate base, and the question of what goes in the rate base is a question so surpassingly difficult as to be decided only by the machinery of regulation. So, only the operation of the machinery defines the purpose of its operation."

There's much argument about whether the old-line regulatory agencies have become "captives" of the industries they regulate. Sponsors of the consumer bill assume that they are, and that the new agency is needed as an antidote to that captivity. Sen. Ribicoff and the other sponsors also worry about attempts to put in a political fix on the agency's freedom to pursue consumer injustices wherever it sees them. Over strong protests from the Nixon White House, the pending Senate bill would give the agency's chief a fixed four-year term to prevent a President from sacking him for policy reasons.

The fear of political intervention is understandable in the light of the recent history of reversible milk price supports and White House badgering of the Internal Revenue Service. But the kind of independence proposed for the consumer agency could someday give it captivity problems of its own.

The agency's staff basically will confront endless Go-No-Go decisions on whether it should become a party in a formal ICC proceeding on a vegetable truck route, or get involved in a proposed new Agriculture Department rule on hot dogs, or appeal in court a Federal Trade Commission decision on the elasticity of suspenders. And thus the staff could itself become a major focal point for lobbying and pressure from affected industries and consumer groups.

It's easy to imagine the president of an airline that wants higher fares trying to persuade the head of the consumer agency to stay out of his CAB case. If the fare increase isn't granted, the argument would run, my airline will go smash, and *then* how would consumers get to Des Moines? If the consumer agency buys that, its failure to show up at the CAB hearing could itself influence the board's final decision.

Doubtless in its early years the consumer agency wouldn't buy such arguments readily, and would oppose most government decisions favorable to business, just as business groups fear now. But if experience with existing regulators is a guide, the blood could cool and the head could nod as the years go by and precedents build up for not intervening in cases, lest an industry lose its capacity for service to consumers in the long run.

Then at some point Congressmen waving pro-consumer banners would be tempted to pass a new law establishing an advisory council to the Consumer Protection Agency, to make the agency more aggressive. And in the end, a spiritual descendent of Sen. Proxmire might arise to note the agency's whiskers and cobwebs and urge its abolition.

MORE DIRECT WAYS

If Congress isn't happy with the performance of its own regulatory creatures, it has more direct ways of shaking things up. It could, as Sen. Proxmire and a few others suggest, seriously explore the merits of deregulation, leaving more business decisions to the competitive marketplace.

Congress could change its statutory marching orders to its regulators. That happened, with great legislative bloodshed, in 1962, when Congress told the FDA to keep off the market drugs that aren't effective, as well as those that are unsafe. Congress could also use more frequently a tactic adopted in the air and water pollution laws, which set fixed dealines of performance for the Environmental Protection Agency and gave ordinary citizens legal standing to sue the agency in court if it flubs the job.

Finally, the Senate could crack down on the ancient presidential custom of reserving the regulatory commissions as retirement pastures for former Congressmen and favored cronies. The alphabet agencies aren't like Cabinet departments, where the top men are responsible to the President. The regulators, in contrast, exercise semi-judicial powers delegated by Congress and are not part of the Executive Branch. Yet the Senate has been supine about confirming almost any nomination to a regulatory agency. Last year's rejection of a Nixon-appointed nominee to the Federal Power Commission was a rarity.

But of course, it would be hard, distasteful work for Congress to change regulatory objectives, or supervise the agencies closely with a minimum of politics. It makes people mad and upsets the routine. As controversial as it is, a Consumer Protection Agency is an easier approach.

Cynics might argue that it's too much to expect Congress ever to shape up, so a new bureaucracy is the best available stopgap. In that light, the Consumer Protection Agency, if it comes, will be a confession of congressional sloth and timidity, a shield intended to protect Congress from its own hard duty.

ORDER OF BUSINESS

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

WHAT'S RIGHT WITH THE FEDERAL GOVERNMENT—THE U.S. ECONOMY

Mr. PROXMIRE. Mr. President, this morning I make my 21st speech on what's right with the Federal Government, and in a sense it is the toughest subject of all because I am speaking about what's right with the American economy today.

There has not been a time since the Great Depression when there has been so much denunciation of the American economy. And there is plenty to denounce: inflation is raging at a 12-percent rate. Unemployment is too high. Interest rates are outrageous. The consumer has told reliable pollsters that he has less confidence in the economy than at any time since the polls have been taken.

So what is good? The answer is plenty. And if Americans are to do anything constructive about these problems, they should recognize that in spite of the series of economic blunders, and the stumbling and indecisive leadership, one way or another, the Federal Government and the economy have achieved remarkable progress in the past 17 years.

It is of course not true that "we never had it so good." We had it better a year ago in the hard cold terms of real take-home pay.

I have chosen the last 17 years because one has to pick a beginning, and 17 years ago I came to the Senate. During that time, I have had an opportunity to observe our Federal Government and the economy more directly and explicitly. Consider the progress in the past 17 years, since I came to the Senate.

REAL INCOME UP

The average American family today can buy—after taxes and inflation—a huge two-fifths more than it could 17 years ago. The typical black family has done even better. It can now buy 60 percent or three-fifths more than it could 17 short years ago, although the typical black family receives 40 percent less income than the average white family.

The median income of all U.S. families rose to over $12,000 in 1973. The Census Bureau figures show that almost 10 percent of American families had incomes above $25,000 a year and 1 percent had more than $50,000 a year. Even with food prices rising, the average American spends 5 percent less of his income on food today than he did in 1957.

There are many different ways to examine the changes which have occurred in the distribution of this income among American families over the past 17 years. Many Americans view the greatest inequity as being the extreme differential between the income of the wealthiest families and the income of the poorest families. What has happened to this measure of economic justice? In 1957, the average income of the highest fifth of American families was 8.12 times that of the lowest fifth of American families and only 7.56 times as great in 1971. This statistic demonstrates that there has been a small amount of redistribution of income from the wealthiest to the poorest Americans over the past 17 years. Another important aspect of the distribution of income has to do with those Americans who have incomes below the poverty line.

POVERTY DOWN

Since 1957 there has been a one-third reduction in the number of families with incomes below the poverty line. But it is still a shocking fact that the incidence of poverty among minority citizens runs at the shocking rate of 30 percent. And the number of families living below the poverty line has not improved in the past 5 years. Today there are still 23 million Americans living in poverty.

During the past 17 years, the economy has created jobs for almost 20 million new workers. In only two of those years has the annual average unemployment rate exceeded 6 percent. The most rapid growth has come in "good" jobs—that is, high paying professional, technical, and managerial positions.

JOB SATISFACTION

Recent surveys show a surprisingly high level of job satisfaction among American workers—higher than ever before. I found this to be true when I worked recently in such jobs as on a dairy farm, at a paper mill, in a canning factory, at a meat packing plant, in a bank, at a clothing store and elsewhere. In general people are more satisfied with the challenge, comfort, and financial rewards of their jobs. For more than 20 years I have met tens of thousands of workers every year at plant gates and at office buildings in Wisconsin. I have found today's worker clearly less dissatisfied than he was 10 or 20 years ago.

In spite of their high weekly take home pay, Americans are working the shortest hours in history, with more holidays and vacations than ever. As a result leisure time and recreational activities have increased sharply in the past 17 years. Americans spend more time outdoors and in sports than ever before. We have had a steady increase in the participation of Americans in social activities such as outdoor sports events, concerts, picnicking, nature walks, and birdwatching in the last 17 years. There has also been a substantial increase in water activities such as swimming, boating, and fishing. The number of Americans who own and use bicycles has increased in a spectacular fashion. It is certainly healthier to have bicycle rather than automobile traffic jams.

MATERIAL WELL-BEING WIDESPREAD

The material affluence of American families can be measured by the remarkable fact that 96 percent of American families own television sets. Almost one-half of these are color TV's. More than a third of American families own two or more automobiles.

I might say with respect to color television, and television generally, that many people derive that, especially those who are of the higher incomes or higher educational achievement, by the fact that in terms of entertainment availability and in terms of news availability it represents a remarkable improvement for millions of Americans.

We had testimony before the Joint Economic Committee a few years ago and Mr. Ruggels testified that Consumer Price Index did not allow for improvements of this kind, that whereas years ago if we wanted to see a movie we would pay 50 cents, now of course we pay $1.50 or $2 or $4. The fact is that we can see movies now on television at a penny or two a kilowatt-hour. There has been that kind of improvement which is not measured by the Consumer Price Index, it is not in the statistics, but does represent in the view of some highly competent economists another very sharp improvement in the economy and the enjoyment of living by Americans.

Almost all Americans own or have access to telephones, refrigerators, washing machines, and dryers.

While it is extremely difficult to measure what is a substandard housing unit, it is still true that there has been a sharp reduction in the number of families living in substandard housing in the United States.

According to the Census of Housing Statistics, there has been a 50-percent reduction in the number of families living in substandard housing between 1960 and 1970. Today less than 10 percent of all Americans live in substandard housing. Yet almost a quarter of all black families remain in inadequate housing conditions. Adequate housing for all Americans remains an unmet national goal, even though we have had this very sharp improvement.

HEALTH IMPROVED

We spend far, far more on medical care today than we did in 1957. In fact, it is very clear that the costs of medical care has become a burden on a large number of our citizens. Yet statistics show a substantial improvement in the health of the average American. The life expectancy at birth for the average American has increased almost 2 full years during the past decade and a half. But each year there are still more than 12 million American children who never get to see a doctor and the infant death rate in this country is still higher than a dozen other industrialized nations.

AMERICAN WORKER MORE HIGHLY SKILLED

Most encouraging of all from the standpoint of the future of the economy the American citizen has never been as highly skilled as he is now. The proportion of Americans who had completed high school in 1950 was a bare one-third. Today it is a full two-thirds and going up sharply every year. College enrollment doubled between 1960 and 1970. Illiteracy rates have dropped to less than half what they were 15 years ago. The Federal Government is devoting literally 10 times as much to vocational education now as it was in 1957 and the results are showing in the far higher skills of our work force. The fact is that blacks have made greater educational and skill progress than whites.

The amount of time blacks spend in school has been coming closer to the

amount of time whites spend in school. But the quality of education made available to blacks is obviously not equal to that of whites.

PRIORITIES IMPROVED

One of the things that is right, but not right enough, with the Federal Government has been the substantial change in its priorities over the past decade and a half. In fiscal year 1960 the United States spent $49.5 billion or 53.7 percent of the total Federal budget on defense. While the estimate for fiscal 1975 calls for more than can be justified and for almost twice as much money for defense, the $96.1 billion represents a sharply reduced 31.6 percent of the total Federal budget. If the proportion of Federal moneys going for defense has decreased, what sectors of the Federal budget are increasing? There have been large increases in social security benefits going to older Americans. Unemployment compensation has been extended to additional workers. The amount and duration of coverage has also been increased. There has been a substantial increase in the number of people covered under our public assistance going to the poor and disabled.

In addition, the amounts going to each family under public assistance has increased. We have created the new programs of medicare and medicaid. Food stamp programs, educational aids and housing subsidies have also increased dramatically for the less fortunate American. The most dramatic shift has been the large amounts of money we are now shifting into preserving our natural environment. From pollution control to new urban recreation areas, the U.S. Government and private industry mandated by Government has begun to spend billions of dollars to insure that future generations of Americans will have places to play in, decent air to breathe, quieter and safer working conditions, cleaner water and a more scenic and beautiful country.

DIRECT SUBSIDIES DOWN

While many indirect subsidies to businesses result from the present tax laws, the proportion of the budget going in direct subsidies to the private sectors has been reduced during the past 17 years. While the Federal Government has involved itself too deeply and extravagantly in too many aspects of the domestic economy, it is true that the degree of control and subsidy of the economy by the U.S. Government is still among the lowest of any industrialized nation.

INFLATION WORSE THAN EVER

In part, but only in part, the serious inflation problem is showing signs of a basic easing. The heart of the problem is to increase the supply of goods by increasing production. Our shortage of productive capacity has been a critical problem. Recently there has been a rapid increase in the investment outlays in every area where prices have been rising most sharply: The oil, paper, chemical, and textile industries. The substantial increase in capital spending in general has been one of the few bright spots in the current economic scene. This private investment will generate new plant and equipment which will in turn, produce more goods and thereby help reduce the inflationary pressures on many sectors of the American economy. There are also indications that commodity prices which have been rising at incredible rates may be leveling off or even declining in the next year or so.

In spite of sharp recent increases in wages, the performance of wage negotiations throughout this long inflationary period has been remarkably moderate. The American labor sector has been acting most responsibly during these inflationary times.

The words of the song, "America" are just as true today as they were decades ago: "America, America, God shed His Grace on thee." We still have the greatest energy and raw material base in the world; the most highly skilled and educated workers in the world; the most imaginative and innovative management in the world; and the most advanced technology in the world.

But we do have right now what is perhaps the most serious inflation problem in our history. It flows in part from the massive progress the Federal Government has so swiftly pushed on this society's vast but limited resources. The huge social security and unemployment compensation gains are a blessing. So are the massive environmental and working condition improvements. The immense progress in education, the great new health programs all bring great national benefits. They make Americans healthier and more skilled. But there is a price for moving too fast without cutting the waste and killing the unnecessary programs in the process. That price is inflation and I expect to speak on that early next week.

Incidentally, Mr. President, in conclusion in connection with my remarks, I want to call the attention of the Senate to a very interesting article that appeared in Time magazine in the current issue.

It is written by George Church and he analyzes what he feels ought to be done to mobilize against inflation.

He said:

The first essential is to hold down Federal spending and reduce the rate of increase in the U.S. money supply. It means slow growth, sluggish profits, distressing unemployment. So it is not surprising that the old-time religion has been more often preached than followed.

He goes on to say:

The size and specifics of any cut in this year's budget are less important than that the Administration, the Federal Reserve and Congress all determine to apply fiscal-monetary restraint for as long as is necessary. The strategy should be to permit some real growth, but keep the budget and monetary brakes on hard enough to hold total demand for several years slightly below the economy's capacity to increase the output of goods and services, until the inflationary momentum at last subsides.

Then he asks:

The President—possibly acting through a reviewed Cost of Living Council—should monitor wage-price increases in key industries.

He asks—

A resurrected Cost of Living Council or some other body should also monitor the government's own price behavior.

Mr. President, this is particularly important, because of the many things the Government does that exacerbate and increase inflation.

Mr. President, I ask unanimous consent that this article be included in the RECORD after my remarks.

The PRESIDING OFFICER (Mr. TUNNEY). Without objection, it is so ordered. (See exhibit 1.)

Mr. PROXMIRE. I also call attention to a thoughtful suggestion of Dr. Paul Samuelson, one of the few Nobel Prize winners as an economist in this country, who suggests that we should have a benefit-cost inflation analysis when we move ahead with these programs.

He argues that we should go ahead, as I argue that we should go ahead, with these social programs that I think are so vital for our country. When we do it, we should do so with our eyes open, and realize what the costs are when we increase social security, as greatly as we have, or realize what the costs are when we impose noise limitations on industry that will cost $31 billion in the next few years.

We should have this analysis before us and proceed, as I say, with our eyes open in a balanced way, and recognize that if we are going to impose further burdens on our economy, we have to make cuts elsewhere; we have to be willing to be realistic about those cuts, and have the force and power to get those cuts through Congress and enacted into law.

Mr. President, I yield the floor.

EXHIBIT 1

HOW TO MOBILIZE AGAINST INFLATION

Inflation may be becoming to the 1970s what depression was to the 1930s—not only an econoimc agony but a crisis that threatens the stability of society. Like the Great Depression four decades ago, today's Great Inflation has struck a blow at Americans' usual optimism about the future and replaced it with a deep worry—about whether families will be able to afford travel, comfortable housing, even the foods they like best.

Millions of people justifiably feel that the economy is cheating them of the rewards of hard work and thrift. A few more years of skyrocketing prices that wipe out much of the middle class and reduce some Americans to eating dog food could well cause many voters to question whether a system so fundamentally flawed can endure.

The public demoralization is being vastly increased by a gnawing fear that no one knows how to stop inflation in a modern democratic capitalist economy. The Government swings erraticaly from price controls to a free market from budget stimulation to budget cutting, from easy money to tight money; nothing seems to work for long. Economists discussing anti-inflation strategy have rarely been so modest and tentative; several seem confident only in proclaiming that their colleague's ideas will not work.

Modesty is advisable: inflation is in fact the most torturingly complex problem of modern economics. It seems inextricably bound up with growth and high employment; a quick and sure solution might be achieved by inducing another depression—but that would be too severe a cure. Moreover, inflation has become a worldwide plague (Time cover, April 8). The U.S., even if it can control the economic sickness within its own borders, might be subject to reinfection from abroad.

But if no quick, final cure is in sight, the

Government still has an obligation to act. The economy, to be sure, is not completely manageable by Washington, but there are a number of policy actions that could be taken to greatly reduce inflation's severity. And in dealing with inflation, degree is crucial; the difference between price increases at annual rates of, say, 6% and 12% is the difference between excessive social drinking and incapacitating alcholism.

The steps are slow-working and painful. Worse, they sound like a prescription for ensuring the defeat of any President who tries them, since they amount to taking on every vested interest in the economy at once. So there will be a strong temptation to avoid them and hope that a recent down-turn in inflation—from an annual rate of 12.3% in the first quarter to 8.8% in the second—continues on its own. But that improvement is scarcely satisfactory; the Government must do all it can to bring the rate down further.

The first essential is to hold down federal spending and reduce the rate of increase in the U.S. money supply. That classic remedy for inflation has been advocated so often that Administration officials refer to it as "old-time religion." It means slow growth, sluggish profits distressing unemployment. So it is not surprising that the old-time religion has been more often preached than followed.

Right now, the Federal Reserve Board is acting the role of zealous convert. In 1972 and early 1973 it pumped out enough money to overstimulate a booming economy; money supply in the last quarter of 1972 grew at a startling annual rate of 8.4%. Lately the board has held the increase to a rate of about 6%, a growth much slower than the explosive—and inflationary—surge in demand for business loans. Interest rates have consequently gone into orbit. But as Alan Greenspan, who is Nixon's choice to become head of the Council of Economic Advisers, has pointed out, that policy has been pushed close to the point at which it will self-destruct. Savings and loan associations and savings banks cannot effectively compete with commercial banks for funds in the tight money market, and some may soon teeter on the edge of collapse. If so, the Federal Reserve would have to come to their rescue as "lender of last resort"—and that would mean another massive, inflationary increase in the money supply. The Federal Reserve, in other words, cannot fight inflation all by itself; it needs help from Administration budget makers—who, while preaching fiscal conservatism, have run up a cumulative deficit of $68 billion in five years.

Federal Reserve Chairman Arthur Burns called last week for a $10 billion cut in Government spending for fiscal 1975, which is budgeted at $305 billion, v. $270 billion in the last fiscal year. President Nixon himself has said that expenditures should be held to $300 billion, at which point they might just be balanced by growing revenues, but he has postponed the hard decisions about where to cut. Small wonder. The choice will have to be made from a herd of sacred cows; military spending, veterans' benefits revenue-sharing aid to states and cities.

The size and specifics of any cut in this year's budget are less important than that the Administration, the Federal Reserve and Congress all determine to apply fiscal-monetary restraint for as long as is necessary. The policy need not be pressed hard enough to cause a recession. Rather, the strategy should be to permit some real growth, but keep the budget and monetary brakes on hard enough to hold total demand for several years slightly below the economy's capacity to increase the output of goods and services, until the inflationary momentum at last subsides.

Such a hold-down would set up severe strains in the economy, which the Government must be prepared to ease. For one thing, credit would remain scarce and costly, especially for small businessmen and home buyers. To prevent big corporations from gobbling up all the loan money, the Government would have to nag bankers to turn down some loans and perhaps institute credit controls if they refused.

A long-term program of holding down demand would mean that for years the nation could not reduce the jobless rate to the 4% "full employment" level; unemployment might well rise beyond the present 5.2%. The unemployed, of course, cannot be callously written off—but heating up the whole economy to the point at which employers are eager to hire everyone who turns up is at present a sure prescription for accelerating inflation. Instead, the jobless should be helped by higher unemployment benefits, public-service employment programs, massive job-training efforts to give them marketable skills—and the budget should be cut in other places to provide the money.

Even a consistently pursued policy of fiscal and monetary restraint, however, would not defeat inflation by itself. It should be reinforced by an array of other policies, all of which should be put into effect together. No one of these policies is likely to have much impact on its own, but cumulatively they could put a substantial dent in the inflation rate.

For one thing, the President—possibly acting through a revived Cost of Living Council—should monitor wage-price increases in key industries with a baleful eye and demand from Congress stand-by authority to roll back those that are far out of line. Even liberal economists are generally reluctant to go back to comprehensive wage-price controls. But in a highly inflationary climate, the Government must try to counter the temptation for unions and companies to push for the biggest increases that their raw economic power would temporarily command. Indeed, many economists fear that high wage demands are about to replace shortages as the prime inflationary force in the economy—and the Government cannot persuade labor leaders to moderate them unless it makes a conscientious effort to restrain business too. The President, as wielder of the nation's largest jawbone, should define what wage and price behavior is responsible and focus public opinion pressure against increases that violate the guidelines. In order to assure that he is listened to, he needs the authority to order occasional rollbacks.

A resurrected Cost of Living Council or some other body should also monitor the Government's own price behavior. As economists tirelessly point out, Government departments and regulatory agencies, in an effort to please narrow constituencies, often adopt policies that spur rather than slow inflation. For example, the Agriculture Department is now buying up $100 million worth of "excess" beef and pork in a deliberate effort to keep prices paid to farmers and feed-lot operators from dropping. Federal regulatory agencies often set railroad, truck and barge freight rates high enough to protect the most inefficient carriers from competitive damage. A separate federal agency should be empowered specifically to watch for such practices and try to get them stopped.

The Government should also explore all possible ways to increase the productivity, or output per-man hour, of the nation's work force. High productivity enables employers to grant wage increases without raising prices, but U.S. productivity fell at an annual rate of 5.5% in this year's first quarter.

As a first step toward reversing that trend, Congress should legislate extra tax credits for companies that have superior productivity records. The tax credit now granted on the purchase of new equipment, says Michael Evans, president of Chase Econometric Associates, a subsidiary of Chase Manhattan Corp., "is too broad-based. It gives the same 7% for everything from office furniture to industrial machines. It could be more stratified; it could give more emphasis to productivity." The President, by jawboning through the Department of Labor and Federal Mediation and Conciliation Service, should also press for more labor-management agreements that phase out featherbedding and other make-work practices.

Finally, the Administration should ask Congress to wipe off the books a complex of outdated laws and practices that keep prices high for the benefit of special constituencies. Every economist has a long list of these that has turned yellow with age. Among them: the Davis-Bacon Act, which guarantees that construction workers on federal projects receive the often inflationary prevailing wage in the area where they work. The Jones Act prevents shippers from using low-cost foreign vessels to haul their goods from one U.S. port to another, and the "Buy American" Act forbids the Government to buy from foreign suppliers unless their bids are at least 6% below those of U.S. companies. Quotas still hold down imports off foreign textiles, steel and butter. Misnamed Fair Trade laws in 15 states, authorized by a federal enabling act, prevent retailers from cutting prices on many brand-named goods. The key to getting rid of these outrageous anomalies is to attack them all at once by putting together something like an "Omnibus Inflation Control Bill of 1974" that could win broad public support. Trying to repeal them one by one is no use; the only people who would be excited would be the lobbyists for the special interests involved.

Even if the Government does everything it can to contain inflation within the U.S., though, there will still be that danger of imported inflation from abroad. American prices for many key raw materials—oil, wheat, lead, sugar—are heavily influenced, if not dictated, by the world supply-demand balance. All have zoomed in the past year or so because of global shortages, real or engineered. Restraining demand in the U.S. may not be enough to keep prices down—especially if other industrialized countries stimulate their economies to make up for a loss of export sales to the U.S. and commodity-producing nations form more price-raising cartels modeled after the Organization of Petroleum Exporting Countries.

To counter that threat, the U.S. must take the lead in organizing international cooperation against inflation. As a start, it should try to win at least an informal agreement among the leading financial powers to synchronize their monetary and fiscal policies. The goal should be world restraint to combat world inflation. Further, the U.S. should attempt to reduce the frenzy of international bidding for scarce commodities by forming a world organization that would improve forecasting of global supply and demand. And the State Department should push harder to form an organization of petroleum-importing countries that could bargain with Arab leaders for lower prices.

This program contains something to offend almost everyone; liberals and conservatives; businessmen, workers and farmers; and several departments of the Government itself. Whether President Nixon, facing impeachment, can put such a program across, is all too obviously doubtful. The more important question might be whether any U.S. Administration could summon the courage to launch this kind of all-out attack on inflation. It would succeed only if the public could be persuaded that all parts of society—the businessman jawboned out of price increases, the worker asked to settle for a modest wage increase, the banker told not to make certain loans—were being asked to make equitable sacrifices. The only answer is that the risks of not doing so are even greater. For the Nixon, Ford or any other Administration that might be in power—and for the nation as a whole—there is no deadlier danger than continued raging inflation.

The PRESIDING OFFICER (Mr. TUNNEY). Under the previous order, the Senator from New York (Mr. BUCKLEY) is recognized for not to exceed 15 minutes.

Mr. BUCKLEY. Mr. President, I suspect that I shall be continuing a little bit along the theme on which the Senator from Wisconsin talked. I wish to address myself to the economic situation which confronts us.

Mr. President, a recent poll of public opinion affirmed what most Americans have long suspected: inflation is by far the most serious domestic problem in the opinion of the American people. The New York Times for July 14, 1974, carried a story headlined: "Inflation Replaces Energy as Nation's Main Concern—48 Percent in a Gallup Poll Cite Rising Costs as No. 1 Problem—Consumers Assert Prices 'Trap' and 'Depress' Them." The story stated:

> The Gallup Poll revealed that concern over inflation cut across both age and income barriers, and was widespread throughout the nation.

The Washington Post, July 19, 1974, carried this headline: "Inflation: Public Enemy No. 1." The article to which that headline was attached even quoted John Kenneth Galbraith, the implementation of whose economic theories has contributed so much to inflation, as stating that inflation is a problem. More than that, the high priest of past inflationary policies has now publicly identified the villain in the piece by calling for "a fiscal policy that rules out for the indefinite future any expansion of the Federal budget." And so we find today an extraordinary concensus not only as to the gravity of the problem of inflation, but as to its underlying causes.

It is rare that one can make a near absolute statement in the complex and confused area of national concerns. But I think it is safe to say that there is no issue that troubles the American people more than the unprecedented rate of inflation we now endure, one hitherto unknown to us in peacetime.

It is sometimes the case that headlines tend to magnify the seriousness of a problem or, at the very least, distort it in a sensational way. But in this case the problem is far greater than even the headlines indicate, for what is at issue is not only inflation but other economic ills connected with our general economic malaise. The problem of liquidity, for example, is currently severely limiting the growth and modernization of American industry. Businessmen simply cannot find the funds they need for expansion; and such funds they can secure in competition with Government borrowing commands a rate of interest that is often prohibitive.

Mr. President, there is little satisfaction in being able to say "I told you so." But surely this body should be reminded that there have been those of us who have warned of the danger. There are those of us who, in the face of a lemming-like rush for the distribution of taxpayers' money, stated that the inevitable result would be a crushing inflation that would especially hit the elderly, those on fixed incomes and the poor. It cannot be said that the Congress was unaware of the stark historical facts of the situation. We know what inflation did to Weimar Germany. We know what it did to Imperial Rome. We know what it has done to every nation in which there have been politicians only too willing to sing the soothing lullaby that tells that "a little inflation is good for you." Yet, knowing these facts, this body has consistently voted for inflationary policies and programs. And now, to the surprise of some, the time has come to pay the cost.

The time has also come Mr. President, to talk blunt, plain, commonsense to the American people. This is not a time for lullabies. I do not share with some the belief that we are approaching a period of panic and sudden economic catastrophe. But I do share with the American people the belief that we must recognize the full seriousness of the inflationary spiral in which we find ourselves. More than that, if we are to restore the degree of confidence in Government that is essential to enlist the full cooperation of the American people in bringing inflation to heel, the people will have to be satisfied that the President and the Congress not only understand the gravity of the situation, but that they have a coherent program for bringing it under control.

Mr. President, it is time that the Congress and the administration admit the truth. The big spenders cannot continue to "stonewall it" any longer. The fiasco of the paternalistic, welfare state must be stripped of its glamorous, seductive rhetoric and shown for what it is: the biggest ripoff of the American wage earner in the history of the Republic.

New Federal programs enacted over the past decade were too often passed into law with little or no idea of their eventual cost. Moreover, many of the programs are not subject to the congressional appropriation process. Thus they never have been reviewed from the perspective of justifying every dollar the programs expend. These programs and the deficits they have spawned have simply become annual drains on the Treasury, immune from congressional surveillance or criticism. We can no longer afford to have the Federal budget so dominated by so-called "uncontrolable expenditures" that it becomes a virtual impossibility to keep it within noninflationary bounds. Yet we have no responsible choice but to bring this Frankenstein's monster of our own creation under control. And one way to do it is to change the spendthrift habits of a generation and more that even the American economy can no longer afford.

Since 1971, Mr. President, I have listened to our well-intentioned colleagues go their merry way, blithely throwing other people's money to the four winds, cheerily discussing the distribution of the wage earners' taxes as if it were so much birdseed. Well, the time has come for the Congress and the administration to take sober stock of the consequences of our past extravagance. Inflation is admittedly a complex economic phenomenon, Mr. President. But it is not so complex that we cannot painstakingly trace its sources back through the labyrinthine paths of monetary policy to those who have called for evergrowing spending, as if tomorrow would never come. Now, tomorrow has come.

Mr. President, the current record rate of inflation did not just happen. It was caused. It was caused by many factors. Let me list a few:

The acceleration of Federal spending. Since 1969, the United States has had to "pay the bill" for the costs that were built into the Federal budget in the mid-1960's by the Great Society programs. These programs, with their seductively low early year costs have dramatically driven up the overall size of the Federal budget. It took us 173 years before Federal spending reached $100 billion. That was in fiscal 1962. Only 9 years later, in fiscal 1971, the budget pierced the $200 billion mark. It took only 4 more years, until fiscal 1975, for the budget to exceed $300 billion. This staggering rate of increase in Federal expenditures shows no early signs of abating. Programs, once initiated, have a momentum of their own. I need only cite, as a typical example, the agricultural appropriation bill that we adopted earlier this week—up 28 percent from the prior year's level, with the increase in the fledgling food stamp program accounting for more than $1 billion of the more than $3 billion increase in the appropriation. And waiting in the wings is a $70 billion national health insurance proposal.

Wage and price controls. The pressures for price increases built up as a consequence of chronic overspending were simply delayed. As a result, there has been a surge in prices to "catch up" to the price level that would have obtained when free market conditions are permitted to operate.

Budget deficits. As a consequence of the extraordinary growth of Government expenditures, the Federal budget ran a stupendous series of deficits; $110 billion since 1969. The heavy deficits required extensive financing in the private capital markets. Many corporate borrowers were thus forced to rely on the commercial banking system for funds. The extraordinary demands for funds on the commercial banking system in turn encouraged a monetary policy that has resulted in an increase in the money supply by the Federal Reserve at a rate which guaranteed a high rate of inflation.

Inadequate capital formation. The prospect of inflation has discouraged the habit of saving that historically has been the prime source of capital for the investment required to modernize our industrial plant to reduce costs, and to expand its capacity to meet demand. But more than that, our tax structure compounds the problems of capital formation. The current capital gains tax, for example, serves to immobilize enormous amounts of capital that would otherwise be available for new investment. This is especially so when the forces of inflation serve to convert a capital gains tax into a capital levy. Inflation has ravaged business enterprise by overstating profits and understating depreciation. Thus the tax code has inhibited the businessman from making the long-term investment necessary to retain and expand the productive capacity of American industry by taxing ficticious profits.

Thus the U.S. economy is generally being subjected to a troika of inflationary pressures: rapidly increasing Government expenditures, catchup price in-

creases as a consequence of the lifting of price controls, and inflationary monetary policy to offset the excessive strains on private financing resulting from Government borrowing.

Unlike many sayers of doom who are always in evidence, there is nothing unresolvable about the problem of inflation we now face. We can invoke the necessary remedies, and can do so without triggering a widespread economic catastrophe. However, the hour is late and steps must be taken at the earliest opportunity, lest we have to take far more painful steps at a later date.

I, for one, believe that the American people are ready and willing to take the necessary medicine provided they have confidence in the doctor. This question of confidence is all important, because the measures that must be taken will require the understanding and cooperation of our entire society—especially as we reject the heresy that the Federal Government can, or ought to try to spend us out of all our problems.

The first order of business, in establishing this base of confidence, is for the President and the Congress to declare unequivocally and convincingly that our first domestic priority is to bring inflation under effective control; and that until this objective is achieved, all other domestic plans and programs will be subordinated to it. Rhetoric alone, however, will no longer suffice. The American public must also be convinced that we have a hardheaded, workable approach to the economic problems now plaguing us.

To this end, and in order to restore vitality to the American economy, I urge the President and the Congress to adopt the following program:

First. Establish an informal ad hoc congressional liaison committee to plan and coordinate executive and congressional anti-inflation measures. Such a step will help to assure that the Congress and the executive branches will be pursuing the same anti-inflationary policies and legislative objectives rather than following separate and perhaps, inconsistent paths.

Second. Beginning with an immediate objective of a $10 billion reduction in projected Federal expenditures in fiscal year 1975, initiate a policy of fiscal restraint that will result in budget surpluses for at least the duration of the inflation. A $10 billion cut represents a feasible near-term compromise between a reduction large enough to have a significant impact on inflation and one small enough to avoid disrupting vital Government programs.

Third. Adopt a "zero budgeting" approach to the funding of all Federal programs. This will force a program-by-program reexamination that will enable the Congress to, first, (a) recapture control over a large proportion of the "uncontrollable expenditures" that now bedevil budget planners; second, (b) weed out those programs whose need or value cannot be adequately demonstrated; and third, (c) stretch out others so as to reduce their net annual cost. Zero budgeting requires that every dollar expended by the Government must be justified as against alternative uses rather than merely justifying this year's additional funding as is now the case.

Fourth. Place a moratorium on new Federal programs except to the extent that their cost or adverse impact on the economy is offset by the termination or modification of existing programs. Consideration of such massive new programs as national health insurance will simply have to be deferred until we restore the stability and vitality of the American economy. Nor can we prudently undertake at this time the more modest programs that will create new and perhaps irresistible demands for new forms of Federal largesse.

Fifth. Revise budgetary procedures so that the Federal budget will reflect all Federal expenditures, direct and indirect. Despite legislative attempts to the contrary, the full cost of Federal programs, and consequently the extent of their impact on inflation, is frequently omitted from calculations of Federal expenditures. I am advised, for example, that in fiscal year 1974, the Export-Import Bank, Postal Service, Rural Telephone Corporation, REA revolving fund, and certain environmental programs accounted for $13.4 billion in expenditures that were not reflected in the Federal budget.

Sixth. Enlist Federal Reserve support of a policy that will maintain a pattern of stable monetary growth with price stability as its first objective. In attempting to meet a multiplicity of objectives such as employment, international payments equilibrium and others, the Federal Reserve has neglected its primary function: to provide a monetary framework for price stability. This objective should be restored to a position of paramount importance.

Seventh. Revise the Internal Revenue Code and tax regulations so as to eliminate disincentives to investment and encourage savings.

Eighth. Eliminate unnecessary overhead costs and delays in the implementation of Government programs by adopting wherever possible the special revenue sharing approach to Federal funding. It has been estimated that there is as much as $3.5 billion expended annually to administer Federal categorical grants—virtually all of which could be carried out by the States.

Ninth. Cushion the distortions and inequities created by inflation by indexing the income tax and by requiring the Federal Government to issue constant purchasing power bonds. Inflation forces taxpayers into higher tax brackets without any actual increase in the purchasing power of their incomes; and bondholders are forced to pay taxes upon purely fictitious interest while inflation depreciates the purchasing power of their investments. "Indexing" the income tax would eliminate the "windfall" tax profits now realized by the Federal Government from inflation, and it would eliminate the taxation of fictitious business profits. The availability of constant purchasing power bonds would encourage savings, allow individuals of modest means to plan for their own retirement with some degree of confidence, and require the Federal Government to pay the true cost of servicing its debt.

Tenth. Require the preparation of inflation impact statements with 5-year projections before the initiation or renewal of any Federal program. Too often the Congress has voted on programs with no idea of how much they would eventually cost. More than any other factor, this is responsible for the tripling of the Federal budget since 1962.

Mr. President, this is by no means an exhaustive catalog of what needs to be done to stem inflation and revitalize the economy. But I do suggest that a commitment by the Congress and the administration to these steps will not only insure the cooperation of the American public, but set us well on the road to price stability and economic health.

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

Mr. McCLURE. Thank you, Mr. President.

I want to, at the outset, commend my colleague from New York (Mr. BUCKLEY) for his very thoughtful and perceptive statement, and to join with him in a call for action in regard to the economic reforms that we can and we must institute. Without reiterating each of the 10 points he has made, I would say that certainly in this body we must find substantial agreement upon a number of those steps if, indeed, we are to accomplish what must be done.

Various professors, economists, businessmen, and bureaucrats are surprised to note that there is anything wrong with our economy. There is a sudden spate of articles and speeches acknowledging the fact and attempting to analyze its various fiscal and monetary, political, and historic causes.

I am not going to try to analyze the background. I am here to advocate that we take certain steps to strengthen the economy and let our constitutents know that we are representing them, not debating about some sort of representation we might possibly get in a decade or so.

Last week, a number of Senators—myself included—invited five of the Nation's leading economists to come to the Capitol and brief us on the economy, and to make recommendations for a legislative program. No two saw our fiscal problems in the same light, of course. And yet each shared two common bonds: All of the economists said we are in deep fiscal trouble, and all of them felt that as a first step, we in the Congress should undertake a major reduction in Federal expenditures.

During the week, the Senator from Nebraska (Mr. CURTIS) and the Senator from Wyoming (Mr. HANSEN) joined me in issuing a statement that laid out the beginnings of a legislative program to bring the economy under control. Specifically, we recommend:

First. A 10-percent cut in pay for Members of Congress until the budget is balanced.

Second. An immediate $10-billion cut in spending in the current budget and placing all authorizations on an annual basis.

Third. A series of steps to encourage savings and investment by the American public.

Fourth. Completion of pending legislation to provide retirement savings for those men and women not now covered

by formal retirement plans, through tax incentives.

Fifth. Drafting and ratification of a constitutional amendment mandating a balanced budget.

When Senators CURTIS, HANSEN, and I suggested that the Congress take a 10-percent pay cut, the point was not to suggest that the money saved—$2¼ million—would significantly affect the economy of the Nation, but to show that we are serious about making long overdue economic reforms—and that we are willing to "put our money where our mouth is."

This notion of reform is just beginning to achieve "respectability." Recent economic thinking has been dominated by two schools of thought:

The euphoric, which sees no difficulties nor dangers in anything at all; but, if there seems to be a problem, bases it on the public's dislike of tax hikes; and the gloom-and-doom school which feels that not only the Nation's but the entire world's economy is heading for an inevitable crash complete with credit collapse, forced debt liquidation and serial business collapses.

In my opinion there is still room between the "euphorics" and the "doomsayers" for other voices—voices of moderation, and these voices may still prevail. But they will not prevail if the Congress does not take the lead, forget the rhetoric and convince the country that these actions are not another weary public relations charade.

We all know that it would not be easy, but it has to be done. The American people have to know that Congress is finally serious about reducing Federal expenditures and Federal deficits. This is what the Senators and I intended to convey by our suggestion of a congressional pay cut. It is the balancing of the budget that is important, and the 10-percent pay cut must be linked to the balanced budget or it does not mean anything.

The polls have shown us that the American citizen now has the economy at the top of his worry list, and to him the economy is not an abstraction. It involves his paycheck, his bills, his business, and ultimately the amount and quality of food on his table. Inflation not only erodes the value of goods and services, but together with taxes provides a strong disincentive to save. The American people have not lost the desire to save. They have quite literally lost the ability. Putting money in a bank and watching its value decrease even as it collects interest is a baffling and frightening experience. One has only to examine the entry of the American public into the purchasing of silver bars and gold coins to realize that Americans are distrustful of their country's currency as well as of its policies. The phenomenon is not explained by a sudden fascination on the part of the American public with numismatics. Many of the most popular coins are those low in numismatic value, the so-called bullion coins. Our administration has tacitly admitted that it is afraid of an alternate, preferred currency by voicing its reluctance to allow citizens to own gold. But at the same time it has failed to take positive steps to strengthen the dollar.

Something clearly must be done to encourage the habits of savings and investment of the American citizen. An increase in the deduction or credit for dividend payments coupled with a similar credit for interest on savings would help. I want to make it clear that the people I have in mind are not the millionaires, but the ordinary people who have only a few dollars to invest and who would invest them if they knew that what they invested would be stable in value, that the income from it would be theirs, and that the whole proposition would be worth the trouble.

I would also like to see action completed on pending legislation to allow people to invest something for their retirement. This would, at the same time, stimulate long-time investment and savings. I see no reason why a person should have to work for either big business or big labor in order to be allowed by law to invest a good portion of his time toward his retirement. This is an area in which by helping the small businessman, we could help the economy as well. I was disturbed to notice in a recent poll that a majority of the citizens questioned stated a preference for wage and price controls. But controls are the only sure way to destroy the economy permanently. They can be tolerated in a free society for a very short period of time. But they are worse than useless if, at the same time, the fundamental problem of inflation has not been successfully dealt with—or at least unless a substantive start had been made in that direction. In the summer of 1971 we did the worst of all possible things when we imposed controls and did nothing else to reduce the pressures on the economy. The predictable subsequent inflation was only that which would have occurred anyway, somewhat delayed.

Until a serious attempt to balance the budget is made, we will have nothing but arguments. Inevitably, someone's pet project will have to get along on a little less money. It is time to face that fact. Even Keynes, after all, thought that there were times for a budget surplus, a budget deficit, and a time to balance. Now, if ever, is the time to balance. The people have heard this idea argued over for so many years that I am afraid their reaction will be to yawn and say "oh, that again." But we have to let them know we are serious. The major factor involved right now is whether or not the people believe we will respond. Do they have any confidence at all in the economy? Not much. Do they have any confidence at all in the Presidency? Not much. Do they have any confidence in the ability or desire of the Congress to move in this direction? Absolutely none. And I think right now, the people are justified in that lack of confidence. We have to move to instill some confidence in them. But we are not going to do it by fancy speeches and big promises. They are too cynical for that. They have had too many promises and been fooled too many times. People are fed up with all the inaction and overstatements of what we are going to accomplish. That is why by taking some dramatic step such as cutting our own salaries demonstrates that this time we mean business.

That is why it is so encouraging to hear others offering constructive suggestions as Senator BUCKLEY has done this morning, and such as the passage of the Bartlett resolution yesterday.

I am encouraged that 35 Senators supported a spur-of-the moment amendment to cut 4 percent out of the Agriculture Consumer Protection Environmental Protection appropriation bill this week. Thirty-five on that bill; maybe 40 on the next one. But a 4-percent reduction below budget estimates on all appropriation bills would automatically bring the $10 billion reduction that Arthur Burns has called for.

Let us agree on one thing:

It is time for some direct and positive action. I think that if we will take it, if the President will exert leadership, the people will respond and we can head off a serious economic crisis.

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

Mr. McCLURE. Mr. President, I am happy to yield to the distinguished Senator from New York.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. BUCKLEY. Mr. President, I wish to express this Senator's appreciation for the thoughtful comments the Senator from Idaho made on what is the central domestic problem facing the American people today and on into the near future. I agree with him that we require more than rhetoric, that the public is tired of promises, and they want to see action.

I just hope our awareness, our new awareness to the problems we face fiscally will be such as to energize the Members of this body to forget politics and get on to serve the interests of the American public.

I also hope the Senator will join with me and other Senators in seeing if we can mobilize sentiment in this body to oppose as a matter of principle any appropriation bill that not only exceeds the budgetary request now before us but also which fails in one manner or another to cut back that magic 4 percent that spells the difference between bringing inflation under control and eroding the confidence and the savings of the American people.

Mr. McCLURE. I thank the Senator from New York for his statement. The important thing is for the people to recognize that we are going to do something. I think the voice of the people as expressed in the communications I have received from home are very clearly saying to us: Now is the time to do something. Congress can and must act positively.

Mr. BUCKLEY. We know the mood of the public, and I hope the Senator agrees with my hope that the people will remind those who are running for election this year that they are no longer watching for the promise but are watching for the performance, and the one performance they want to see is action in cutting back Federal expenditures. This would require the American people to exercise the same kind of self-discipline they have every reason to expect of us, namely, to recognize that all of their projects cannot be met; that there are limits to what Washington can do to them.

Mr. McCLURE. I think they must also recognize, and make officeholders and

officeseekers recognize, that the men and women in the Congress of the United States who will not vote for a balanced budget are voting for a tax increase, that tax which is the cruelest of all taxes—inflation. Certainly, a 4-percent cut in an appropriation level is far preferable to a larger increase in the rate of inflation. I think the people understand that, and I think they must communicate it in very real and effective political terms to those people who seek office.

Thank you, Mr. President.

PIONEER DAY, 1974

Mr. CHURCH. Mr. President, today I submit a resolution commending the members of the Church of Jesus Christ of Latter-day Saints. I join the people of my home State and the people of Utah—our sister State to the south—in commemorating the arrival of the Mormon pioneers in the valley of the Great Salt Lake some 127 years ago.

The Mormons are a pioneering people. On the fifth day of April 1847, a band of 143 men, 3 women, and 2 small children led by Heber C. Kimball left their camp on the banks of the Missouri River, and headed west.

Two days later, another group embarked on the journey westward. Brigham Young, a leader of this portion of the group and president of the church, had decided to lead his people to the Rockies, at a time when most other pioneers were headed to Oregon or California. Brigham Young had made a wise decision.

From the time Joseph Smith founded the Church of Jesus Christ of Latter-day Saints in 1830, the Mormons had been subjected to unending religious persecution. Brigham Young knew that for his people to survive, they must go to an area that no one else wanted. He knew that if they settled in Oregon or California, they would be pushed out—as they were in Ohio, Illinois, and Missouri. He knew that their Zion was in the desolate, yet awesome Salt Lake Valley.

On July 24, 1847, the vanguard of the Mormon pioneers, after 4 months of struggling through brush and rock, over boulder-choked mountain and across raging stream, rolled out of Emigration Canyon.

In the forenoon of that day, Brigham Young, who had been confined to a sickbed with mountain fever, looked for the first time upon the valley of the Great Salt Lake.

A pioneer journal recorded the scene:

> The creaking of the wagon wheels came to a stop, each shout to tardy oxen, each crack of whip became suddenly silent as the leader's searching eyes traveled across the valley. The muted song of a thrush, the chirp of a cricket and the distant roar of a mountain torrent were the only sounds heard, as the leaders eyes seemed to drink in the whole scene.
>
> A certain inward, penetrating power gave a prophetic quality to that inspired gaze as it saw more than any mortal eye in the pioneer company.
>
> Brigham Young's voice broke the stillness. "This is the place."
>
> And indeed it was.

The Mormons soon found that growing wheat and corn in a dry climate and on desertland is impossible to do without supplemental water. Faced with this sparse environment and the rock-hard soil, they pioneered modern irrigation methods by building dams on streams in the nearby canyons to store and divert a supply of the precious water, to their crops in the basin below.

Today, the once desolate Salt Lake Valley is filled with lush green vegetation and gleaming marble buildings; a fitting tribute to Mormon ingenuity, perseverance, and hard work.

Their success in bringing water to the desert is only but a small portion of their magnificent pioneering history. Throughout the latter half of the 19th century, the LDS brought newly immigrated European converts to their western headquarters and then assimilated them into their intermountain communities. The Mormons soon spread over the entire region, seeding towns and farming communities in Arizona, New Mexico, Colorado, Wyoming, and California. In my own State of Idaho, the Mormons founded Fort Lemhi in 1855 and Idaho's first permanent town, Franklin, some 5 years later.

Today, the 3.5 million Mormons around the globe and the 215,000 Idaho members of the church, are a respected people. They have earned that respect through years of hard work and wholesome living. The church has no paid clergy, but instead relies on the voluntary efforts of the farmers and laborers, business and professional people, as well as the housewives who make up their congregations.

As an example of Christianity in action, the LDS welfare system is perhaps the most comprehensive in the world. Food, clothing, and furniture are made available, without cost, to needy persons at storehouses throughout the United States. These commodities are produced at church-owned farms and ranches and packaged at church-run canneries, where church members—often entire families—donate their time.

The strong sense of community which binds the Mormons close to each other, is also evident in their highly successful social events. The LDS church sponsors the world's largest softball and basketball tournaments; wards and stakes hold local talent shows, present plays and sponsor dances, where young and old dance side by side.

It is often proudly said, that no Mormons need suffer for material goods or brotherly companionship.

This year, some 18,000 young Mormons—most 19- and 20-year-old men and women—are serving their church as missionaries. These people give 2 years of their lives to spread the message of their church throughout the United States and in most of the countries of the free world. Not only have these young people helped to make theirs the world's fastest growing religion, but they have proven to be outstanding goodwill ambassadors for America as well.

I am especially happy today, to note that the majestic new Washington, D.C., temple, which is nearing completion in Kensington, Md., will be open for public tours during the period from Tuesday, September 17, to Saturday, October 26, except Sundays and Mondays. This, the 16th Mormon temple, is an awe-inspiring building, of which members of the LDS faith living in the eastern half of the United States and Canada, as well as all Mormons, can be justly proud.

Mr. President, it is only fitting, that on this, the most special of Mormon holidays, we in Idaho and the rest of the country should stop and pay tribute to a most special and unique pioneering people.

Mr. President, Mr. GRIFFIN and Mr. MCCLELLAN also join in offering this resolution.

Mr. MANSFIELD. Will the Senator yield?

Mr. CHURCH. Yes.

Mr. MANSFIELD. Mr. President, I ask unanimous consent, with the Senator's permission, that I may be on the resolution as a cosponsor.

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

Mr. MANSFIELD. I do so because many of the members of the Morman faith have come into various parts of Montana, especially the southwestern part, from Idaho and Utah. They have been pillars of the community. They are a fine group of people. They make many contributions to the benefit of Montana as well as Idaho, Utah, Arizona, and other States, and also, may I say, to the Union of States.

Mr. GRIFFIN. Would the Senator from Idaho yield to me?

Mr. CHURCH. I thank the Senator very much. I am happy to add his name as a cosponsor.

I yield.

Mr. GRIFFIN. Mr. President, I commend the Senator from Idaho for offering this resolution and calling the attention of the Senate to the importance of this day to the Mormon Church. Like the Senator from Montana, the population of my State includes an important group who are Mormons. Indeed, as is well known, the distinguished former Governor of Michigan who until recently served as a member of the President's Cabinet, George Romney, is one of the leaders of the Mormon Church.

Mr. President, if an opportunity were accorded, I feel certain that a number of other Senators would cosponsor this resolution. I wonder if it might be possible, under an unanimous consent arrangement, for a period during the remainder of the day, to allow other Senators to add their names as cosponsors?

Mr. CHURCH. Mr. President, I would be most happy to do that.

Mr. GRIFFIN. I think that would be very desirable.

Mr. MANSFIELD. Mr. President, if the Senator will yield, I would suggest that the resolution be agreed to and remain at the desk for the remainder of the day for additional cosponsors.

Mr. GRIFFIN. I think that would be a fine arrangement.

Mr. CHURCH. Mr. President, I ask unanimous consent that upon the adoption of the resolution by the Senate, the resolution lie on the desk for sponsorship by such other Senators who may wish to add their names to it for the remainder of the day.

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

Mr. CHURCH. Mr. President, I send my resolution to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 366) commending the members of the Church of Jesus Christ of Latter-day Saints.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

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

Mr. BENNETT. Mr. President, today is an important day for the people of Utah and for those citizens of the United States who are members of the Church of Jesus Christ of Latter-day Saints or Mormons. Being a Mormon myself, I would like to share with you the meaning which this day holds for us.

On July 24, 1847, a group of pioneers entered what is now known as the Salt Lake Valley. They were the first of many groups of Mormon pioneers to reach the Great Salt Lake. Led by Brigham Young, who has been called a modern-day Moses for his role in leading these people across the plains, these pioneers broke a new trail along the Platte River which was to be used by many thousands of those who settled, tamed, and built the West into what it is today.

Their journey was not easy, even for the days of covered wagons and horseback travel. Their route was long and filled with hardships as they traveled from the Midwest to the Rocky Mountains. Those who could not afford covered wagons put their belongings in carts and pushed and pulled them by hand across the plains. Their determination led them through times of disease, famine, and winter's fury. There were many who never arrived at their destination in the West. Truly, their journey is one of the great religious exoduses of all times.

When the first group of pioneers came over the mountains that surround Salt Lake Valley, Brigham Young saw the valley for the first time and said, "This is the place." At that time, the valley was a desolate wasteland, and the pioneers realized that the end of their trek did not mean the end of hardship nor the end of hard work. The same courage and determination which had led these sturdy pioneers across the plains helped them to tame the desert and truly make it blossom as a rose.

This example of courage and faith is one that lives in the hearts of all of us who share in this heritage. The problems and challenges of our day, although different in nature from those of the pioneers' day, are nevertheless great, and I hope and pray that we can continue in courage and faith to meet and conquer those challenges facing us.

Mr. President, I have been delighted to learn that my colleague, Senator CHURCH of Idaho, has introduced a resolution honoring my people, and I am honored to join him as a cosponsor.

Mr. MOSS. Mr. President, the date of July 24 is one of great importance in my State. It is a State holiday—a day upon which there is a great deal of celebration and commemoration. For it was on this date that the first company of Mormon pioneers entered the Salt Lake Valley. What they saw as they entered was a valley devoid of any vegetation, except for a lone cedar tree which only seemed to punctuate the desolation.

It was through the hardships and sacrifices of those hardy people that the valley that was once desert now blossoms like the rose, with schools, churches, industry, parks and monuments, beautiful trees, and gardens of flowers—all a living monument to the great vision and courage of those pioneers.

The arrival of the pioneers in Salt Lake Valley on July 24, 1847, ended their history of moving away from persecutions as they sought the freedom to worship God according to their beliefs. After a humble beginning in New York State, a move to the city of Kirtland, Ohio, and thence to Illinois and the historic settlement in the city of Nauvoo, the first generation Mormons lost their prophet, Joseph Smith, to an assassin's bullet.

The eventual escape from the embittered mobs in Illinois, and the trek across the Rocky Mountains to Utah, is the story of a dedicated people. Under the leadership of their second prophet—Brigham Young—they endured the incredible hardships of that pioneer trail, to arrive in the end at the valley of the Great Salt Lake, instantly proclaimed by their ailing leader, "This is the place." Today all Utah echoes that proclamation.

Mr. CHURCH. Mr. President, I ask that the Senate favorably consider this resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 366) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

S. RES. 366

Whereas pioneers of the Church of Jesus Christ of Latter Day Saints exemplify the spirit of those who won the West; and

Whereas present day members of the Church, like their forebears, have the respect and admiration of this Nation for their industry and wholesome living; and

Whereas Mormons across the United States and around the globe are noted for a community spirit and concern for individual members which knows no bounds: Now, Therefore, be it

Resolved, That it is the sense of the Senate that members of the Church of Jesus Christ of Latter Day Saints are to be commended on this day, the 24th of July 1974—a day which commemorates the settling of the Great Salt Lake Valley—for their many achievements as a major religion and a humanitarian people.

ORDER OF BUSINESS

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

NATIONAL COMMISSION ON INFLATION

Mr. ROTH. Mr. President, over the past 4 months I have periodically taken the Senate floor to urge my Senate colleagues to develop a coordinated program to restrain inflation. Specifically, I have urged the Senate to enact my proposal to establish a National Commission on Inflation.

The Nation Commission on Inflation would study the causes and consequences of inflation and develop and recommend to the President and the Congress policies and procedures to control inflation. Because of the importance of forming a national consensus on anti-inflation policies, the Commission would be composed of representatives of Government, business and industry, labor, agriculture, and consumer interests.

Shortly after I introduced Senate Joint Resolution 201 last April, I asked Dr. Arthur Burns, the Chairman of the Board of Governors of the Federal Reserve System, for his views on my proposals.

In his response, he said:

I have reviewed with great interest your proposal for a National Commission on Inflation. You have my support in this endeavor to promote voluntary wage and price restraints. . . . Our inflationary problem is so serious that we cannot afford to overlook any possible benefits that might be found in a new approach of this kind.

Dr. Burns was correct in his assessment of the seriousness of our inflation problem, and of the consequences for failing to take action.

The continuing rate of inflation has created an intolerable situation in this country today and a total lack of confidence in the Federal Government. The American people's faith in their Federal Government has deteriorated primarily because of the failure on the part of the administration and the Congress to develop a sound anti-inflation policy.

The administration's policy to fight inflation has been virtually nonexistent, consisting so far of White House meetings with a group of busines executives. On July 22, I wrote the President to urge him to establish a high-level commission devoted solely to the problem of inflation.

In my letter to the President, I wrote:

We are experiencing a drastic lack of confidence in this nation's ability to cope with its economic problems, and it is vitally important for the Federal Government to assert its leadership. A Presidential proposal to establish such a commission, coupled with a strong Congressional endorsement, would promote the nation's confidence in its Federal Government's ability to take steps to control inflation.

Congress must also share some of the blame for failing to take the initiative in developing policies to restrain inflation. The Senate did take action yesterday to call for an economic summit conference on inflation. But, the Senate is also compounding the inflation problem by continuing to increase Federal spending. If the Congress is serious about controlling inflation, we must cut Federal spending by $5 to $10 billion this year and we must have a balanced budget next year.

With Federal spending out of control, and with both the administration and the Congress failing to provide adequate leadership on the inflation issue, there is a vital need for the establishment of a single unit to coordinate the fight against inflation. For this reason, I again urge my distinguished colleagues to act

upon my proposal to establish a National Commission on Inflation.

Perhaps the most important function of the Natonial Commission on Inflation would be to encourage cooperation between the various segments of the economy, particularly business and labor, to work for price and wage restraint.

If big business and big labor can work so effectively together in removing wage and price controls, they are capable of cooperating in restraining inflation.

Business-labor cooperation is especially important as the number of work stoppages and strikes increase. As of the beginning of last week, 588 strikers were in progress, the highest number of strikes since the years immediately following World War II. Important contract discussions involving such major industries as coal, aerospace, and railroad are coming up in the next few months. Although the National Commission on Inflation would not be authorized to set mandatory controls or voluntary guidelines, it could work with business and labor to create a favorable climate for joint cooperation.

Traditionally, business and labor have had an adversary relationship. But we must recognize that today's world is vastly different, with increasing competition from technologically advanced countries such as Japan and West Germany. If we are to compete effectively, we must establish a dialog between Government, labor, and business to reach a united policy. A national consensus on economic policies is critically important today because of the inflation we are all experiencing.

The Federal Government currently has a patchwork of departments, agencies, and boards involved in economic analysis and interpretation. But not one Government unit is devoted solely to our most serious national problem.

The National Commission on Inflation would fulfill that role. It would guarantee a degree of coordination in the Government's response to inflation. It would be authorized to deal solely with the problems of inflation, and would report to the President, the Congress, and the American people on methods to reduce the inflationary pressures in the economy.

The battle against inflation will not be an easy one, especially if we do not all work together. Federal spending must be controlled, our monetary policy must be restrained, and business, labor, and Government must reach agreement on common policies. The National Commission on Inflation would work for a national consensus on anti-inflation policies. Inflation is our No. 1 economic problem, and the Commission would establish the reduction of inflation as our No. 1 priority.

Mr. President, I ask unanimous consent to have my letter to the President of the United States printed 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 22, 1974.

Hon. RICHARD M. NIXON,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: In your consideration of economic policy options, I urge you to consider the establishment of a high-level commission devoted solely to the problem of inflation.

Such a commission would study and evaluate the inflation problem, and recommend policies and procedures to utilize the resources of the Federal Government in an all-out battle against inflation.

The commission, which would be composed of representatives of government, business and industry, labor, agriculture and consumer interests, would seek to reach a national consensus on policies to restrain inflation. Hopefully, a coordinated study involving representatives of the private sector would resolve many of the self-defeating, inflationary policies practiced by all concerned.

We are experiencing a drastic lack of confidence in this nation's ability to cope with its economic problems, and it is vitally important for the Federal Government to assert its leadership. Over three months ago I introduced a joint resolution to establish a National Commission on Inflation. A Presidential proposal to establish such a commission, coupled with a strong Congressional endorsement, would promote the nation's confidence in its Federal Government's ability to take steps to control inflation.

Sincerely,

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

MESSAGE FROM THE PRESIDENT

A message from the President of the United States was communicated to the Senate by Mr. Marks, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

As in executive session, the Presiding Officer (Mr. NUNN) laid before the Senate a message from the President of the United States submitting the nomination of Alan Greenspan, of New York, to be a member of the Council of Economic Advisers, which was referred to the Committee on Banking, Housing and Urban Affairs.

TRANSACTION OF ROUTINE MORNING BUSINESS

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

QUORUM CALL

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the PRESIDENT pro tempore:

A resolution by the Common Council of the City of Buffalo, N.Y., memorializing Congress to change daylight saving time. Referred to the Committee on Commerce.

A resolution by the National Association of Insurance Commissioners opposing Federal workmen's compensation legislation. Referred to the Committee on Labor and Public Welfare.

REPORTS OF COMMITTEES

The following reports of committees were submitted.

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

H.R. 15544. An act making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending June 30, 1975, and for other purposes (Rept. No. 93–1028).

ORDER FOR EXTENSION OF TIME TO FILE REPORT ON S. 1361, COPYRIGHT LAW REVISION

Mr. PASTORE. Mr. President, on July 10, with the consent of the Committee on the Judiciary, S. 1361, the copyright law revision bill, was referred to the Committee on Commerce for 15 days, expiring on July 24.

The committee has completed its work and is in the process of writing the report.

I ask unanimous consent that the Committee on Commerce be given an extra day, namely July 25, for the filing of its report.

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

ORDER FOR STAR PRINT OF REPORT NO. 1024

Mr. MANSFIELD. I ask unanimous consent, Mr. President, that Report No. 1024, on S. 3792, be reprinted to reflect corrections of various errors in printing.

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

Mr. MANSFIELD. I thank the Senator from Tennessee.

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. TALMADGE (by request):

S. 3801. A bill to authorize the Federal Farm Credit Board to fix the compensation of the Governor and the Deputy Governors of the Farm Credit Administration. Referred to the Committee on Agriculture and Forestry.

By Mr. SYMINGTON:

S. 3802. A bill to provide available nuclear information to Committees and Members of Congress. Referred to the Joint Committee on Atomic Energy.

By Mr. SCHWEIKER (for himself and Mr. HUGH SCOTT):

S. 3803. A bill to provide for the improvement of roads in Raystown Dam area. Referred to the Committee on Public Works.

By Mr. MATHIAS:

S. 3804. A bill for the relief of Pio G. Valle. Referred to the Committee on the Judiciary.

By Mr. EASTLAND:

S. 3805. A bill relating to the compensation of certain employees of the Committee on the Judiciary of the Senate. Referred to the Committee on Rules and Administration.

By Mr. JACKSON:

S. 3806. A bill to increase the authoriza-

tions for grants for the preservation of historic properties under the Act of October 15, 1966, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. SCHWEIKER (for himself and Mr. HUGH SCOTT):

S. 3803. A bill to provide for the improvement of roads in Raystown Dam area.

ACCESS ROADS FOR RAYSTOWN DAM

Mr. SCHWEIKER. Mr. President, on behalf of myself and the distinguished minority leader, the Senator from Pennsylvania (Mr. HUGH SCOTT), I am today introducing a bill similar to one introduced by our colleague in the House, Mr. SHUSTER, which will serve to remedy an inequitable and potentially dangerous situation with regard to the access roads for the Raystown Dam project in Huntingdon County, Pa. My legislation will authorize the Army Corps of Engineers to upgrade and maintain the roads leading to the Raystown Dam site. This was a situation not covered in the authorizing legislation for the dam, and the condition of these roads has significantly deteriorated due to machinery and construction hauling for the dam.

The Raystown Dam has recently been dedicated and it is estimated by the Corps of Engineers that this site will attract up to 1.8 million visitors per year. Clearly these roads leading to the site must be upgraded to safely accommodate the visitors who will be drawn to this attractive recreation site. Both the personal safety of each visitor and convenience require that the condition of the roads be improved. However, the authorizing legislation has not taken this matter into consideration. In fact, by acquiring property that previously was on the tax rolls for the dam project itself, the Federal Government has reduced the ability of local townships to maintain these roads which will now be used by hundreds of visitors from other countries and other States.

The legislation which I introduce today is of course, similar to other proposals which have previously been approved by the Congress, and this concept will undoubtedly be the subject of further consideration by the Senate Public Works Committee. I am hopeful that I might be able to work with that committee in developing an equitable solution to this situation.

The Raystown Dam represents a major improvement in the area in terms of needed flood control and the safety and stability of the communities affected. It is also a highly significant recreation facility for Pennsylvania and is within easy access of at least five other States. Therefore, I hope the Senate will give prompt and favorable consideration to my proposal to improve and maintain the quality of the access roads leading to the dam to safely accommodate the millions of people who will be visiting it in the near future.

Mr. HUGH SCOTT. Mr. President, on June 6, 1974, I visited the Raystown Dam project with Vice President Gerald Ford for the dedication ceremonies of this important project.

Raystown will provide a tremendous service to the residents of central Pennsylvania, because the dam constitutes an important link in the flood control system of the State. The dam will be instrumental in preventing terrible disasters such as the Wilkes-Barre area experienced 2 years ago from Hurricane Agnes. Also, the dam will function as a beautiful recreational area for the residents of Pennsylvania and visitors from outside the State. Huntingdon County, the home of the Raystown Dam project, will particularly benefit from increased visitor traffic.

Today, I am delighted to join with Senator RICHARD SCHWEIKER in a bill which authorizes necessary repair to the roads surrounding the Raystown Dam. Presently, these roads are not adequate for the increased visitor traffic. It is vital that these roads be upgraded and repaired so visitors will be able to enjoy the many recreational opportunities of the dam project. The bill also provides for continuous Federal maintenance of these key roads throughout the year.

I sincerely hope the bill will be passed during this Congress, so the important construction work may be completed as soon as possible.

I encourage all my fellow Pennsylvanians to visit an enjoy this wonderful addition to our Commonwealth's natural resources.

By Mr. JACKSON:

S. 3806. A bill to increase the authorizations for grants for the preservation of historic properties under the Act of October 15, 1966, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

Mr. JACKSON. Mr. President, I am sending to the desk for appropriate reference legislation to aid the historic preservation program established by the Congress in 1966. To date the program has been a remarkable success both in terms of the preservation of our Nation's heritage and in increasing public awareness of that heritage. The historic preservation grant program, however, is no longer adequate to meet the available State moneys; and with the approaching Bicentennial, I believe that it is incumbent upon the Congress to revise that fund to realistically reflect current State efforts.

Recently, the Senate Committee on Interior and Insular Affairs held hearings on S. 2877, legislation to establish a meeting house preservation program to celebrate the Bicentennial. I am a cosponsor of that measure, and I was very impressed by the testimony at that hearing. A common theme which ran through the course of the hearing was that although "meeting house" is a good concept, there are critical needs other than meeting houses which the States would like to preserve were Federal funds available.

The purpose of this measure is to provide those funds. The bill is not complicated and would raise the annual authorization to $150 million for 5 years. Present State efforts will approximate $165 million during the next fiscal year.

The legislation also provides that for the purposes of making grants for projects to preserve historic meeting houses and endangered properties of national significance, the Secretary may provide up to 90 per centum of the cost of such project.

Mr. President, I am aware of the various major items of legislation pending before the Congress, and of the limited time available before the Congress finally adjourns. It is my intention to move expeditiously on this and related measures, however, because the Bicentennial anniversary of this Nation is also approaching.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 2102

At the request of Mr. MATHIAS, the Senator from Arizona (Mr. GOLDWATER) was added as a cosponsor of S. 2102, a bill 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.

S. 3480

At the request of Mr. TUNNEY, the Senator from New Mexico (Mr. MONTOYA) was added as a cosponsor of S. 3480, the National Summer Youth Sports Program.

S. 3643

At the request of Mr. JAVITS, the Senator from Minnesota (Mr. MONDALE) was added as a cosponsor of S. 3643 to amend the Rail Passenger Service Act of 1970 in order to expand rail passenger service.

S. 3753

At the request of Mr. MCCLURE, the Senator from New Mexico (Mr. DOMENICI) was added as a cosponsor of S. 3753 to amend the Funeral Transportation and Living Expense Benefits Act of 1974.

S. 3759

At the request of Mr. PROXMIRE, the Senator from New York (Mr. BUCKLEY) was added as a cosponsor of S. 3759 to amend the Congressional Budget Act of 1974 to require the Congressional Office of the Budget to prepare fiscal notes for bills and joint resolutions.

SENATE RESOLUTION 366—SUBMISSION OF A RESOLUTION COMMENDING THE MEMBERS OF THE CHURCH OF JESUS CHRIST OF LATTER DAY SAINTS

Mr. CHURCH (for himself, Mr. MOSS, Mr. GRIFFIN, Mr. MCCLELLAN, Mr. MANSFIELD, Mr. TUNNEY, Mr. ROTH, Mr. GOLDWATER, Mr. MCCLURE, Mr. HANSEN, and Mr. BENNETT) submitted Senate Resolution 366 which was considered and agreed to later today.

ADDITIONAL COSPONSOR OF A RESOLUTION

SENATE RESOLUTION 329

At the request of Mr. HUMPHREY, the Senator from Washington (Mr. MAGNUSON) was added as a cosponsor of Senate Resolution 329, relating to the participation of the United States in an international effort to reduce the risk of famine and lessen human suffering.

AMENDMENT OF EXPORT-IMPORT BANK ACT OF 1945—AMENDMENT

AMENDMENT NO. 1608

(Ordered to be printed and referred to the Committee on Banking, Housing, and Urban Affairs.)

Mr. CHURCH. Mr. President, I am today submitting an amendment to S. 3660. The amendment requires affirmative congressional approval of Export-Import Bank financing of equipment or expertise for the exploration and production of fossil fuel energy resources in any Communist country.

Proposed oil and gas projects convince me that we must make an exception in this case to the general principle that Congress should give broad policy guidelines and leave case decisions to the executive branch. The American taxpayers are being asked to subsidize the financing of oil and gas equipment to Communist countries at a time when the equipment and expertise is in short supply here in the United States. American companies wanting to increase domestic reserves and production are now wait-listed for the equipment. The waiting time for drilling rigs and bits is several years. If we are serious about wanting to decrease American dependence on foreign energy supplies, it is folly to subsidize Soviet purchases of the very equipment we need to do it.

The Subcommittee on Multinational Corporations heard testimony about the North Star and Yakutsk projects to develop Siberian natural gas. The companies involved claim that they are taking great financial risks to secure foreign sources of natural gas for the U.S. consumer. But a closer examination of these projects shows that the real risk taker will, as usual, be the U.S. taxpayer. All of the facilities to be constructed in the Soviet Union will be financed by Export-Import Bank credits and guarantees, amounting to $4 billion. That is 10 times the present Eximbank exposure on sales to the Soviet Union. The only financial stake the private companies will have in these ventures is the LNG tankers and the regasification plants located in the United States—facilities which could easily be transferred to other uses, should the Russians choose to renege on their contractual obligations.

These credits are to be repaid by the Russians over a 12- to 15-year period, through the sale of natural gas to the United States in volumes that would leave the east and west coast markets dependent on the Soviet Union for as much as 10 to 15 percent of their demand for natural gas. And the price of this Russian gas is expected to be at least three times higher than that of domestically produced gas at the present time.

The Soviet request for $49.5 million in Eximbank credits currently pending for the Yakutsk project is for exploration to prove that there are sufficient gas reserves in Siberia to justify laying pipe and building LNG port facilities. The Export-Import Bank and the companies involved claim that participation in the exploration phase in no way implies a commitment to go ahead with the actual development phase requiring $900 million in additional Eximbank commitments. But it hardly makes sense to pour scarce capital and equipment into exploration and then not go ahead with development once adequate reserves are proved. Therefore, this $49.5 million request is most likely only the opening wedge which could allow the companies to circumvent the $50 million limit provided in Senator STEVENSON's "Congressional veto" bill. In my judgment, there must be an absolute requirement of congressional approval for Export-Import Bank assistance for the purchase or lease of any equipment or service relating to exploration for, or production of, fossil fuel energy resources in Communist countries.

The amendment which I introduce today provides for such congressional approval.

Mr. President, at this time I ask unanimous consent that some additional documentation and two brief excerpts from the subcommittee hearings be printed in the RECORD following my remarks.

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

(NOTE.—In the course of hearings by the Subcommittee on Multinational Corporations concerning the Siberian natural gas projects, held on June 17, 1974, the following exchanges took place between Senator Church, Subcommittee Counsel Jerome Levinson, and Mr. Jack Ray, Executive Vice President of Tennessee Gas Transmission, the lead company on the proposed North Star Project.)

EXCERPT A

Senator CHURCH. I am sure that all told more money is going to be spent looking for oil and gas worldwide than will be spent on this project, but the question is can we afford the diversion of capital and personnel of this magnitude for the purpose of building facilities inside of the Soviet Union.

Mr. LEVINSON. Your own statement at page 5 says offshore gas development, for example—and that is offshore U.S.—is limited by the availability of drilling rigs and other equipment. All domestic resource development is constrained by availability of technical personnel and skilled labor and by economic and environmental constraints.

Now when we were in London, in the course of the oil investigation which the subcommittee initiated, we were told consistently that the major constraint on the development of North Sea oil and gas was the availability of equipment, drilling rigs and technical personnel which could work on that. If you overlay on top of these projects development requirements for Russia, these major Soviet projects, aren't you really just straining beyond our capacity and doesn't it really involve a diversion, on the basis of your own statement?

Mr. RAY. Well, I don't think so. I believe we can handle it. I just don't see that one project is going to bankrupt the country on labor or trained personnel.

Senator CHURCH. No, I don't think there is any one project that ever does it. It is just that one project becomes the final straw and this one is a project of very big magnitude.

Mr. RAY. Yes, it is.

EXCERPT B

Senator CHURCH. If you examine the financing, it is interesting to me to see who assumes the risk.

First of all, there is to be an Export-Import Bank participation of a billion dollars, plus another billion dollars in U.S. government guarantees of private bank loans. So to the extent that the private U.S. banks advance capital, the repayment of their loans by the Russians will be guaranteed by the U.S. government or an agency of the U.S. government, the Ex-Im bank. So, in effect, the U.S. government guarantees our private banks that they will be repaid.

Isn't that correct?

Mr. RAY. Yes, sir.

Senator CHURCH. Then in addition to guaranteeing our private banks they will be repaid, the U.S. government itself, through the Export-Import Bank, extends an additional billion dollars in credit. That is $8 billion of risk assumed by the U.S. government.

The risk relates to facilities located within the Soviet Union. They will be there and the Soviet government will have them for whatever purposes it wishes whether or not it repays the loans. It is a very real risk.

Now, what risk do the companies assume, the private companies, your company and the other private companies involved in this consortium?

To what extent are they going to assume any risks?

Mr. RAY. $2.6 billion of ships.

Senator CHURCH. The ships are going to be sailing the oceans, they are not going to be inside of the Soviet Union or within the jurisdiction of the Soviet Union.

Mr. RAY. If the gas supply were cut off the ships would have no other place to go.

Senator CHURCH. Aren't there other places where liquefied gas is going to be purchased in the world?

Mr. RAY. Not very many. I hope there are at least one or two others.

Senator CHURCH. What about Algeria?

Mr. RAY. They have at the moment committed all of their gas reserves.

Senator CHURCH. Ships could be used in that traffic, I should think.

What about Indonesia?

Mr. RAY. I don't know how much of Indonesia reserves are committed. There are several LNG products in the making in Indonesia.

Senator CHURCH. What about the Alaskan North slope?

Mr. RAY. Well, number one, you can't get a LNG ship up to the Alaskan North slope. You might if the gas is piped south, you could perhaps use one or two ships to bring gas to the U.S. West Coast.

Senator CHURCH. Isn't your company negotiating something with Saudia Arabia at the present time?

Mr. LEVINSON. Yes. For LNG liquefication for Aramco and Saudi Arabia? As you yourself have said in your statement, you are exploring as many possibilities as you possibly can to diversify.

Mr. RAY. We are. I would like to make—

Senator CHURCH. Before you make your point let me make mine. The LNG task force listed the following countries as potential sources for LNG supplies: Algeria, Australia, Abu Dhabi, Brunei, Ecuador, Gabon, In-

donesia, Iran, Iraq, Kuwait, Libya, Malaysia, New Zealand, Nigeria, Pakistan, Papua, Qatar, Saudi Arabia, Trinidad and Tobago, USSR, Venezuela.

The point I make is that, given your own interest in diversity of supply and the number of countries that may potentially supply natural gas in liquified form, I should think the companies aren't taking a very great risk in investing in the ships. If the trade with the Soviet Union is cut off, it is altogether probable there will be other uses to which these ships can be put. So the companies get the ships at no very great risk while the U.S. government assumes the real risk in extending the credit necessary to finance the construction of the facilities inside of the Soviet Union.

EXCERPT C

Senator CHURCH. Do you think that the Russians constitute a dependable source for this gas over the next 25-year period, considering all the potential problems that we might face, all the potential confrontations that might occur between Russia and the U.S.?

Mr. RAY. Yes, sir, I do. The Russians have been quite scrupulous in meeting the contractual contracts they have had on commercial trade.

Senator CHURCH. Well, I find it a little hard to believe, in a crisis that might develop between the United States and the Soviet Union that the Russian Government would not place its own interests above its contractual obligations and simply cut off the gas. After all, we have just been through that very experience when the Arab countries took precisely this course.

It seems to me to be very naive to assume that the Russians won't place their national interest first whenever they think that it would be to their national advantage to cut off the supply.

EXCERPT D

Mr. RAY. Well, ships are a little bit different. There are a number of ways of financing ships.

Senator CASE. What do you plan to do?

Mr. RAY. Well, if we own the ships we hope to use Title 11 mortgage guarantee insurance.

Senator CASE. That is, the ships will be government financed?

Mr. RAY. Yes, sir.

Senator CASE. Government financing will amount to how much?

Mr. RAY. Well, if it were, that is 87½ percent.

Senator CASE. So you would have seven-eighths of $2.6 billion, or $2.275 billion in guarantees by the U.S. Government for ships.

NORTH STAR LIQUEFIED NATURAL GAS PROJECT

I. U.S. Companies: Tenneco; Texas Eastern Transmission Co.; Brown & Root, Inc. (Engineers).

II. Volume and destination of gas: 2.1 billion cubic feet per day to the Philadelphia area of the U.S. for 25 years; This plus 10 percent of 1980 gas requirements for market area of New England, New York, New Jersey, Pennsylvania, Ohio, West Virginia, Kentucky, and Tennessee.

III. Purchases from U.S. companies

U.S. $— Billions.

(A) Purchases by Russians.

	U.S. financing	U.S.S.R. equity	Total project
Plant	$1.2	$0.3	$1.5
Pipeline	1.8	.4	2.2
	3.0	.7	3.7

(B) Purchases by U.S. companies:

	Billion
20 ships at $131 million/ship	*$2.6
Regasification and port fac	0.4
Total	6.7

*NOTE.—87½ percent of the cost of ships built in the U.S. will be financed by U.S. Government credits.

In addition, the Soviet Union is expected to spend about (in ruble equivalent) $1.5 billion on internal costs for construction, manpower, transportation, etc.

IV. U.S. Government participation:

(A) Export-Import Bank, ———, probably request for $1.0 billion Export-Import Bank loan and $1.0 billion Ex-im guarantee of private U.S. bank loans.

(B) *FPC*

Approval for gas import prices.

(C) *Maritime Administration*

Title XI insurance for LNG tanker construction.

YAKUTSK LIQUIFIED NATURAL GAS PROJECT

I. U.S. Companies: El Paso Natural Gas (Lead Company); Occidental Petroleum Corp; Bechtel, Inc. (Engineers and chief contractors).

II. Japanese Consortium world participants with share equal to that of U.S.

III. Volume and destination of gas: 1 billion cubic feet of natural gas per day to *West Coast* U.S. ports; 1 billion cubic feet of natural gas per day to Japan. This flow would continue for at least 25 years.

IV. Purchases from U.S. companies (all in 1973 dollars): 2 phases (1) Exploration phase would reassure volume of gas in Yakutsk field at a total cost of $110 million to the U.S. An equal amount would be paid by Japan, through export credits. (2) To complete the project purchases from the U.S. will be aproximately $3 billion more in purchases from all construction by the U.S. companies. An equal amount will be spent for goods and services from Japan.

Procurement of Foreign Goods & Services for USSR Facilities:

	1973 Dollars
Exploration and Confirmation	220,000,000
Field Development	135,000,000
Pipeline & Compression	1,175,000,000
Liquification	359,000,000
Port and Shipping Terminal	35,000,000
(50% Japanese and 50% U.S.)	1,924,000,000
U.S. LNG Fleet*	1,200,000,000
Japanese LNG Fleet	400,000,000
U.S. Receiving and Regasification Facilities	150,000,000
Japanese Receiving and Regasification Facilities	150,000,000
Total	3,824,000,000

* NOTE.—87½ percent of the cost of ships built in the U.S. will be financed by U.S. Government credits.

In addition, the Soviet Union will spend approximately $1.2 billion on internal costs.

U.S. Government Participation—

(A) *Export-Import Bank:*

1. Preliminary request for $49.5 million loans and $49.5 million guarantee for exploration and confirmation stage.

2. Will be requested for 45% loaned and 45% guarantee of future procurement of foreign goods and services for USSR facilities.

(B) *FPC*: Approval for gas import prices.

(C) *Maritime Administration*: Subsidizes LNG Tanker construction.

COMPARISON OF SELECTED PROJECTS FOR THE DEVELOPMENT AND IMPORT OF LIQUID NATURAL GAS (LNG) TO THE UNITED STATES

Producing country	Volume (billion cubic feet per day)	Price[1] dollars per mm Btu (U.S. delivery)	Duration (years)	Delivery due date	Destination	Estimated project cost (billions)	U.S. share of cost[2] (billions)	Exim bank credits and guarantees (millions)	Companies
Algeria	1.0	$0.77–0.83	25	1976	East coast	$1.9	$1.5	$314.8	El Paso.
Indonesia	.55	1.63	20	1977	West coast	NA	NA	($333.0)	Mobil, Pacific Lighting.
Alaskan North Slope	1.6	1.25	25	1980	West coast	3.5	3.5		El Paso.
Soviet Union: Yakutsk project	1.0	(NA)	25	1982	West coast	5.0	2.4	($900.0)	El Paso Occidental Bechtel.
North Star project	2.1	(1.40–2.30)	25	1980	East coast	8.2	6.0	NA	Tenneco, Texas Eastern, Brown and Root.

[1] By comparison, U.S. domestic price of natural gas from Texas to the New York market is approximately $0.55/mmBtu and in San Francisco, $0.50/mmBtu.
Footnotes indicate still in negotiating stage.

[2] Amount to be financed by U.S. sources, including tankers and regasification facilities to be located in the United States.

AMENDMENT OF THE EXPORT ADMINISTRATION ACT OF 1969—AMENDMENT

AMENDMENTS NOS. 1609 AND 1610

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

Mr. BAYH submitted two amendments, to be proposed by him, to the bill (S. 3792) to amend and extend the Export Administration Act of 1969, as amended.

Mr. BAYH. Mr. President, I am introducing at this time two amendments to the Export Administration Extension Act—the first of which is aimed at controlling the most significant economic problem facing us today—inflation.

One clear and ever-present threat to domestic price stability has been the uncontrolled exportation of commodities in short supply. Over the last year, prices for such short supply commodities as soybeans, scrap iron and steel, and petrochemicals have skyrocketed due to the sudden rise in export levels of these commodities. The price of wheat has still not stabilized in the continuing wake of the "great grain robbery"—the massive $2 billion sale of U.S. wheat and other grains to the Soviet Union.

In failing to adequately monitor these commodities, the administration has been caught dumbfounded as domestic

prices of short supply commodities soar. The administration policy with regard to short supply commodities has been to either invite and accept the spiraling domestic price such as in the case of petrochemicals, or to clamp down export controls with no foresight as to the negative effects of such controls on our foreign relations, as was the case with the administration's disastrous 5-day-long embargo on soybeans last summer.

In the case of petrochemicals, administration policy was harmful not only to domestic price stability, but to the employment related to the petrochemical industries as well. In the 2-month period, from February to April of 1974, when the administration removed price controls of petrochemicals to solve the domestic supply shortage without consideration of export limitations, the wholesale price index for 10 plastic resins rose 27.6 percent. Sample increases in that same 2-month period, included a 35.7-percent rise in the wholesale price of polyvinyl chloride resin and a 49.4-percent rise for general purpose polystyrene resin.

At the same time, the Cost of Living Council analysis, based on a petrochemical end use model, found that the direct and indirect unemployment in manufacturing generated by a 15-percent cutback in petrochemical feedstocks would be 1.03 million workers—which translates to a 1.1 percentage point increase in the unemployment rate.

In the case of the soybeans, the administration waited to act until the domestic price of soybeans had risen over 200 percent in a 1-year period, and then clamped down an embargo on all soybean exports which severely damaged our relations with Japan. The administration then showed how little thought had been given to its earlier action when the restrictions were withdrawn 5 days later.

One of the primary reasons for the administration's failure to control the domestic price of short supply commodities has been the absence of a timely and accurate monitoring system. While the Export Administration Extension Act addresses this problem by requiring a more formal monitoring system within the Department of Commerce, I remain concerned that the Congress must have the capacity to evaluate for itself, on an informed basis, the position of the administration with regard to its export policy for short supply commodities.

Therefore, Mr. President, I propose today an amendment that will require the Comptroller General to maintain a continuous assessment of short supply commodities, domestic prices of these commodities, and exports of those commodities.

Under this amendment the Comptroller General will also evaluate such factors as the current and projected domestic shortages of key commodities, the status of domestic prices and employment in industries associated with such commodities, and the anticipated domestic and foreign demand for such commodities.

In addition, GAO will assess the need for additional export controls of commodities in short supply, the time and manner in which such controls should be implemented, and the recommended duration of these controls.

The Comptroller General will issue regular reports to the Congress summarizing these findings. In addition to the regular reports, the Comptroller General is directed to make special reports to the Congress any time he feels that the level of exports of any commodity in short supply so threatens domestic price or employment stability that immediate congressional action is warranted.

My amendment establishes an information gathering system for the Congress which will enable us to keep abreast of necessary and relevant economic data. With the continuous monitoring of administration policy on short supply commodities, GAO will be able to keep the Congress in the posture of being able to react, on an informed and rational, as opposed to an ad hoc, basis to any serious threat to domestic price stability or employment caused by foreign demand for short supply commodities.

Mr. President, the second amendment I am introducing today is designed to close a loophole in that provision of the Mineral Leasing Act which relates to the exportation of Alaskan oil. Specifically, this amendment is to section 28(u), entitled "Limitations on Export" of the Alaskan pipeline legislation passed last year.

The purpose of the amendment is to insure that if Alaskan oil is exported in exchange for equal amounts of foreign crude oil, as authorized by section 28(u), that such oil switching—designed to facilitate oil delivery to different markets—not result in any increase in the price of oil and oil products for American consumers.

As the law stands at the present time, the huge, multinational oil companies are in a position to switch huge quantities of oil—sending Alaskan oil to Japan and importing compensating oil from the Middle East or other oil exporting areas so there is no decrease in the amount of oil available in U.S. markets. This oil switching could be exploited by those oil companies to sell U.S. oil abroad at international prices which are higher than the domestic oil price, reaping a benefit of as much as $5 a barrel for as much as a million barrels a day.

The $5 figure is based on the current difference between the controlled price of domestic oil and the average price of foreign oil. The million-barrel-a-day figure is based on the expectation that the west coast will only be able to utilize about one-half of the 2-million-barrel-a-day capacity of the Alaskan oil pipeline during the early 1980's.

I might say at this point, Mr. President, that the inability of the west coast to utilize the full capacity of the Alaskan oil pipeline was one of the key points I and certain of my colleagues made last year when we advocated transporting Alaskan oil to U.S. markets via Canada. Our proposed trans-Canadian alternative to the Alaskan pipeline was designed to accomplish several goals:

First. Prevent the exportation of Alaskan oil—something that is all too likely under the present circumstances—to Japan and other foreign countries;

Second. Deliver U.S. oil in Alaska to consumers in the Middle West and other parts of the country where the oil shortage is most severe, while still permitting the west coast to share in the benefits of Alaskan oil; and

Third. Provide greater equity for American consumers in oil pricing, since leaving the Middle West and Northeast disproportionately dependent on insecure foreign oil has the effect of telling consumers in these areas that they must pay significantly more for fuel than their counterparts in other parts of the country.

These were our goals last year when we opposed the Alaskan oil pipeline; we were anxious to see speedy use of Alaskan oil, but we wanted it used fairly by all Americans.

However, that battle has been lost.

Now it is imperative that we prevent the conditions for exportation of Alaskan oil set forth in last year's act from permitting the oil giants—whose profits continue to soar at astounding rates—to use oil switching to the detriment of American consumers.

As I said, these oil companies can escape whatever price controls might be in effect on domestic oil when Alaskan oil begins to flow in about 5 years by switching Alaskan oil for foreign oil. Not only would the oil companies be able to sell U.S. oil abroad at uncontrolled prices, they would then be able to sell their foreign oil in the United States at the high international price.

This oil switching could cost Americans up to $2 billion a year, an unconscionable rip-off of American industry and consumers for the sole purpose of enriching the coffers of the already overly wealthy multinational oil companies.

My amendment would prevent this travesty. It would require simply that if the oil companies use the oil switching authorized in the Alaskan Pipeline Act, that such switching not result in any increase in the price of oil to Americans. The oil companies could still switch the oil, for convenience in delivering oil to nearby markets, but U.S. consumers would pay the prevailing domestic price for the imported oil brought in to compensate for the exported Alaskan oil.

In other words, this amendment guarantees that American consumers will not be the innocent victims of oil company shenanigans.

At times, Mr. President, my amendment has been questioned by those who say that if oil is exchanged in the fashion described above that Americans will be charged the domestic price for imported oil. But that verbal assurance is inadequate. This amendment, then, codifies what we are told will happen anyway—something I feel is imperative since I will not leave the well-being of Indiana consumers to the whims of Exxon, or Mobil, or any other huge oil company. We have seen too often that those companies define their self-interest differently than we define the best interests of our constituents.

JUVENILE JUSTICE AND DELINQUENCY PREVENTION ACT OF 1974—AMENDMENT

AMENDMENT NO. 1611

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

Mr. HART submitted an amendment, intended to be proposed by him to amendment No. 1578, intended to be proposed 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. HART. Mr. President, I firmly believe that current institutions and facilities for housing juveniles are not satisfactory and that major changes in delivery of services to juveniles is needed. S. 821, scheduled to be considered tomorrow, incorporates the needed changes.

However, if a new system for delivery of services is to be instituted, then the jobs and job rights of the workers employed in the existing institutions must be adequately protected. If a State institution for juveniles is to be closed, because of programs initiated and funded under this legislation, each worker in that institution deserves appropriate job protections. We should not tell employees that because Government has decided to close their place of employment, their years of service and the benefits accrued are worth nothing or they have no reemployment rights.

S. 821, as reported by the Judiciary Committee provides a skeleton framework for protection of affected employees.

The intent of employee protection language in the amendment I file and ask be printed at the end of my remarks is to fully preserve the rights, privileges, and benefits under existing collective-bargaining agreements or otherwise; to continue collective-bargaining rights; to provide training or retraining programs; and to continue employment for affected individuals at equivalent pay and responsibility levels.

This language is primarily to clarify and explain the employee's rights by conforming the language to the public employee guarantees incorporated in the Urban Mass Transit Act of 1964, Public Law 88-365 (49 U.S.C. 1609(c)). It was also incorporated in the original draft of the Juvenile Justice and Delinquency Prevention Act introduced in 1973.

The amendment makes clear it is not our intent to threaten the economic well-being of these State and local government employees. In reforming our programs for youthful offenders, we should not ignore the thousands of experienced employees at State and local levels who work in present programs. Their rights must be protected, and their knowledge and skills utilized. I would hope this amendment will be adopted to S. 821.

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

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

AMENDMENT NO. 1161

On page 36, strike out lines 21, 22, and 23 and insert the following:

"(17) provide that fair and equitable arrangements are made, as determined by the Secretary of Labor, to protect the interests of employees affected by assistance under this Act. Such protective arrangements shall include, without being limited to, such provisions as may be necessary for—

"(A) the preservation of rights, privileges, and benefits (including continuation of pension rights and benefits) under existing collective bargaining agreements or otherwise;

"(B) the continuation of collective bargaining rights;

"(C) the protection of individual employees against a worsening of their positions with respect to their employment;

"(D) assurances of employment to employees of any State or political subdivision thereof who will be affected by any program funded in whole or part under provisions of this Act;

"(E) training or retraining programs.

The State plan shall provide for the terms and conditions of the protection arrangements established pursuant to this section;

NOTICE OF HEARING ON A NOMINATION

Mr. ROBERT C. BYRD. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Thursday, August 1, 1974, at 9:30 a.m., in room 2228, Dirksen Senate Office Building, on the following nomination:

James C. Hill, of Georgia, to be U.S. district judge for the northern district of Georgia, vice Sidney O. Smith, Jr., resigned.

At the indicated time and place persons interested in the hearing may make such representations as may be pertinent.

The subcommittee consists of the Senator from Mississippi (Mr. EASTLAND), chairman; the Senator from Arkansas (Mr. MCCLELLAN), and the Senator from Nebraska (Mr. HRUSKA).

POSTPONEMENT OF HEARING REVIEWING THE OPERATION OF THE OCCUPATIONAL SAFETY AND HEALTH ACT OF 1970

Mr. WILLIAMS. Mr. President, I wish to announce that the Subcommittee on Labor hearing scheduled for July 29, 1974, reviewing the operation of the Occupational Safety and Health Act of 1970 and pending amendments is postponed. This hearing will be rescheduled at a later date.

The public hearings scheduled for July 30, and July 31, 1974, at 9:30 a.m. in room 4232 of the Dirksen Office Building will be held as originally scheduled.

ADDITIONAL STATEMENTS

NURSING HOMES

Mr. TAFT. Mr. President, I was pleased to note HEW Under Secretary Carlucci's announcement on June 21 that the effort to upgrade federally supported nursing homes will be stepped up. I am concerned that this urgent need may not have been receiving the emergency attention it deserves.

Last January 23, I urged the Nation's nursing home administrators to take advantage of a new Federal law which I cosponsored to help eliminate fire hazards in their facilities. That new law, signed by the President December 28, 1973, would allow the Federal Housing Administration to guarantee loans to be used to provide fire safety equipment for skilled and intermediate care nursing facilities. The provision of the Federal guarantee would result in a lower interest rate for these loans than the nursing homes could otherwise obtain.

In a Department of Health, Education, and Welfare study, dated last December 27, it was pointed out that 59 percent of the skilled nursing homes in our country did not comply with the Government's life safety code; according to the records available 27.8 percent of these had incomplete or no plans to correct their deficiencies, but nevertheless were certified to receive Federal medicare and medicaid money. Nearly 50 percent needed better sprinkler protection systems and 36.5 percent had no sprinklers.

As I stated then, the human aspect of these figures is that the very safety of a considerable portion of the million patients in our Nation's 8,000 nursing homes continues to be presently imperiled. These figures should be of the greatest concern to all of us. If the situation is not corrected as quickly as possible we may have some terrible tragedies, supported in part by Uncle Sam's financing. That probably has even happened already.

In the ensuing 6 months since the study was revealed, there have been some disturbing indications that some Government entities are not responding to this problem with the needed sense of urgency. The most concrete of these indications at the Federal level is that after more than half a year since the law I referred to was passed, it is still not in effect.

In response to my urgings last January, several conscientious nursing home administrators asked me immediately for more information about obtaining a federally guaranteed nursing home improvement loan. In retrospect I certainly misled them when I replied that the program would be operating shortly. The delay seems all the more unconscionable when one learns the cause; an argument by certain Federal officials over semantics in the regulations and the placement of responsibility for the post-repair inspections of homes receiving the loans.

Another disturbing element has been that some staff officials at the Department of Health, Education, and Welfare in Washington have been indefinite about the extent to which the situation described by the report is being promptly corrected. While various reasons have been offered, the most serious problem appears to be defective, inaccurate or incomplete data submitted by the States.

Some of the steps announced recently, such as the program of unannounced visits to over 300 nursing homes, the pro-

posed development of national rating standards, and the institution of a nationwide information system on long-term care, will help the Department discover "What's going on out there?" and thus may lead to more responsive corrective action. These steps are long overdue and certainly should have been instituted as quickly as possible after last December's survey results became available.

The Federal Government has also continued its sizable training program for State inspectors and increased Federal program personnel. Furthermore, lately it has put considerable emphasis on explaining to the States how to fill out certification forms and checking to determine whether the old forms were filled out accurately.

I have already emphasized the pressing need for much-improved information and the forms certainly must provide complete and accurate enough information to make judgments on nursing home certifications feasible. However, we must not forget that the most urgent concern has to be those nursing homes already labeled unsafe and the elderly people who may be living in fire traps or otherwise dangerously substandard facilities. The reminder cited several times to my staff by HEW's staff, that last December's survey was based upon a check of forms rather than of the actual nursing homes, fostered concern on my part that some in Government were concentrating too much on forms and paperwork and too little on initiation of nursing home improvements.

The real situation may be better or worse than the horrendous situation indicated by the survey; in his June 21 speech, Mr. Carlucci mentioned some evidence that it may be worse. HEW should respond accordingly and I am pleased to see evidence that indicates some agency movement.

Since the most direct responsibility for initiating improvements is at the State level, particularly under medicaid, HEW will have to crack down on the States as part of its emphasis on correcting present problems. Some States are moving unconscionably slowly to force nursing homes to take corrective action, while in some States virtually all skilled nursing facilities have been converted to intermediate care facilities so that they have more time to comply with the life safety code. This kind of maladministration by the States has to stop, even if it takes action such as suits by the Federal Government to accomplish that end.

Considering the results of the nursing home survey, I would have expected HEW to go out of its way to warn and educate people about the problems it had uncovered. There was some publicity upon the release of the survey report in January. Furthermore, certification status and reports for individual nursing homes are available at local certifying offices. However, there has been no concerted HEW attempt to make the general public aware of the existence and availability of these reports. Furthermore, the average citizen looking for a suitable nursing home would need a translator to interpret the reports. These surveys ought to be summarized for the general public and posted in the nursing homes themselves, as is being contemplated by HEW. HEW should also take further steps to indicate generally to the public the magnitude of the problem and the information available, so that consumers can respond as they see fit.

I realize that any such publicity could be misleading if designed carelessly, that actual correction of these defects may take time, and that a decision to cut off Federal funds is a very serious step which can cause immediate hardships for a nursing home's patients and possibly bankruptcy for the home itself. Nevertheless, I can see no excuse for continuing for an extended period to funnel millions of Federal medicare and medicaid dollars into homes which have already been assessed as hazards and which have absolutely no plans to correct deficiencies. The Federal and State administrators involved must obtain any needed data and make some hard choices, in terms of deciding whether deficiencies are minor enough to be waived and what corrective actions are acceptable. But although the annual rate of deaths due to fires in nursing homes receiving Federal funds may not be great percentagewise, any deaths should be reminder enough that these decisions and the corrections themselves must be made as expeditiously as possible.

FOOD AND FUEL FROM TRASH

Mr. PROXMIRE. Mr. President, in May I chaired 3 days of hearings into the economic implications of a new technology for converting common organic wastes into ethyl alcohol and single cell protein. This process, funded through the Department of the Army, has been developed by research scientists at the Natick Laboratory in Massachusetts.

The work underway at the Natick Laboratory represents a very small percentage of the Federal Government's research and development effort, less than one-hundredth of 1 percent. But the potential benefits of this particular research are enormous. Even a cautious appraisal of the Natick process suggests that it holds the promise of making an important contribution to some of the Nation's most critical needs: Energy, food, and solid waste management.

Environmentalists, who have been wrongly attacked from some quarters as the chief culprits in the energy crisis, will be glad to know that the Natick process was developed as a direct result of efforts to comply with the National Environmental Policy Act. Following passage of this legislation in 1969, the Department of the Army directed the Natick scientists to undertake studies of ways to dispose of solid waste so as to protect and enhance the environment. Two goals were set: to reduce the amount of waste dumped into the environment and to convert such wastes into useful products economically. Great strides have been made in meeting these goals. The scientists have already proved that the process is technically possible. In June a prepilot plant opened to begin demonstrations that the process can be economically feasible for private enterprise.

Mr. President, an excellent and remarkably well-written article by Cathy Kaufman appears in the July 20 edition of The Nation magazine which explores the potentials of the Natick process. I think my colleagues in the Senate should be aware of the exciting work that is going on in this area. I ask unanimous consent that the article "Food and Fuel From Trash," be printed in the RECORD.

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

FOOD AND FUEL FROM TRASH

(By Cathy Kaufman)

In subtropical countries, one is advised to keep a light burning in the closet. It keeps the atmosphere sufficiently dry to discourage certain mildew-producing fungi that attack cellulosic materials such as cotton or linen. During World War II, the U.S. Army began investigating the habits of *Trichoderma viride*, a clothes-destroying fungus with a particularly keen appetite for the cartridge belts worn by soldiers in the South Pacific. Three years ago, the research assumed an offensive rather than defensive stance, when it was decided, under the Army's Pollution Abatement Control Program, to see if *T. viride* could be used to eliminate cellulosic wastes at military bases. The U.S. Army Laboratories at Natick, Mass. (whose mission involves materiel; food for the astronauts is both developed and manufactured there), soon isolated a mutant of *T. viride* that converts cellulose to glucose so quickly and efficiently that, in the not too distant future and on a large scale we may be able to produce both food and fuel from trash.

T. viride works by producing an enzyme, cellulase, that then converts cellulose to glucose. The glucose, in turn, may be transformed by microbial action to single-cell proteins, by chemical conversion to other chemical feedstocks, many of which are now derived from petrochemicals, and by fermentation to ethyl alcohol (ethanol) or to other chemicals such as acetone.

The age of fossil fuels, like the age of dinosaurs, is transitory. The estimates are that it will come to an end in the early years of the 21st century. Certainly it will be sputtering with a yellow flame by then. The hope in cellulose is that it is the only organic material on earth that is constantly replenished by solar energy, in estimated quantities of 100 billion tons per year. Municipal trash is composed of about 70 per cent cellulose—roughly, 50 per cent paper and paperboard wastes and 20 per cent garbage and yard wastes. Last year some 200 million tons of trash was collected by cities and towns in the United States. This may be the only natural resource that is growing, not diminishing; the calculated annual trash increase is 5 per cent.

In addition to municipal trash, sources of cellulosic waste include industrial paper and wood wastes, agricultural and food-processing wastes and animal feedlot wastes. Roughly 800 million tons of livestock manure is produced annually in feedlots. About 50 per cent of the dry organic weight of this mass is cellulosic and can be reduced to chemically pure glucose, recyclable to cattle as syrup or as single-cell proteins.

One thousand pounds of cellulose waste will yield 500 pounds of glucose. The 50 per cent conversion rate applies again to the yield from the glucose of either single-cell proteins (SCPs) or alcohol. Thus production of food or fuel would be equally efficient.

The single-cell proteins are comparable in essence to brewer's yeast. Their crude pro-

tein content is high—44 to 51 per cent, compared to 32 to 42 per cent for soybeans, or, for soybeans in their most concentrated, defatted form, 45 to 54 percent. Among land-based vegetables, only sunflower seed concentrate is higher in protein than SCPs, by 2 per cent. Furthermore, the protein of SCPs is complete, containing all eight essential amino acids.

Hypothetically, the bulk cellulosic municipal waste of 140 million tons could be converted into 35 million tons of SCPs. That would be greater than India's record wheat production of 26 million tons two years ago (since drastically reduced). And the crude protein content of the hypothetical SCP production would be four times greater than that of an equal amount of wheat.

There is a considerable protein imbalance in the world today. "Food imperialism" (the phrase is from Lyle P. Schertz of the U..S Department of Agriculture) takes grain and fish from the poor nations to feed the beef cattle of the rich. Wealthy nations such as the United States, Canada, Great Britain and the European countries have a taste for beef generously marbled with white fat. Cattle raised on grass, in Australia and Argentina, are leaner and their fat is yellow, from carotene in the grass. The lifetime diet of the average American cow raised for beef consists of about 12 per cent protein daily. This has been derived primarily from grains and legumes suitable for human consumption, such as corn and soybean meal. Most of our harvested grain, in fact, is fed to animals at a great net loss of protein. As meat eaters we retrieve only 10 per cent of the protein fed to cattle.

Historically, cattle have been ruminating beasts, eating cellulosic fodder not suitable for human consumption, converting it to high quality protein for man's enjoyment and health. Ideally, cattle eat what we cannot, and we eat them. This natural (to us) efficient design is altered when the diet of beef cattle is composed of grains or fish meal suitable for man. The artificially imposed pattern becomes grotesque when one considers that millions of people in the world are underfed in both protein and calories to the point of debilitation and in increasing numbers to the point of actual starvation.

Dr. Robert Oltjen, chief of the USDA's Ruminant Nutrition Laboratory at Beltsville, Md., has fed livestock exclusively on ground-up newspaper or wood pulp mixed with molasses, supplemented with urea (which the animal converts to protein), to determine exactly how low a dietary level cattle can tolerate and still remain healthy and commercially viable. One bull at the Beltsville laboratory has thrived for nine years on a wholly protein-free diet. In Dr. Oltjen's opinion, cattle in the United States consume excessive amounts of protein and go to market too fat.

But if fatty beef continues to dominate the market, despite indications that its consumption contributes to increased blood cholesterol levels and colon cancer, the protein to produce it could at least be derived from SCPs from waste material and not from grains desired by humans. Dr. Oltjen sees the current high cost of conventionally produced yeast, or SCPs, as the only major deterrent to its widespread use as a cattle food supplement. Using the present very rough cost estimates for the Natick process, one can speculate that the production of a ton of SCPs from municipal waste would cost slightly less than half the current cost ($110 to $120) of a ton of soybean meal.

Human diets, too, could be greatly enhanced with the addition of SCPs. Experiments have demonstrated that the palatability of bread is not altered by the addition of SCPs and the protein content is considerably increased. Such means of adding protein to the diets of those subsisting largely on starchy foods like manioc or taro in the developing countries could mean the difference between the presence or absence of kwashiorkor, a syndrome of severe protein deficiency. The diets of the poor in our own country are notably low in protein and would benefit by SCP enrichment. It is true that further research needs to be done to assure the purity of the trash-derived glucose used for SCP manufacture, if these are designated for human consumption. The problem is not perceived as one that is insoluble by the Natick scientists.

The other possibility in the Natick process is the production of fuel. Ethanol has long been recognized as a suitable, even desirable, additive for gasoline, but the cost of producing it by fermentation of valuable grain foodstocks made it uneconomical, at least in this country. Brazil and South Africa produce ethanol as a motor fuel from surplus sugar. Before World War II both the French and Germans mixed ethanol with gasoline.

Sen. William Proxmire (D., Wis.), chairman of the Subcommittee on Priorities and Economy in Government of the Joint Economic Committee, held three days of hearings recently on the food and fuel potential of the Natick process. Natick scientists Dr. Mary Mandels, Dr. John Nystrom and administrator Leo Spano were present, as were protein experts, alcohol and waste management experts; John Sawhill, administrator of the Federal Energy Administration, Russell E. Train, administrator of the Environmental Protection Agency, representatives of Shell and Mobil Oil companies and Ralph Nader.

A large part of Sawhill's testimony was devoted to the impracticality of using ethanol fermented from grain as a gasoline additive; it would be uneconomical and divert food supplies from human use. This was largely irrelevant, given the subcommittee's focus on municipal trash as a source of ethanol.

Train's attitude toward ethanol was even more negative. Even cheaply produced ethanol would not be practical to use as an automotive fuel additive, he said, listing reasons such as its oxygen content, which would require carburetor modification; the affinity of alcohol for water, which would cause its separation from gasoline in storage tanks and the high evaporation rate of alcohol. These "obvious difficulties," according to Train, outweigh the potential benefits of ethanol.

On questioning by Proxmire, neither Train nor his technical adviser, a former long-time Texaco employee, showed any familiarity with the more positive experiments using alcohol as a fuel additive.

Even the oil company representatives agreed with Dr. Thomas B. Reed, methanol expert and M.I.T. research chemist, that 10 per cent additions of ethanol or methanol to gasoline require no carburetor modification. Furthermore, Reed said, a one-in-ten methanol-gasoline mixture can increase fuel economy up to 10 per cent in some cars. Methanol or ethanol significantly increases the octane of gasoline, and carbon monoxide emissions are decreased up to 70 per cent. The problem of the affinity of alcohol to water could be solved by using Sunoco-type mixing pumps at the filling station.

Are the oil companies interested in seeing ethanol used as a 10 per cent gasoline additive? Yes, says Shell. No, says Mobil; they would prefer that trash be used as fuel by burning it directly. Both Mobil and Shell agreed, however, that the government should bear all costs of research and development of producing ethanol from municipal waste. Only when it becomes "commercially feasible" would the oil companies care to step in.

Ralph Nader accused the oil companies of indifference to the development of any forms of energy that they cannot directly own or control. Oil, uranium, coal, natural gas are finite and possessable. Solar energy is relatively infinite, and falls indifferently upon the earth, lease or no lease.

Though ethanol manufactured from currently available municipal, agricultural and feedlot wastes could provide 14 per cent of this country's fuel consumption, so far only $400,000 has been invested in the pertinent research at Natick. Nader contrasted this with the hundreds of millions of dollars the oil companies are spending on shale oil development which, at best, will provide only 2 per cent of our annual energy needs, and the $2.7 million spent recently on the American Electric Power System's campaign to convince the public that burning coal without pollution controls is the answer to the energy problem.

An additional tens of billions of dollars, Nader said, has gone into the development of nuclear power that, with all its environmental hazards (the AEC admitted after the hearings that 861 "abnormal" events occurred in our forty-two nuclear power plants last year), so far provides only a minute percentage of our energy.

The modest outlay devoted to cellulose conversion at Natick consists of a small laboratory in a basement, where the enzymatic broth is produced. Behind the glass beakers containing shredded copies of the *Boston Globe* (the cellulose substrate of choice) microbiologist Mary Mandels has pinned newspaper clippings on the world's current famine situation. In the pre-pilot plant, a sunny, large room in another building, one edges down a narrow aisle past banks of dials to a row of squat, miniaturized vats, swaddled and muffled in asbestos like so many dutiful children done up to play in the snow. The pre-pilot plant began operations in June; it will produce 500 pounds of glucose per month.

Two years ago, a delegation of Russians visited the Natick laboratories and were given samples of *T. viride* to take home. They purchased fermentation equipment from Fermentation Design, Inc., of Bethlehem, Pa., suppliers to Natick, in quantities three times greater than Natick's. In addition, they bought a computer to facilitate experimentation in their pilot plant. So far, Natick does not have $150,000 for a computer.

The Russians' interest is in production of single-cell protein and in this respect they are unique among those—representatives of private industry, foreign governments, states such as Oregon, with a straw disposal problem—who have been granted royalty-free licenses by the Army to apply the enzymatic conversion process to waste. Most interest has been expressed in using the process for waste disposal or to produce industrial chemical feedstocks.

In some respects the Natick process can be viewed as a litmus test for social ideologies. We have a pot of glucose, derived in a clean, nonpolluting way from municipal trash in a plant costing less than the traditional incinerator plant. From it we can derive all the chemicals that are conventionally derived from glucose. In addition, because it is so cheap and replenishable, we can at last contemplate producing protein from it by microbial action or fuel by fermentation. No efficiency or cost factor helps us make the decision; the equipment is multi-purpose. We can produce what we deem most valuable—food for the starving or fuel for our automobiles.

Of course it is not so simple. Modern agricultural methods are bound to technology and the consumption of ever-increasing amounts of energy. A large proportion of the energy used for tractors, electricity for irrigation, and to produce nitrogen fertilizers and pesticides, is derived from finite fossil resources.

The production of corn is typical of the way energy is used for crop production in the United States. A detailed cost-benefit analysis (Pimental, Hurd, et al., in *Science*, November 2, 1973) reveals the startling fact that, though actual corn yields per acre have increased 138 per cent since 1945, this has been possible by breeding strains increas-

ingly dependent on and responsive to pesticides and nitrogen fertilizers: the result has been an actual *decline*, since 1945, in corn production per unit of energy expended on production. Currently, we are using the equivalent of 80 gallons of gasoline to raise an acre of corn yielding 81 bushels.

Green revolution crops, too, are bred to heavy and sometimes precarious dependence on fuel-based fertilizers and pesticides. Modern agricultural methods increase the fossil fuel input and decrease correspondingly the need for human labor. With population increasing and fuel decreasing, that does not seem the best way to proceed. It would be wiser to use more animal and green manures, crop rotation, breeding for more inherent sturdiness and less dependence on pesticides and chemical fertilizers, and intensifying—in this country at any rate—farm labor at decent pay, through subsidy if necessary. Unless we change direction, the need for fuel for agricultural use alone will not abate but grow in Moloch-like rapacity as current techniques spread and as the world's population increases.

ICELAND'S 1,100TH ANNIVERSARY

Mr. MOSS. Mr. President, special recognition is due the industrious and energetic people of Iceland. On July 28 the 1,100th anniversary of the founding of Iceland will occur.

As we make preparations for our Bicentennial celebration in 1976, the significance and importance of the settlement of Iceland should become more apparent. The traditions of the bold and adventurous Norwegian Vikings who crossed the unknown North Atlantic to found Iceland are part of the Icelandic and western heritage. In less than six decades the Norse and Celtic settlers established an independent republic that was governed by a Central Parliament—the Althing. This is the world's oldest Parliament. In 1930, on the 1,000th anniversary of the Althing, the Congress of the United States recognized the varied contributions of the Icelandic people and presented to the people of Iceland a statue of Leif Ericson, the "discoverer of Vinland."

It was Leif Ericson, "son of Iceland," who, in about A.D. 1000, became the first known European to set foot on American soil. He, and similar Viking settlers of democratic Iceland, typify the courage and determination of the freedom-loving people of the Western World. Through the efforts of such individuals the democratic traditions of America have been built and are reinforced.

In recognition of the accomplishments of Leif Ericson, a Presidential proclamation to comply with a joint resolution of Congress designates October 9 in each year as "Leif Ericson Day."

Mr. President, extensive celebrations have occurred and will occur in the Republic of Iceland this summer to commemorate the arrival of the first settlers to Iceland. These memorable celebrations began with the national day celebration on June 17, and will culminate with the national festival on July 28. The enrichment of American life, due to the tradition of the ancestors of the Viking explorers, can be an example as we meet the unknown challenges and dangers of our third century as a Republic. I hope that we will recognize this.

THE COURTHOUSE TAKEOVER—DISTRICT OF COLUMBIA AS A MODEL FOR THE NATION

Mr. KENNEDY. Mr. President, on Monday night, July 15, Frank Gorham, Jr., and Robert Nathan Jones surrendered to the authorities. Thus ended the dangerous confrontation at the Federal courthouse here in Washington between these two men and law enforcement officials that had gone on for 104 hours. The outcome was a storybook ending: no one hurt, the prisoners recaptured, the hostages saved.

The country can be proud that the District of Columbia, its Capital City, is able to serve as a model for the Nation in this regard. The District authorities have proved that patience and compassion work better than haste and hatred.

The happy ending was not the result of accident or good luck. This 4½-day ordeal ended peacefully because the people did not like violence, did not want violence, and were determined not to have violence.

On the second day of the confrontation, the Washington Star News noted that few of the spectators, as they waited and watched the silent courthouse, thought the crisis would end without bloodshed. Their pessimism was understandable, for sometimes violence seems to have become the rule rather than the exception in our society.

But that pessimism proved unfounded, thanks to the wise restraint of the District of Columbia and Justice Department officials and so many others involved, who thereby set this outstanding example of wise and effective law enforcement for the Nation.

Because of reporters like Chris Lorenzo of the Washington Star News, who spent 43 hours on the phone talking to the prisoners and the hostages and went without sleep for nearly 3 days; because of reporters like Jim Vance of WRC–TV, who acted on several occasions as an intermediary between the prisoners and officials; and because of law enforcement officials like Chief Deputy U.S. Marshal James Palmer, who said that his lifestyle dictated that everyone involved should walk out of the courthouse alive—because of Americans like these, the crisis at the courthouse had that storybook ending.

It it my hope that unfortunate incidents like Attica and the SLA shootout in Los Angeles and others like them are in the past, and that we shall once more make violence the exception and not the rule in law enforcement.

IMMEDIATE AND CONCERTED ACTION IS NEEDED TO COMBAT INFLATION

Mr. PERCY. Mr. President, I was one of the 54 Senators who joined in sending a letter to the President on June 24 requesting that he submit a proposed balanced Federal budget for 1975.

I believe the Congress has the responsibility of working with the executive branch in a concerted effort to reduce the projected Federal deficit and to take any other actions which would halt the staggering inflation we are now experiencing. Because of this, I wrote to the President yesterday with my own proposals for reducing the projected deficit for fiscal year 1975 by $10 billion.

I do not maintain that my suggestions are the final or the only means by which Federal spending can be reduced and Federal revenues increased. I do believe, however, that a results-oriented dialog on this subject must begin immediately if we are to have any reasonable expectation of reducing the projected deficit during this fiscal year.

I hope that other Members of Congress will be encouraged to review the budget requests submitted last February and make their own suggestions for change.

Mr. President, I ask unanimous consent that a copy of my letter to the President and my suggestions for $10 billion in Federal deficit reductions be printed in the RECORD.

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

U.S. SENATE, COMMITTEE ON GOVERNMENT OPERATIONS,
Washington, D.C., July 23, 1974.

THE PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: Inflation continues unabated and at record levels. For the government not to take those measures to reduce inflation which are reasonable and feasible courts severe, perhaps tragic, consequences.

Your concern for this matter is apparent and promotes the likelihood that the legislative and executive branches of government can discover comity together and agree on prompt steps to reduce the rate of inflation. Only then can we rescue the nation from the existing economic perils.

I believe the first and most urgent requirement is to bring the fiscal year 1975 budget into balance. The purpose of this letter is to suggest to you, and to your economic advisors, measures which, if adopted, would reduce the anticipated federal deficit by $10 billion. Though I arrived at these proposals after study of federal revenues and outlays for fiscal year 1975, I do not ascribe absolute wisdom to them. Yet I do hope they will serve to promote the dialogue, in the Administration and the Congress, which will result in swift agreement to reduce the anticipated deficit by $10 billion, including the specific program cuts to achieve that goal. I believe that this is possible, indeed imperative.

For us to move precipitously from a deficit spending level of approximately $3 billion in fiscal 1974 to a level of over $12 billion in fiscal 1975 would only further worsen an already serious situation. Although a $10 billion reduction in the expected deficit would not achieve a balanced budget, it moves us closer to a more consistent fiscal policy. It would, in fact, be a slightly more restrictive budget than last year's when we experienced a $3.5 billion deficit.

Cutting the budget deficit will help curb the inflation rate. Monetary restraint can be eased. Moreover, positive government action will provide a beneficial psychological effect on all segments of the economy—business, labor, consumers, financial institutions, the stock market.

My proposals were selected with three dominant priorities in mind. First, no cuts should be made now that would result in human suffering, such as reductions in food or other minimum income assistance. Second, cuts should not be made in such areas as revenue sharing, research or education, thus reduc-

ing our investment in the future vitality of all our institutions. Finally, no cuts can be permitted which would endanger our national security. We are closer to peace through this Administration's policy of detente with the Soviet Union. Tensions have been eased in the Middle East. But we have not yet progressed to the point of significant bilateral reductions in defense spending. We must maintain a strong defense. However, I believe certain defense spending proposals can be reduced or deferred without posing any threat to our security.

Budget cuts should be debated now in the spirit of the Congressional Budget and Impoundment Control Act of 1974. As you stated the day you signed this landmark legislation, it places equal responsibility on the Congress for controlling federal spending. The provisions of that Act will first apply to the budget for fiscal 1977. But because of our present economic perils, I do not believe the nation can wait two years before implementing the basic philosophy of this legislation.

Also at the time of the bill-signing you stated that the Administration's budget for fiscal 1976 would be a balanced one. I propose the need to accelerate that timetable to advance a balanced budget for fiscal 1975. Inescapably, any spending reductions or tax increases will cause some discomfort. But to continue to court double-digit inflation promotes the possibility of real tragedy.

For millions of Americans whatever burdens created in the attempt to bring inflation under control are burdens which must be borne.

Sincerely,

CHARLES H. PERCY,
U.S. Senator.

PROPOSALS FOR OUTLAY SAVINGS

PROPOSAL	*fiscal year 1975 outlay savings* (*Millions*)
Long-term construction projects:	
a. Defer ⅓ of outlays on selected, non-essential Department of Interior construction projects. Budget now requests $1,230.974 million for Bureau of Land Management construction of buildings and recreation facilities; Bureau of Reclamation studies of proposed projects, grants, and loans and direct expenditures for construction and rehabilitation of existing projects; National Park Service construction of recreational facilities and roads. This spending can be deferred in part without any serious long-term consequences	$410.324
b. Defer ⅓ of requested outlays for selected Army Corps of Engineers civil construction projects, now budgeted at $935.362 million. These outlay requests should be cut from non-essential projects such as recreation, and not from projects for which there is an immediate need, such as flood control	308.451
c. Defer ⅓ of budgeted spending on interstate highway construction and ¼ budgeted spending on rural and urban highway construction. $4,050.000 million is now budgeted for such construction from the Federal Highway Administration Trust Fund. No serious long-term consequences would result from the delay in this proposed construction. This type of expenditure is better when a stimulative outlay is needed for the economy	1,220.000
National Health Insurance: Budget includes $42.0 million in outlays for proposed national health insurance program. Implementation of any new program is virtually impossible during FY '75 and this outlay can and should be deleted	$42.000
Defense: a. A 2% cut in military and civilian manpower, to be taken from support functions. At this time 85% of military manpower serve in support rather than combat positions. In its report on the Department of Defense Procurement authorizations this year, the Senate Armed Services Committee reiterated its recommendation that support forces be cut, including a 30% reduction in overseas headquarters personnel. Despite this, only a 7% reduction has been effectuated at this time, with only an 11% reduction programmed by FY '76. These reductions would be in addition to the 2% military and 4% civilian manpower request reductions already recommended by the Senate Armed Services Committee and adopted by the Senate this year. Outlay savings are based on a 6 month phase-out, with personnel reductions to be made by attrition	970.878
b. Defer requested naval base improvements on Diego Garcia in the Indian Ocean as well as costs of maintaining aircraft carrier held out or programmed retirement to service this base. There are serious questions as to the advisability of establishing a permanent U.S. presence in the Indian Ocean. Long-term costs will be over $5.6 billion per year. The proposal deserves further study	107.300
c. Stretch out requested procurement by building three, rather than seven, DD-963 destroyers, and 250, rather than 510, M60A1 tanks this year. Immediate need for this procurement has not been demonstrated, and delayed procurement will allow further opportunity for study of the continued reliability and viability of this hardware	354.000
d. Cut foreign military aid (grants and credit sales) by 10%. This will serve to give notice to the nations affected that efficiencies in their own defense establishments are now required and that the U.S. will now look more closely at their actual military needs	190.000
General Spending Cut: Budgeted outlays for "non-mandatory" programs which have not been affected above could be cut by 2.5% without serious harm to program direction and content. This would include regular agency administrative and program appropriations, but not such permanent programs as Veterans education or social security	1,600.000
Authorization Cut Already Adopted by Senate: The Senate Armed Services Committee and Senate have already approved a cut of $1,500 million in the DOD procurement authorization request. This cut can be implemented dollar for dollar into outlay savings. (This does not include the savings resulting from manpower cuts made by the Senate. These savings are proposed to become effective over a one year period. One half of the savings resulting from the Senate cut and one half of the savings resulting from the cut proposed above are included under DOD manpower above.)	$1,500.000
Total proposed outlay savings	6,702.953

REVENUE RAISING PROPOSALS

First year revenues [In millions]	
Repeal state and local gas tax deduction. These taxes are in reality local highway users taxes. Repeal of the deduction will only cost a few dollars per individual per year, affecting those with higher incomes to a greater extent	$600
Limit foreign tax credit for oil production income, thus assuring that U.S. companies will pay a fair share of U.S. taxes	300
Phase out domestic depletion allowance (Ways and Means proposal). Recent oil price increases provide sufficient incentive for new drilling	620
Dye heating fuel oil to deter tax fraud in its use as diesel fuel	500
Repeal foreign depletion allowance. The U.S. should not encourage drilling abroad	40
Repeal overall (as opposed to per country) tax basis for oil and gas extraction income, thus limiting use of foreign tax havens	450
Limit DISC to incremental increases in exports, consistent with the original purpose of this tax preference	142
Repeal Western Hemisphere companies tax advantages. There is no justification for this special preference	40
Reform minimum income tax, such as recently proposed by Treasury Department. This would assure that all individuals pay a minimum tax on their incomes	745
Total revenue raised	3,437

INCREASE IN CRUDE OIL PRICES

Mr. JACKSON. Mr. President, the well-known energy economist Walter J. Levy has published an extremely important article in the most recent issue of Foreign Affairs. Mr. Levy's article attempts to examine the economic and social implications of the recent Arab oil embargo and the resulting crude oil price increases. While he is not optimistic, Mr. Levy does indicate there are several steps the United States and other oil-importing nations can take to avoid significant economic, and particularly balance of payments, problems.

Mr. Levy notes that the position of international oil companies has changed significantly in the past year. He notes they can no longer act as "intermediaries" between oil exporting and importing countries because they have lost considerable leverage. This, and other developments, points to a far greater involvement by consuming country gov-

ernments in oil industry operations. Indeed, Mr. Levy states that "perhaps even some measure of control" will have to be exercised by importing countries over the operations of international oil companies. This development is important since it bears directly on an issue the Senate Interior Committee has been considering: The Federal chartering of oil companies.

As most members know, the outlook for oil supplies, despite White House claims to the contrary, is not good. Mr. Levy agrees. He notes that:

No lasting relief is in sight for needy oil-importing countries.

Mr. Levy sees the need for four steps to improve this situation. First, we must establish and coordinate international research and development on new energy sources. Second, we must continue to practice and promote energy conservation. Third, each oil importing country should maintain stockpiles equal to 6 months of its oil imports. Finally, Mr. Levy recommends greater cooperation among the oil importing countries of the world on problems of mutual interest.

Mr. Levy feels that if these measures are successfully undertaken, we can avert world economic and political problems similar to those of the Great Depression.

Mr. President, because of the timely nature of Mr. Levy's article and the direct importance it has for legislation now before the Senate, I ask unanimous consent that it be printed in the RECORD.

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

[From Foreign Affairs, July 1974]

WORLD OIL COOPERATION OR INTERNATIONAL CHAOS

(By Walter J. Levy)

Rarely, if ever, in postwar history has the world been confronted with problems as serious as those caused by recent changes in the supply and price conditions of the world oil trade. To put these changes into proper perspective, they must be evaluated not only in economic and financial terms but also in the framework of their political and strategic implications.

I need not dwell here on the overwhelming importance of oil for the energy requirements of every country in the world; nor do I plan to elaborate on the fact that—except for the United States, the Soviet Union and a small number of countries that are, or will become, self-sufficient—most of the nations of the world will, at least for the foreseeable future, depend almost entirely on imports from a handful of oil-exporting countries, with an overwhelming concentration of oil production and reserves in the Persian Gulf area of the Middle East. Among those countries in the Gulf, Saudi Arabia is predominant in terms of reserves, production, and most important, in the potential to provide significant expansion of supplies. Inevitably, producing decisions by Middle East governments, especially Saudi Arabia, will play a pivotal role in future world oil availability and pricing.

Over the last three years or so, oil-producing countries have in fact taken over complete control of the oil industry in their countries. They have coordinated their efforts through the Organization of Petroleum Exporting Countries (OPEC) which was established in 1960. Since 1970, producing governments have imposed in rapid succession changes in previous agreements that had been negotiated and renegotiated with their concession-holding companies, predominantly affiliates of the Anglo-American international oil companies. These changes were arrived at under the threat that if the oil companies would not acquiesce, the producing countries would legislate such changes unilaterally or expropriate the concessions. In October 1973 the last vestige of negotiations was abandoned and producing governments unilaterally set posted prices on their oil.

In the exercise of this power, Middle East producing countries have raised their government oil revenues from taxes and royalties from about 90 cents per barrel in 1970 to about $3.00 per barrel by October 1973 and then to $7.00 per barrel by January 1974. In addition, as a result of the participation agreements between the producing countries and the oil companies, the governments earn additional income from the sale of their newly acquired oil. Its amount, of course, depends on the percent of government ownership and the price they charge for their oil. Agreements had been concluded, as recently as late 1972, under which producing countries acquired a 25 percent participation in the oil-producing operations and were also committed to sell most of their participation oil to the oil companies at agreed-upon prices; now producing countries are demanding that these arrangements be changed in their favor. Only a few arrangements have yet been concluded, but most of the producing countries will probably insist on at least the equivalent of 60 percent participation and a price for the sale of their oil corresponding to about 93 percent of the posted price—both changes most likely to be imposed with retroactive effect as of January 1, 1974. On such a basis, the government income from the total oil-producing operations in key countries would average about $9.25 per barrel.[1]

Meanwhile, the oil income of the Middle East producing countries has increased from $4 billion in 1970 to $9 billion in 1972, and to a presently estimated $60 billion in 1974. The oil revenues of all OPEC countries are increasing from $15 billion in 1972 to nearly $100 billion in 1974. Allowing for all their own foreign exchange requirements, OPEC producing countries will still have available surplus revenues on the order of $60 billion this year alone. And there remains a clear and present danger that under conditions as they exist now, the supply of oil from individual producing countries or a group of them to individual importing countries or a group of them might—as in October 1973—at a time unknown, again be curtailed or completely cut off for a variety of economic, political, strategic, or other reasons.

The quick pace at which the producing countries have effected this radical shift in the balance of power is perhaps the most dangerous aspect of the current situation. Whatever the merits of their case (of which more later), the world faces frightening repercussions on account of the suddenness with which oil costs of importing countries and oil revenues of producing countries have been inflated. There just has been no time for mature consideration by the societies that have to deal with this new exercise of oil and financial power, be they recipients or dependents, producers or consumers.

The security of international oil supply operations is further affected by regional conflicts in the producing areas of the Middle East—in particular the still unresolved issues posed by the Israeli-Arab confrontation. There are other potentially dangerous and divisive possibilities, as reflected in Iran's policy of establishing herself as the major strategic power in the Persian Gulf and the Indian Ocean. This could, in due course, aggravate what is already a latent conflict between Iran and some of the Arab countries—not only Iraq, where the hostilities are acute, but perhaps even Saudi Arabia. There are also disputes between Iraq and Kuwait, unresolved boundary issues between Saudi Arabia and Abu Dhabi, and internal conflicts such as the Kurdish problem in Iraq. Further problems are posed by inherently unstable governments in many of these areas and by uncertain and unpredictable rules for the succession to power.

Moreover, within the Persian Gulf area there are varying economic and strategic relationships between some of the producing countries and Western powers on the one hand, and the Soviet Union and even Communist China—on the other. Moscow is deeply involved in Middle East affairs and with the strategic and national policies of some countries, particularly Iraq and Syria. As the producing countries increasingly assert their oil and money power, they are also likely to become increasingly involved as hostage or pawn in any major power struggle.

How can the nations of the world handle this new situation? What is the role of the international oil companies? Above all, how can the producing and importing nations avoid a confrontation or simply a series of reciprocal actions that must tend more and more toward economic chaos and grave political danger? Is there a way to reconcile the various national interests and to achieve constructive overall cooperation?

II

The first key fact that must now be recognized is that the position of the international oil companies has changed completely over the past few years. Up to about 1969 the major concession-holding companies still could determine levels of production, investments, exports and prices. Moreover, they still possessed substantial bargaining leverage in their negotiations with producing countries, largely by virtue of the surplus producing capacity that obtained in the Middle East, and even in the United States into the latter sixties.

All this has now gone. The producing countries have taken over from the companies the power to set production levels, to designate or embargo export destinations, to direct investments and to set prices. The oil-producing affiliates of the international oil companies have become completely subservient to the directives issued by the oil-producing countries. Nothing perhaps reflects the present state of affairs more dramatically than the fact that American- and Dutch-owned oil companies had no choice last fall but to become the instruments for carrying out the embargo on oil shipments to their own home countries.

Thus, the companies no longer possess any real leverage. About the only role that is, in effect, left to them in established producing areas is that of a contractor providing technical services, getting in return some privileged access to oil—at costs and prices determined by producing governments. The extent of even this "privilege" and the time over which it will be available are subject to unilateral cancellation at any moment, as were all preceding arrangements.

At the same time that they have been deprived of effective control over their producing operations, the role of the international

---

[1] Incidentally, Saudi Arabia has implied that in its judgment the present high level of posted prices would have a disruptive effect on the international payments accounts and should, accordingly, be reduced somewhat. While it might be difficult to obtain the support of OPEC for a cutback of posted prices, Saudi Arabia could easily achieve a similar result by reducing the price at which it sells its own oil to a level equal to the tax-paid cost of the companies' equity crude plus a per-barrel profit comparable to what the producing governments have said the companies are entitled to earn. Such a price would be some $3.00 per barrel less than 93 percent of posted prices.

oil companies in consuming countries has come under increasing fire, fueled also by the recent sudden increase in company profits. During the emergency, consuming governments largely abdicated any effective role; the companies thus had to make far-ranging decisions as to allocation of supplies, pricing, treatment of nonintegrated companies, and many other issues. It was the companies that kept sufficient supplies moving to all countries; now, after the event, some of their decisions are being challenged by consuming governments. It is extremely doubtful whether the companies still possess the necessary flexibility to cope with another similar crisis.

If the role of the major international oil companies in established producing areas is diminished, it is nonetheless important to understand what their remaining position is. The technical services they can provide are extensive, and vital to continuing development of the producing countries' resources as well as to efficient producing operations. Moreover, none of the producing countries is prepared to handle alone the disposition of the huge volumes of production they control: the downstream facilities of the majors provide assured outlets for the mainstream of their production, while remaining quantities of crude can be sold directly or used to support refining and petrochemical production in their own countries or in joint ventures abroad.

Because of their size, scope, technical competence and financial strength, coupled with their important positions in the production and development of oil, gas, coal, shale, tar sands, and atomic resources in areas politically secure, the international oil companies are bound to play a major—if not the major—role in expanding dependable additional sources of energy supplies. Even though their foreign crude oil resource base is subject to progressive erosion, the major internationals will accordingly continue to provide for the importing countries over the years ahead the most flexible sources of energy supply.

However, the international oil companies are no longer able to assure the continuity or price of regular supplies to oil-importing countries. And while they can hope to maintain continued preferred access to substantial production in support of their affiliates' crude requirements, even that is uncertain and contingent on the producing countries' self-interest in extending such offtake rights.

Downstream investment in refining, marketing, and transport thus tends to become extremely risky, because the viability of such investment is predicated on secure supplies. Meanwhile, as a logical part of their own development program, producing countries are using their control over crude availability to spur refining and petrochemical investment in their own countries and to acquire tanker fleets—all of which will in due course add to consuming countries' foreign exchange import costs and adversely affect the flexibility and security of their supplies.

In the circumstances, oil-importing countries can no longer expect the companies to fulfill their earlier most important role, as an effective intermediary between the interests of producing and consuming countries. Nor can the international oil companies function, as in the past, effectively to preclude direct dealings between importing and producing countries relating to oil supplies, prices, etc., which may easily lead to political confrontations. To the extent that the companies maintain their operations in producing countries, they in fact reflect the producing governments' economic, political, and strategic policies. To be able to hold on to whatever tenuous residual rights or preferences the producing countries might still be willing to extend, the companies will have no choice but to acquiesce in virtually any kind of conditions imposed or exacted.

All this points to a far greater involvement by consuming-country governments in oil industry operations than heretofore. One major objective will be greater "transparency" in oil company policies. Oil-importing countries cannot be in the dark with respect to negotiations in producing areas, when the decisions vitally affect the security and price of their essential oil supplies. They will want to know more about investment plans and policies in their own countries. And with transparency will inevitably come progressively more government interposition throughout internal oil economies.

But here, too, the international oil companies will have a continuing role to play. Producing countries will become increasingly involved downstream, as direct crude sellers and through investment. Consuming countries will become increasingly involved upstream, through various exploration and crude arrangements. Within this emerging fragmentation of world oil trade, the integrated facilities of the companies could provide an important, perhaps the major, core of efficient operations.

In sum, whatever arrangements on supply, financing, and pricing the oil companies may still be able to conclude formally with producing countries, in practice and underlying reality such arrangements cannot be ignored by the importing countries but are bound to be decisively affected by their policies. Moreover, with the vital concern the importing countries have not only for price but for availability of oil, it now appears inevitable that their governments will also in due course establish a comprehensive policy of surveillance and consultation—perhaps even some measure of control—with regard to oil company operations encompassing the whole range of oil activities vitally affecting their countries.

III

As the problems of oil have become matters that in many key respects can only be handled directly between governments, so their gravity has now become all too clear. Faced with the major "supply shock" of the October 1973 oil embargo and the overall cutback in Arab oil production, the immediate reaction of practically every importing country was to engage in a competitive scramble for oil supplies, coupled with offers to adapt its Middle East policy to Arab demands, and promises of all kinds of financial inducements. It was indeed a humiliating experience for historically independent and proud nations. What we were witnessing, in fact, was not only the fragmentation of the operations of the multinational oil companies, but also the polarization of the oil policies of the importing countries, with foreign petroleum ministers skillfully influencing individual importing countries through the device of handing out oil rewards and punishments.

Then, late in 1973, the advance in world oil prices dictated by OPEC countries was of such magnitude that practically every importing nation was suddenly confronted with major balance-of-trade problems of immediate and continuing effect. The cost of foreign oil supplies for all importing countries will exceed $100 billion in 1974, compared with some $20 billion in 1972. For developing countries alone, it will jump from $5 billion in 1973 to $15 billion in 1974—and the $10-billion increase will exceed all the foreign aid that these countries received in the previous year. Meanwhile, as noted, the OPEC producing countries will accumulate, during 1974 alone, surplus holdings of foreign exchange not needed for their own import requirements of some $60 billion—or nearly two-thirds of the net book value of total U.S. private foreign investment.

Obviously, this surplus accumulation of funds will somehow be recycled into the world's monetary system, probably mainly into the short-term Eurodollar market. But this process will not necessarily result in the availability of loans to the various importing countries in accordance with their individual foreign exchange needs. The creditworthiness of the borrower will decide whether or not Eurodollar loans will be available; many of the developing countries and some developed countries will not qualify under this criterion.

Foreign grants and soft loans—some of them probably never to be repaid—will have to be made available, and the Monetary Fund and the World Bank are addressing themselves to this problem. I doubt that anything like adequate amounts can be made available.

But the financial oil drainage is *not* only a short-term and passing issue. It will be with us for many, many years—if oil prices remain at present levels (or rise as is now occasionally threatened), and if the oil-producing countries themselves are not prepared to make favorable loan arrangements to needy countries in addition to whatever the developed countries are able and willing to do. To the extent that oil imports are financed by a continued recycling of surplus oil revenues via investments or loans on commercial terms, oil-importing countries will face pyramiding interest or individual charges on top of mounting direct oil import costs.

Equally if not more disturbing is the question whether or not the producing countries owning already large surplus funds will be willing to continue to maintain or to expand their production and accumulate financial holdings that might result, in part at least, in nothing but paper claims that could not be repaid. If the producing countries make direct foreign investments, the bulk of such investments will obviously be placed in the advanced developed countries, where it would appear to be safest and most profitable. That will leave the less-preferred developed countries and the developing countries out in the cold. Moreover, the scope for such investments owned directly by foreign producing governments is likely to be limited. Accordingly, oil-exporting countries with surplus revenues might well decide to reduce production—to conserve their liquid gold in the ground rather than increase potential paper claims above ground. Oil revenue surpluses could thus well conduce to oil supply shortage.

There are thus valid reasons to fear that even where present policies of producing countries provide for expanding oil production, circumstances might arise where, in what they consider to be their own self-interest or even for any political whim, the governments involved abruptly cut their level of oil exports. Kuwait, Libya, Abu Dhabi, Ecuador, and Venezuela have already announced restrictions in their production. Iran has threatened to do so if the importers object to price levels.

The financial dilemma for oil-importing countries is clear. In order to finance oil import costs, they will have to look to progressively expanded foreign investment by, or indebtedness to, producing countries. Without any amelioration in the cartel prices and payments terms, the alternative for importing countries would be rather severe reductions in oil imports and oil consumption. To cut back imports drastically, to levels that could be financed out of current income, would hardly be a viable solution. The resulting shortfall in total energy, and the economic consequences of declines in production, employment and trade, would further undercut the oil-importing countries' ability to finance even sharply reduced levels of oil supplies. The contraction of energy consump-

tion and economic activity would thus become a cumulative spiral.

In sum, the short- to medium-term implications of the present situation are simply not bearable, either for the oil-importing countries—especially the nations already needy—or for the world economy as a whole. In the wake of this topsy-turvy winter, with the Arab oil embargo against the United States now lifted, the temptation is momentarily strong to suppose that the oil crisis has now genuinely eased. The major industrialized countries of the world once again look forward to economic growth, though at lower rates, with worldwide balance-of-payments deficits, and with a terrible economic and political problem of inflation, to which oil prices have made a substantial contribution. But the oil balance-of-payments burden is just starting and the transfer of funds to oil-producing countries just beginning. In any case, no significant *lasting* relief at all is in sight for the needy oil-importing countries. The fact is that the world economy—for the sake of everyone—cannot survive in a healthy or remotely healthy condition if cartel pricing and actual or threatened supply restraints of oil ontinue on the trends marked out by the new situation.

IV

As a first step, the insecurity of oil supply and the financial problems that have arisen clearly call for a wide-ranging coordinated program among all importing countries. This was the main reason why the American government called for a conference of the major oil-importing countries in February of this year. This cooperative effort falls into two basic parts: first, what must be done internally by the importing countries; and second, what a coordinated policy should be vis-a-vis producing countries.

With the oil-producing countries already cooperating closely through OPEC, cooperation among the oil-importing countries is a simple necessity; properly understood and handled, it can be the only way to achieve constructive overall adjustments.

Among themselves, the importing countries must first establish and coordinate their research and development programs with regard to existing and new energy resources. Unnecessary and time-consuming duplication must be avoided, and research and development efforts should be concentrated on those resources where optimum results can be expected. The skills available for research and the engineering resources that would have to be employed, if not pooled, should at least be utilized in accordance with a program for maximum overall efficiency.

The oil-importing countries must also establish a concurrent and consistent program of energy conservation which would provide for far greater efficiency in the use of energy resources. Here too the research effort and the measures to be taken should be coordinated on an international basis.

Whatever the course of foreign oil prices, policies to conserve consumption and to spur the development of alternative energy sources will remain relevant for the future. Moreover, a high degree of government involvement is essential to the success of such efforts—including the probable necessity of government guarantees putting a floor under the selling price of alternative energy sources. For if—as we shall see later—there is a chance that foreign oil prices will fall, then private interests working on projects for tar sands, shale, gasification of coal and the like, will not be willing or able to continue their efforts. If a major effort to develop alternative energy resources is to be sustained, particularly in North America, the criterion cannot be orthodox economic soundness weighing the price of alternative energy against the actual (or predicted) price of foreign oil. Rather, the decisive criterion must be the price to which foreign oil could and would *rise* if the alternative energy supplies were not forthcoming. The public interest in avoiding dependence on foreign oil dictates public support and substantial measure of price guarantees by individual countries, notably the United States but perhaps others as well, again acting in coordination.

Thirdly, the major importing countries must be able to agree on a problem that has so far eluded their efforts—that of adequate stockpiling and burden-sharing. On stockpiling, no importing nation should now have on hand perhaps less than a supply equal to six months of its imports. And there must be clear contingency plans for restrained consumption and for sharing, if oil supplies are again cut off or curtailed—whether for political or economic reasons. Remaining oil imports must be parceled out according to some formula based not on the previous percentage of imports from the sources cut off, but on the basis largely of need—so that those fortunate enough to possess substantial national energy resources would have the smallest, if any, claim on the oil still flowing. Beyond that, I do not believe it would be politically feasible to establish rules that would require countries able domestically just to cover their minimum requirements to export some of their domestic energy supplies to a less fortunate country.

Moreover, oil-importing countries must abstain from trying to resolve their balance-of-trade problems by unduly pushing their general exports to other oil-importing countries or by restricting their imports from them. Such policies would only aggravate the problems of these other countries. Competitive devaluation of currencies or inflation of export prices would be self-defeating, since the oil-producing countries clearly intend to adjust the level of oil prices in accordance with an index of currency values as well as the cost of manufactured goods and other commodities in world trade. The oil-importing countries may have to act in many other ways in order to avoid such dangerous repercussions as severe deflation and unemployment. To deal with the situation will require an unprecedented degree of self-restraint, prudent economic management and political sophistication and wisdom. Past experience suggests extreme skepticism that the countries will in fact consistently follow such policies. But if they do not, the consequences for all of them could become very serious indeed.

Bilateral transactions between oil-importing and producing countries or their respective companies will inevitably be of growing importance. But in concluding such deals the importing countries must abstain from trying to obtain unilateral advantages—by making arrangements for oil imports that would tend to preempt sources of supply through discriminatory practices, or by transactions designed to tie up for themselves an excessive part of the import capacity of the oil-producing country.

They must also resist the temptation to offset their oil deficits by the competitive rearming of the various Middle East countries, a practice bound in the end to produce a military disaster for all.

So much for the minimum initial requirements for cooperation among the major oil-importing countries. A measure of common appreciation does now exist for most of these "headings of cooperation" by at least a large majority of the relevant importing countries, although they have yet to be fleshed out by practical working arrangements or adequate guidelines for national behavior.

The hardest questions remain. Even if cooperation is achieved in all these respects, can it serve to do more than shorten the period of extreme vulnerability and cushion the impact of continued one-sided decisions by the OPEC countries? Is consumer cooperation truly adequate if it does not address itself to the key questions of price and supply?

I believe the answer to both questions is in the negative. When the brewing crisis came to a head last fall, the initial reaction of many importing countries was to try unilaterally to take care of themselves for both economic and strategic reasons—through barter arrangements, major investment offers to various producing countries, even in some cases extravagant arms supply deals. This tendency was an understandable reaction in the first phase of the new crisis, and indeed a continuing degree of individual national initiatives is not only inevitable, but can be healthy in some respects, in providing an infusion of economic and political alternatives into the changing relationships between oil-importing and oil-producing countries.

Already, however, the limits of the individual approach are obvious. Even for the most aggressive of the oil-importing nations, it has not worked effectively; they find themselves with very large obligations in return for very small increments of favorable treatment, or for nothing more concrete than a generalized promise for the future. Moreover, where there have been specific deals, these are as much subject to abrogation or revision as the basic arrangements themselves. "What have you done for me lately?" is not a question confined to the dialogue between politicians and voters.

Moreover, precipitate attempts by individual countries to go it alone can only obscure the nature of the problem, which is basically a common one that engages not only the interests of all the importing countries but the interests of the producers in a viable world economy and in their own regional and national political stability. The producers are bound not to see the problem in this light if one importing country after another posits this arrangement or that as its own selfish modus vivendi. And to defer attempts at resolution of the common payments problem while individual initiatives are being exhausted is bound to make eventual general agreement more difficult, because so many inconsistent cards will have been played.

Thus, it is my conviction that a constructive accommodation between the interests of producers and importers, enabling the latter to pay for and finance adequate oil imports, is possible only if the importing countries share a common appreication of the need for a price adjustment as well as for the establishment of financial mechanisms to this end. Just as far-reaching coöperation among the producing countries has brought about the present situation, so a similar coöperation among the importing countries is now an essential prerequisite to a balanced solution. Only if the major importing nations act to coördinate their policy can they expect to be able to present the supply and financial problems they are facing in an effective manner—and to make clear the implications of these problems for the producers themselves. Moreover, only then could they impress upon at least the relevant producing countries what I believe are the two central elements in a satisfactory long-term arrangement—some downward adjustment in the level of foreign crude oil prices to all consumers, and specific relief, including long-term deferment of payments, for the neediest of the oil-importing countries.

V

If coöperation among oil-importing countries is essential to the development of constructive coöperation with producing countries, so too is a full and fair understanding by the importers of the case of the producing countries. Many of its key points were presented vividly in last July's issue of *Foreign Affairs* by Jahangir Amuzegar of Iran; these points and others have since been developed in a series of public statements by various leaders of producing countries. Nonetheless it helps to go over the main elements that enter into the attitudes of the producers,

and to explore the validity of their arguments, seeking to arrive at a clear picture of what their long-term interests are.

A major goal of producing countries is rapid and consistent progress in their economic development so that they can become economically viable and secure by the time their oil reserves peter out. In the meantime, the pace of their industrial progress depends largely on the size of their oil revenues, and the level of oil prices is of decisive importance for their present and future prosperity.

The producing countries also cite additional reasons to justify the huge price increases that they imposed in the course of 1973. The large increase in oil prices, they say, is warranted by the alternative cost that would have to be incurred if oil had to be replaced by other energy sources such as shale oil, oil from tar sands, etc. Even though there is currently still a surplus of potential oil supplies, oil reserves may well be exhausted in perhaps 20 to 30 years. But in a free competitive market, prices would not, *at this time*, reflect *future* shortages of supply and would thus provide no encouragement for the development of substitutes. Accordingly, the oil-producing countries say that high oil prices are now necessary so that research and development programs for new energy sources will be promptly initiated. Otherwise, with the long lead time required, energy would be in short supply when world oil production begins to decline.

Also, so they argue, high oil prices now will result in oil conservation and encourage the use of oil for the most essential and valuable purposes where it cannot be so easily replaced, such as for petrochemical production. The highest-value use, they maintain, should in practice be the basis for oil pricing.

The producing countries also assert that the high current oil prices redress the injustice of too low a level of prices in the past, when oil prices had fallen behind those of manufactured goods and food which the oil-producing countries had to import. Relatively low oil prices in the past have, they maintain, unduly enriched the developed countries at their expense. (Whatever the degree of validity of this argument for past periods, it should be noted that the increase in oil prices between 1970 and January 1974 has, according to a United Nations analysis, amounted to 480 percent and was extraordinarily larger than that of practically any other commodity. The share of petroleum in world imports of about $316 billion during 1970—the last year for which detailed statistics are available—amounted to about 7.7 percent; at January 1974 commodity prices, the value of 1970 imports would have increased to $618 billion, of which petroleum would have accounted for as much as 23 percent.)

Oil-producing countries are aware that high oil prices may harm the progress of other developing countries. But primary responsibility for economic assistance, so they postulate, rests on the rich developed countries. And even though oil-producing countries maintain that in development terms they are still poor, they have stated that they, too, will make a substantial contribution to support developing countries, and a number of them have indeed done so. In addition, they will endeavor to convince other raw-material-producing developing countries that they, too, could improve their economic position substantially if they would only follow the OPEC example.

The producing countries also complain that in the past they have been deprived of economic development based on their oil resources, such as refineries, petrochemical plants, tankers, and energy-intensive industries. Instead, enormous quantities of gas have been flared. Accordingly, it is a basic part of their development policy that investment in local petroleum-processing plants should be undertaken on a large scale within the oil-producing countries, and that they should participate far more in the whole operation of the transportation and exporting of oil.

Obviously, there is substantial merit in many of the points now so forcefully advanced by the oil-producing countries—and it is no effective answer to point out that Western initiative was largely responsible both for the discovery of oil and for the development of its manifold uses. The major oil-importing nations, in particular, must give heed to the legitimate grievances and aspirations of the oil producers.

On the other hand, the producing countries cannot continue to take the position that the economic situation of the major importing countries is no concern of theirs. It is one thing to adjust oil prices to the real or imagined wrongs of the past, another to carry that adjustment to the point of jeopardizing the future economic, political, and strategic viability of importing countries. For if this happens, the viability of the producing countries themselves must surely be affected over the years to come.

There is thus no alternative for the importing countries but to try to convince the producing countries that there must be responsible accommodation between the interests of importing and producing countries. In order to carry conviction, it is essential that there be basic unity among importing countries about the underlying assessments and their policy goals. In the light of the extremely sensitive relationship between consuming and producing countries, a contrary position of one or two major importing countries would tend to destroy the effectiveness of this approach. It would also further strengthen the producing countries in the sense of power that they believe they hold over importing countries, and would encourage them to conclude that they could effectively maintain their internal as well as external security in the face of evolving world chaos.

In actual fact, however, many producing countries, in spite of the extraordinary concentration of oil and money resources in their hands, are as yet quite fragile entities, without substantial strategic and military strength in world affairs. They have been able to assert themselves because of the disunity among, and unwillingness of, importing countries to take any firm position vis-à-vis the producing nations. Whatever the concern of producing countries and companies in the pivotal transition from surplus producing capacity to tightness of world oil supplies, the oil-importing countries were largely complaisant about the course of events. Now, unrestrained exercise of their oil and money power by producing countries presupposes that the importing countries will continue to acquiesce and remain passive, even if the world's economic and political stability is at stake. This cannot be a safe basis upon which the producing countries could proceed. If the worst is to be avoided, the producing countries must be made to recognize the danger of pursuing such a course.

There is also the danger that this concentration of oil and money resources would tempt the Soviet Union to make use of fundamentally weak and socially unstable producing countries—by proxy, so to speak—in order to undermine the economic and political stability of the non-Communist world. Soviet adventurism cannot be ignored, especially the application of Soviet power through controls over certain governments such as those of Iraq or Syria, as well as by internal threats through Soviet support of subversive opposition to governments. There exists, in practically every one of these countries, the potential for sudden revolutions by extreme elements.

All of these factors are clearly known to the various dynasties and national governments. Most of them must have inevitably reached the conclusion that their hold on power, which is sometimes tenuous, depends in the final analysis on a satisfactory relationship with the non-Communist world. We are all interested in the maintenance of a peaceful cohesion among Middle East countries. But they must recognize that if this cohesion is mainly used to enable them to enforce their will on the rest of the world through the use of oil and money power, they would not only undermine the position and strength of the importing countries but would also expose their governments and nations to extreme risks.

The oil-exporting countries must be aware that their own independence could not safely be assured if the United States and its allies were to be fatally weakened vis-a-vis the Soviet Union. It would not be in their self-interest to refuse to supply the vital oil needs of the world or to insist on an unmanageable level of prices, and risk the economic, political, and strategic consequences of such politics.

VI

So far I have been making the case for unprecedented cooperation among the oil-importing nations, and for much greater understanding by both producing and importing countries of each other's needs and of the common interests that affect both groups. If reason alone controlled human affairs, one might conclude that a satisfactory solution was possible from greater understanding alone.

Unfortunately, that is not the case. One must in the end come back to the harsh economics of the energy situation worldwide, and of the rapidly rising trends in oil consumption that have lain at the root of the present crisis. For it is these trends essentially—far outstripping the growth of indigenous energy sources—that have made the oil of the OPEC countries, especially in the Middle East, so vital to practically every nation of the world, and have thus given the OPEC countries the bargaining leverage to establish the present unilaterally controlled price and supply situation. With all the understanding and sympathy in the world, the producing countries cannot be expected not to use a bargaining position as strong as the present one of OPEC and its Middle East members.

In last July's *Foreign Affairs*, Carroll Wilson argued that the United States would be placed in an intolerable state of dependence on Middle East oil if it did not develop other sources of energy to the maximum and at the same time curtail the rate of growth of its energy consumption from 4.5 percent to a suggested three percent. Essentially the same analysis must now be applied to the oil-importing naions as a whole, not for the sake of eliminating a critical degree of dependence on the Middle East—for that is simply not in the cards at least for the rest of this decade—but for the sake of containing thereafter the problems of oil supply and finance and of establishing now an acceptable degree of balance in the bargaining positions of producers and consumers of oil.

The starting point should be the period from 1968 through 1972, when energy consumption in the non-Communist world as a whole increased at 5.6 percent per year, and oil consumption by 7.5 percent per year. The result was that Middle East oil production went up by an average of 12.5 percent per year.

Now the prospect for the period from now until 1980 is for a substantial expansion in non-oil energy sources and in oil production within the major oil-consuming countries. Yet it remains as clear as it was a year ago that no drastic technological breakthrough is in sight at least in this time frame. We

are still talking about natural gas, coal, hydroelectric power and nuclear fission as the primary alternatives to oil—and one need hardly add that even substantial increases in some of these are still fraught with difficulty.

In response to the new situation, it is already reasonable to postulate some conservation at the margin in response to higher energy costs. Given the dynamic energy needs of Japan, the developing countries, and to a lesser extent Western Europe, however, it is difficult to see that "conservation at the margin" will in itself produce a dramatic drop in the growth of energy needs. Supposing, for example, energy consumption grew at only 4.6 percent per year instead of the 5.6 percent of the 1968–72 period, the picture might look something like this:

	Millions of barrels, daily oil equivalent			Average annual percentage growth, 1972–80
	1972	1975	1980	
Primary energy demand	80	91	115	4.6
From nonoil sources	35	38	48	4.0
Oil consumption	45	53	67	5.1
Indigenous oil production	18	19	27	5.2
Oil imports	27	34	40	5.0
Needed from the Middle East	18	23	29	6.3

Obviously, this is a broad-brush projection. But it is enough, I believe, to demonstrate two fundamental conclusions: (1) that even *at current prices* this rate of oil imports could not be sustained by the oil-importing countries on a current payments basis; (2) that with production increases fairly well spread among the producing countries, none would be under any pressure to lower prices or to increase production further. (This is a modest conclusion; actually the pressure would be greater for production cutbacks than for increases. The oil simply might not be forthcoming.) In short, mere "conservation at the margin"—itself more than many governments are now asking of their people—will neither avoid economic calamity nor provide a balanced situation vis-a-vis the producers.

To get these essential results I believe we shall have to go considerably further. Again for illustrative purposes, let us see what the situation would be if the oil-importing countries could manage genuine austerity in their use of energy, cutting their growth rate to, say, 3.3 percent. (The reduced U.S. growth rate would have to be less than this; with all U.S. energy waste, it would still involve a major change in habits and ways. For Japan and the developing countries, the impact on production growth would be far more severe. In short, this kind of reduced rate of increase does deserve to be called austerity.) In such a case, using the same assumptions for nonoil sources and indigenous oil production, a revised table would look like this:

	Millions of barrels, daily oil equivalent			Average annual percentage growth, 1972–80
	1972	1975	1980	
Primary energy demand	80	87	104	3.3
Nonoil sources	35	38	48	2.0
Oil consumption	45	49	56	2.7
Oil imports	27	30	29	.8
Needed from the Middle East	18	19	18	.1

This level of austerity would, I believe, be just adequate to permit the major industrialized nations to maintain viable economic and industrial operations, including continued growth but at a lower rate than might have been projected on the basis of previous oil prices and supply availability. Even then, most of the oil-importing countries would, at least until the latter part of this decade, be exposed to a very substantial and—in the case of some countries—nearly unmanageable financial burden. In short, while the deliberate initiation of such austerity would require an act of political will far exceeding what is actually happening in most importing countries, the choice will in the end be compelled by financial pressures. The longer it is put off the worse it will get.

Once undertaken, this austerity policy could in time achieve some trade balance between the producing and consuming countries. In particular, the huge annual accumulation of surplus funds by Middle East producing countries would start to decline about 1978 and would reach manageable proportions shortly thereafter. Put differently, the importing countries would in aggregate terms be able to pay for their oil by a steadily increased flow of goods and services to the producers. At the same time, however, since the ability of the importing countries to supply goods and services is concentrated in only a handful of them, the financial burden of oil imports would vary greatly, remaining very substantial for the less-industrialized developed countries and especially for the developing countries which are net consumers of oil. Thus, it would remain essential to have financial mechanisms and arrangements that would cushion this differential impact and make it bearable.

Turn now to the situation of the oil exporters. The second table suggests that their total exports would level off and then start to decline slightly by the end of the decade, as the importing countries managed to increase their non-oil sources of energy and as indigenous oil sources were tapped more fully (principally the North Sea and the North Slope in Alaska). The table also assumes that oil producers outside the Middle East will increase their total capacity somewhat, and will be motivated to produce at maximum attainable levels—since practically all of these nations need their oil revenues for immediate development purposes. Thus, the total demand on the Middle East would tend to decline by the end of the decade.

This is not to suggest for a moment that the Middle East oil producers would then be in difficulty. They would still be supplying more than 60 percent of the oil moving in world trade, and Middle East oil would remain vital to Japan, Western Europe, and the developing nations—in an austerity situation, any further cuts would reach the bone more rapidly than in the present somewhat "soft" situation. In short, the Middle East producing countries as a group would remain in a strong position.

At the same time, the production levels of individual countries in the Middle East would be placed seriously in question. Kuwait (like Libya in North Africa) is already pursuing policies designed to conserve its oil reserves and thus to stabilize output below previously attained levels of production. On the other hand, Iran and Iraq look to increase their production very substantially from present totals of roughly eight million barrels a day to 12–13 million barrels per day. If these trends were to continue, and if the need for Middle East oil were to level off at 18 million or so barrels per day, it is evident that the remaining suppliers—especially Saudi Arabia and Abu Dhabi which had previously benefited from oil revenues far in excess of their development needs—would then have to accept a drastic reduction in their levels of production, or alternatively to seek to increase their output by reducing their prices (and thus giving consumers an incentive to ease up on their austerity).

It is an open question, which of course cannot be analytically resolved, whether in the light of these circumstances the various Middle East producing countries would decide to "fight it out" among themselves by competing for exports through price reductions. They might seek to go in the opposite direction, to enter into a production and export control agreement under which they would rearrange their respective production and export levels. At the same time, they might try to increase their prices and tax takes so as to provide for the needs of those Middle East countries that would have to reduce some of their previously anticipated production. On a rational basis, the latter course might be chosen, since any price and tax reductions would tend to force others downward as well, so that the Middle East as a whole would obtain lower revenues for the same or a higher level of production than before the initial price and tax reductions.

In trying to assess what under such conditions the producing countries might actually decide to do, we must think not only or even mainly in economic terms, nor draw only on past experience with regard to the cohesiveness of private cartels in similar circumstances. At most, the economic facts of supply and demand frame the problem; it will still be decided by national governments in the producing countries, and their policies are likely to be governed by an extraordinary combination of political and strategic as well as economic factors.

On the basis of such a broad assessment, the short-term argument for controlling production and maintaining or further raising prices and tax takes must encounter a growing awareness of wider relevant considerations. For such a course—in effect responding to consumer austerity by higher producer prices—would surely leave the importing countries with even worse financial problems than are now in prospect. Even more heavily than now, the burden of paying for restrained but more expensive oil imports would fall upon lagging economies suffering from extremely serious financial problems. Even more than now, the producing countries would have to ask themselves whether they could expect to remain islands of prosperity in a worldwide depression, or of political stability when the will and ability of strategically powerful nations to support them had been eroded.

VII

To sum up, four elements are essential to move to a reasonable adjustment: far-reaching cooperation among the oil-importing nations, an understanding by the importing nations of the interests and aspirations of the producing countries, a clear-cut (and painful) program of energy austerity by the oil-importing countries, and a recognition by the producing countries that even in an austerity situation any attempt to hold prices high must result in worldwide dangers to which they could not be immune. Only with far-reaching consumer coöperation can it be expected that the producing countries will come to this necessary conclusion; at the same time coöperation without austerity will not do the job. Both are needed, and a large new dose of political will, not yet in sight, will be required to achieve them.

The key to a reasonable solution is time: to make the financial burdens on all oil-importing countries tolerable and to bridge the gap until the day, not too far distant, when the producing countries, at least in the aggregate, will have reached the point where they can be paid in goods and services—and where they will have joined, for practical purposes, the ranks of the developed nations.

And the basis for such an adjustment, in turn, is the acceptance of a principle that, while the sovereignty and control of nations over their natural resources remains unquestioned, such control cannot and must not lead to the unrestrained exercise of power, but must be based on a mutual accommodation of interests or, as the United Nations Declaration on the Establishment of a New International Economic Order puts

it, on an appreciation of "the reality of interdependence of all the members of the world community." Otherwise it will be destructive to all.

Such a principle is not, of course, confined to the case of oil. The April meeting of the United Nations General Assembly, and the United Nations reports prepared for it, have underlined the degree to which the rise in food and fertilizer prices over the past two years—created in these cases by market forces in combination with national domestic agricultural policies—have damaged the interests of the needy developing countries in particular. The United States especially has it in its power to adopt measures that would ease the actual cost of food supplies to this group of countries; one suggestion would be that the United States provide grain and other crucial food to needy countries on concessionary terms or through the application of PL 480 funds. A similar move might be undertaken by the major countries that export fertilizer. Now, as preparations are underway for a World Food Conference in the fall, such moves would be even more in order, based on the continued operation of market forces for most consumers but with measures to cushion the impact on needy countries.

Oil remains the biggest and most difficult case. Since 1970 the price and availability of oil moving in world trade have been determined progressively by the OPEC countries unilaterally, to the point where the present situation effectively is one of price imposed by a cartel. Completely free market prices for traded oil are not a practical alternative; in a free market the existence of large reserves and the very low cost of developing and producing such oil would mean a market price that would be very low indeed. Such a price would not be acceptable to producing countries—since it would not provide them with the budgetary and foreign exchange revenue badly needed for their economic development. Nor would it in fact serve the interests of importing countries as a whole—since it would lead to wasteful consumption of oil on the one hand, and on the other would provide no inducement to the major countries to push forward in good time with research and development on new and more costly energy resources which will be needed even more once readily available supplies of oil begin to stagnate or decline.

Accordingly, the price of oil moving in world trade is bound to be a kind of administered price, not necessarily negotiated directly between producing and importing countries but at least established in a way that would attempt to accommodate and reconcile the economic and financial interests of both groups. In addition, the specific plight of the needy oil-importing countries should be provided for, if not through a two-tier pricing system, then at least by long-term deferral of payments and easy credit terms for loans.

In sum, I believe that the world situation would now call for solemn undertakings that would assure the essential oil requirements of all the importing countries on terms and conditions that are economically and financially sustainable. This should be accompanied by measures to deal along the lines proposed with the cognate cases of food and fertilizer. At the same time, it is imperative that all the necessary provisions be made to safeguard the essential economic interests of the producing countries into a future when their position will inevitably become less strong than it is at present. Such a combination of actions would be an act of statesmanship in which the oil-producing countries and the oil-importing countries could and should join not only for the common good, but perhaps even more so in their most cogent self-interest.

Today, governments are watching an erosion of the world's oil supply and financial systems, comparable in its potential for economic and political disaster to the Great Depression of the 1930s, as if they were hypnotized into inaction. The time is late, the need for action overwhelming.

CREDIT FOR S. 754, THE SPEEDY TRIAL ACT OF 1974

Mr. ERVIN. Mr. President, the Speedy Trial Act of 1974, S. 754, yesterday passed the Senate unanimously. This is a bill that the Subcommittee on Constitutional Rights has been working on since early 1970 and it represents the dedicated efforts of several present and past subcommittee staff members. Mark Gitenstein, staff counsel, put together the particular bill which passed the Senate on July 23, 1974. Glenn E. Ketner, Jr., who is no longer with the subcommittee, first realized the need for the legislation and worked most diligently for its passage during the time he served on the staff. James L. (Harvey) Stuart and Mary Gowen of the subcommittee staff also contributed significantly to the development of this legislation. The entire effort came under the supervision and direction of Lawrence M. Baskir, chief counsel and staff director. The subcommittee owes each of these people a debt of gratitude for their work on this important legislation. The distinguished Senator from Nebraska (Mr. HRUSKA) was most helpful to me and the subcommittee in the development of S. 754.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, the submission of the Genocide Convention to the Senate for its advice and consent has raised again the issue of the relationship between the Constitution and treaties. Some people who oppose the Genocide Convention do so because they believe that under article VI of the Constitution the Genocide Convention would be the supreme law of the land superseding the Constitution. If there was ever a conflict between the Constitution and the convention, these opponents feel the conflict would have to be decided in favor of the convention.

Is this true? We do not have to engage in idle speculation on this point. The U.S. Supreme Court and other Federal courts have spoken out many times, clearly and uniformly, on the relationship between the Constitution and treaties. Thus the Supreme Court has said:

To construe this clause (Article VI, clause 2) as permitting the United States to exercise power under an international agreement without observing constitutional prohibitions would permit amendment of the Constitution in a manner not sanctioned by Article V. *Reid v. Covert*, 354 U.S. 1.

And again the Federal courts have said:

The treaty-making power of the federal government is subject to prohibitions within the constitution against state or federal government, and does not extend so far as to authorize what the constitution forbids. *Amaya* v. *Stanolind Oil*, 158 F. 2d 554.

And again:

No article or term of treaty may nullify any guarantee of right preserved by the Constitution to citizens. *Pierre v. Eastern Air Lines*, 152 F. Supp. 486.

We can readily see from the three above-cited decisions that the Constitution has precedence over all treaties. Should there ever be a conflict between the Constitution and the Genocide Convention, under our system of government, the conflict would have to be resolved in favor of the Constitution. The contention of some of the opponents of this convention that it would undermine our Constitution is groundless.

Mr. President, I call upon the Senate to ratify the Genocide Convention without delay.

PRESS APPLAUDS NO-KNOCK REPEAL

Mr. ERVIN. Mr. President, on July 11, the Senate voted 63 to 31 to repeal the so-called "no-knock" laws passed in 1970.

Since that vote, there has been virtually unanimous approval registered in the press. In view of the fact that this legislation is still pending in the House, I ask unanimous consent, Mr. President, that four of these editorial comments—from the Washington Post, Washington Star-News, and two from the New York Times—be printed in the RECORD.

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

[From the Washingon Post, July 16, 1974]

NO MORE NO-KNOCK

The Senate's emphatic 63–31 vote to repeal the authority for no-knock search and arrest warrants in the District of Columbia and in federal drug probes shows dramatically how times have changed since 1970. Then, in what Sen. Sam J. Ervin last week called "a period of hysteria," a legislator's view on no-knock was regarded as a litmus test of whether he was "hard" or "soft" on crime. In such a climate, the controversial no-knock warrant provisions were adopted by wide margins. The Senate's reversal of that decision after just four years is a sign that the crime issue has been put in better perspective and that many senators have become much more sensitive to the need to safeguard individual rights.

A major influence on the Senate vote was the fact that no-knock warrants simply have not proved to be useful weapons against crime. The District of Columbia police, intended to be the prime beneficiaries of the 1970 law, have not used no-knock warrants at all since October 1970. Police officials fear that unannounced entries can increase the risk of injury both to police and to the citizens involved. District Chief Chief Jerry V. Wilson, whose views on such matters carry substantial weight on Capitol Hill, has said that he has no objections to repeal.

Nationally, the biggest blow to no-knock was the controversial events that took place in Collinsville, Ill., in April 1973, when federal narcotics agents broke into the wrong two homes and terrified the occupants. Those raids (which were actually conducted without any warrants at all) dramatized the dangers of permitting agents to burst into peoples' homes without warning. In line with the administrative reforms which followed the Collinsville experience, federal drug agents have used only one no-knock warrant in the past 12 months. This record—the lack of use and the potential for harm—persuaded many senators to join Sens. Ervin and Gaylord Nelson (D-Wis.) in last week's move for repeal. A typical convert was Sen. Charles H. Percy (R-Ill.),

who supported no-knock authority in 1970 but last week called it "an invitation for official lawlessness."

The drug enforcement authorization bill now goes on to the House, where the outlook for the repeal amendment is not so clear. That body is generally regarded as "tougher" on crime, but a concern for individual privacy and the rights of citizens has been expanding there in recent months. If the issue receives the unemotional attention it deserves, a majority of House members may well also decide that the no-knock warrant authority serves no useful purpose in the statute books.

[From the Washington Star-News, July 15, 1974]

KNOCKING OUT NO-KNOCK

The Senate's 64-to-31 vote the other day to strike the controversial no-knock search and arrest authorizations from District and federal criminal statutes was, as one member observed, a dramatic reversal of the Senate's position of four years ago. And the sound reason for that reversal is that four years of experience with this grant of extraordinary police authority has justified every protest that was raised against its enactment in 1970.

To document their case, some of the Senate's most influential members presented a formidable array of evidence that no-knock warrants have contributed virtually nothing to the cause of effective law enforcement, that it is subject to gross abuse by overzealous agents and that its use poses demonstrably serious dangers both to officers and to citizens.

None of those arguments gets directly to Senator Sam Ervin's fundamental objection: that the authority granted District police and federal narcotics agents to break into homes or offices without announcing themselves constitutes an indefensible violation of individuals' rights to privacy and the sanctity of their homes.

But the proofs of how badly and how ineffectively it has been used obviously made Senator Ervin's constitutional arguments more persuasive to a number of senators who initially had thought it might be a valuable tool of law enforcement. Indeed, it is surprising that the repealer vote was not even more lopsided. Federal agents have used the authority only sparingly—and it is well that they have in light of the record of the mistakes, poor judgment and violence associated with it. District Police Chief Jerry Wilson, who has said no-knock's repeal would not affect his law enforcement program "one way or another," hasn't authorized its use in over two years.

For all of this, the predictions are that the repeal motion will face a tough fight in the House. If that's so, we urge House members, before they vote, to read the Senate record's incontrovertible evidence that this is a case of excessive police powers that would never be missed.

[From the New York Times, July 15, 1974]

AN END TO NO KNOCK?

In voting to end authority for District of Columbia policemen and Federal narcotics agents around the country to obtain warrants to enter dwellings without knocking and identifying themselves, the Senate has taken a wise step which the House should quickly follow. The "no-knock" authority was granted to District of Columbia policemen in the District of Columbia Crime bill passed in 1970. The last Senate vote on the issue came in October 1970 on an effort by Senator Ervin to delete it from the Drug Abuse Prevention Act. Senator Ervin's amendment failed then by a vote of 42–20.

After four years' experience around the country with "no knock," the Senate reversed itself on the issue last week by an overwhelming vote of 63 to 31. It is no wonder. On the night of April 23, 1973, a band of narcotics agents in Collinsville, Ill., burst into the home of Mr. and Mrs. Herbert Gigotto, threw both occupants to the floor, threatened them with guns, ransacked the household, destroyed a good deal of personal property and found no narcotics. Other families in communities elsewhere had similar experiences.

The Police Chief of the District of Columbia said he had no objection to the repeal of the no knock authority. The principal lawyer for the District of Columbia police had earlier expressed the opinion that no-knock entries and searches increased the possibilities of jury both for the police and the occupants of the homes entered and searched. In offering his successful amendment to end no-knock warrants, Senator Ervin observed that they "have done nothing to stem crime."

The basic principle that Americans should be secure in their homes suggests that the House should follow the Senate's lead, and hard experience dictates it.

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

THE PROBLEM WITH SHORTCUTS

(By Tom Wicker)

About midway through the decade of the sixties, the fear of crime began to emerge as a powerful American political issue. Crime in the streets, the drug problem, urban rioting, increasing violence—all gave Americans good reason to be disturbed and to make their feelings known. But as happens all too often, their political leaders flocked to exploit the political issue without doing anything useful about the basic problem.

Thus, the United States Senate, in a seizure of ill-considered zeal to prove itself a hard-nosed crime fighter, passed, in 1970, laws that authorized Federal narcotics agents and District of Columbia policemen to get "no-knock entry" warrants if a judge could be persuaded that such warrants were necessary to prevent the destruction of evidence. Armed with such warrants, the agents or the D.C. police could break into a house or an apartment with no warning to its inhabitants.

In 1973, numerous news stories appeared about innocent families—the Giglottos and the Askews, then of Collinsville, Ill., were the best examples—being terrorized and their houses damaged by agents bursting in to search for nonexistent drugs. A survey by The New York Times disclosed that "scores of agents" in their zeal to crush illicit drug trafficking have mistakenly broken into the homes and apartments of dozens of innocent families, terrorizing the occupants and heavily damaging property."

There had even been deaths—a Norfolk, Va., woman shot and killed a patrolman who was trying to enter her apartment looking for heroin (there was none), and narcotics agents killed a man fleeing from a no-knock raid in California. He didn't have any drugs, either.

Earlier this year, the Federal agents responsible for the Collinsville raid were acquitted of criminal charges. But the unfavorable public notice no-knock entry had acquired did not go for nothing. The Drug Enforcement Agency, for example, began requiring its agents to wear blue jackets with an armpatch and caps, when conducting a raid; this at least gave those raided some suggestion that those knocking down their doors were officers and not thugs or madmen.

Agents wanting to conduct a no-knock raid now have to get authorization from the Drug Enforcement Agency's headquarters in Washington; they have to convince their own superiors as well as a judge. The training of agents is said to have been strengthened in hopes of avoiding troublesome incidents.

Senators Sam Ervin of North Carolina and Charles Percy of Illinois joined to push a bill through Congress enabling victims of such outrages as the Collinsville raid to sue the Federal Government directly for damages—providing the possibility of redress for such victims and putting both agents and their supervisors on notice to take more care in planning and staging raids.

But all these were no more than limited steps to cope with what was fundamentally a bad idea; and useful as each may have been in itself, none of them eliminated the bad idea—any more than no-knock entry coped with crime. In the Federal city of Washington, D.C., for example, although specifically authorized to do so, the police have not sought no-knock warrants since October, 1970, and Chief Jerry V. Wilson has said he would not object to repeal of the law.

There is some reason to believe, in fact, that no-knock entry was mostly a public relations product of the Nixon Administration, aided and abetted by members of Congress of both parties, all of whom wanted quick catchword legislation to suggest that they were dealing with crime. "No-knock" nicely served the purpose.

Now the Senate—again led by the Ervin-Percy combination—has voted to repeal no-knock altogether, both for the D.C. police and Federal narcotics agents. Nor was this a close decision—63 to 31 for repeal—which is reassuring evidence that mankind does occasionally learn from its errors and follies.

The House may not yet be ready to abandon no-knock, but the massive switch in the Senate—even Mr. Percy voted for no-knock in 1970—should be enough to maintain the repeal in a Senate-House conference. Meanwhile, the Senate might begin the reexamination of some other dangerous measures once pictured to the public as vital in the fight on crime.

"Preventive detention" in the District of Columbia is one example, and legitimated wiretapping is another; the first has proved useless and the latter may not produce enough anticrime results to be worth its frequent and inevitable abuses. As Charles Percy put it in the debate on repealing no-knock entry, "short-cut methods when dealing with basic constitutional rights" can become "an invitation for official lawlessness."

SENATE DRUG HEARINGS

Mr. GURNEY. Mr. President, on May 9, the Senate Subcommittee on Internal Security embarked on a series of hearings on the marihuana-hashish epidemic and its impact on U.S. security. It was my privilege to preside over the two lengthy hearings on May 17 and 18, at which most of the medical, scientific, and psychiatric testimony was presented.

For the purpose of these hearings, the subcommittee brought together more than a score of top-ranking medical researchers and scientists from six countries. Several of the participants in our hearings, themselves scientists of international eminence, told me afterwards that our witness list constituted the most distinguished panel of experts on marihuana and hashish—cannabis as it is known scientifically—ever assembled at a single gathering.

I am not exaggerating when I say that I consider these hearings to be among the most important ever conducted by a committee of Congress.

They provide a terrifying answer to the question: how harmful is marihuana? In my remarks today, I plan to summarize the basic scientific findings presented to the subcommittee.

The many articles that have been written about the hearings have brought a

flood of letters to my office from law enforcement officers, Government officials, educators, clergymen, writers, editors, students, and anxious parents. Already, the hearings are having a measurable impact. It is my conviction that this impact will be enhanced many times over when the printed record of these hearings becomes available sometime next month.

In his opening statement, Senator EASTLAND clearly established the jurisdiction of the Internal Security Subcommittee by pointing out that the cannabis epidemic had created a new complex of security problems for our Military Establishment and that the widespread use of marihuana and hashish had been encouraged by a militant promarihuana propaganda campaign which began at the time of the Berkeley uprising and continues to this day. As pointed out by Prof. Hardin Jones, assistant director of the Donner Laboratory for Medical Research at the University of California in Berkeley, in his testimony of May 20 before the subcommittee, this prodrug propaganda campaign was initiated by members of the radical left movement whose purpose is the revolutionary overthrow of the American democratic system. In the words of Timothy Leary, guru of the leftist drug cultists:

Drugs are the most efficient way to revolution.

Or, quoting Jerry Rubin:

Pot is central to the revolution. It weakens social conditioning and helps create a whole new state of mind. The slogans of the revolution are going to be pot, freedom, license. The Bolsheviks of the revolution will be long-haired pot smokers.

There is a tendency to dismiss people like Leary and Rubin as eccentrics or kooks—but one must remember that the underground press which featured them was read by a host of young people every week.

The damage done by this leftist promarihuana propaganda was compounded by the many academicians who were disposed to be tolerant about marihuana, because it seemed to be an integral part of the student revolt against the establishment. It was further compounded by a small number of scientists and a somewhat larger number of literary psychiatrists who repeatedly gave marihuana a clean bill of health based on limited short-term observations—without waiting for the findings on the long-term consequences of marihuana. Most of these long-term findings have only started coming in within the last few years—and that is what our recent hearings were all about.

I recall that when the controversy about cigarette smoking and cancer was raging during the late 1950's, there were medical scientists of some eminence who came to the defense of cigarettes. For example, Dr. Ian McDonald, one of California's foremost cancer specialists, and chairman of the Cancer Commission of the California Medical Association, made the sweeping statement before a congressional committee, that not only did cigarette smoking bear no relationship to lung cancer, but that he would venture the assertion that "a pack of cigarettes a day will keep lung cancer away."

Dr. McDonald's assertion was completely demolished within several years by the mounting mass of scientific evidence that there is a relationship between cigarette smoking and lung cancer.

The sweeping defenses of marihuana that are to be found in a number of books written several years ago by men of some reputation, have, in the same manner, been completely outdated by the mass of recent reports from top-ranking cannabis scientists in various parts of the world.

In amplifying the purpose of our recent hearings, Senator EASTLAND said the following at the hearing of May 9:

When a conflict of opinion exists within the scientific community on a question as important as marihuana, the Congress and the American people are entitled to a fair presentation of both sides to this controversy. In fact, however, there has been widespread publicity for writings and research advocating a more tolerant attitude towards marihuana—while there has been little or no publicity for writings or research which point to serious adverse consequences. The writings are there, the research papers by eminent scientists are there, the books are there—but very few people know about them. One witness who will appear before the subcommittee will testify that in campus bookstores in the United States, Canada and England, virtually all of the literature he found on marihuana—and he found a lot of it—took a tolerant attitude towards it or even advocated legalization.

It is because of this strange imbalance in dealing with the question of marihuana that most intelligent people are under the impression that the bulk of the scientific community looks upon marihuana as a relatively innocuous drug. Part of the purpose of the forthcoming hearings will be to inquire into, and document, the extent of this imbalance. In doing this, we shall, in effect, be presenting the "other side," so that the Senate—and the American people—will have a better understanding of the problem.

The first point that has to be made is that our country is now caught up in what is probably the worst cannabis epidemic in history—even worse than the classic epidemics that had so debilitating an effect on the Egyptian people and other Mediterranean peoples. The fact that the Federal law enforcement authorities last year seized 780,000 pounds of marihuana and 54,000 pounds of hashish means that perhaps 10 times as much cannabis—or even more—got into the country and was consumed. These are fantastic quantities when you consider that a pound of marihuana can intoxicate almost 200 people, while a pound of hashish can intoxicate eight times as many.

All strata of our population are involved in the epidemic—our college students, our high school and junior high school students, grade school students, ghetto youth, blue collar workers, and even staid conservative members of the business and professional community. On this last point, I note that the subcommittee has received a letter from an investment counsel in Chicago urging a more tolerant attitude toward marihuana because, he said, the significant majority of his business and professional freinds smoke it.

The amount of marihuana and hashish being seized in this country is enormous. A few months ago there was a single seizure involving 10,000 pounds of hashish; while on June 26, United States and Mexican agents seized 42 tons—84,000 pounds—of marihuana in the vicinity of the Mexican border. Commenting on the tremendous increase in cannabis imports into the United States, Mr. Andrew C. Tartaglino, Acting Deputy Administrator of the Drug Enforcement Administration, told Senator EASTLAND in the opening hearing on May 9 that—

The traffic in, and abuse of, marihuana products has taken a more serious turn in the last two or three years than either the courts, the news media, or the public is aware. The shift is clearly toward the abuse of stronger, more dangerous forms of the drug which renders much of what has been said in the 1960's about the harmlessness of its use obsolete.

As I have pointed out, the epidemic spread of marihuana and hashish use has been made possible, and even encouraged, by widespread publicity given the statements of scientists and lay spokesmen advocting a more tolerant attitude toward marihuana, and by the near blackout—at least until very recently—no scientific writings pointing to serious adverse consequences.

For instance, books like Lester Grinspoon's "Marihuana Reconsidered" and the Consumer Union's "Licit and Illicit Drugs"—both of which took the stand that marihuana was not seriously dangerous and should be legalized—received rave reviews in the New York Times and the Washington Post and other papers, and the authors were invited to appear on numerous talk shows. But when Dr. Gabriel Nahas, a distinguished Columbia University scientist with more than 400 scientific papers to his credit, a year and a half ago published a book entitled "Marihuana—Deceptive Weed," there was no review in the Times or the Washington Post and no invitation to appear on talk shows. When half a dozen Columbia University scientists wrote individually to the New York Times to suggest that Nahas' book had merit and should be received, their letters were ignored. And when 16 professors and scientists at Columbia's College of Physicians and Surgeons signed a joint letter in January of this year to the editor of the Times book review section urging that Nahas' book be reviewed, this letter was also ignored.

This one-sided publicity has succeeded in fostering the almost universal impression that marihuana is a relatively innocuous drug, and that it is so regarded by the scientific community. So widespread is this impression that just over a year ago, in March of 1973, District of Columbia Mayor Walter Washington's Advisory Committee on Narcotics Addiction, a committee consisting of some 40 prominent citizens, filed a report urging the complete legalization of marihuana on the grounds that—

No demonstrable medical evidence is available to support the assertion that marihuana

use is hazardous or detrimental to the physical or mental health of the user.

Only a few weeks ago, the Subcommittee on Internal Security received a phone call from a mother in San Diego who had just been compelled to pull her son out of his senior year in high school, because he was constantly intoxicated on marihuana and hashish. She told the subcommittee that when she had taken her problem to one of the local drug counseling programs, the drug counselor told her that marihuana was really nothing to worry about. "I smoke pot every day myself," she quoted the counselor as saying.

There have been warnings from some eminent scientists in the past but—perhaps because they spoke individually—their warnings were ignored. In September of 1972, for example, I presided over a hearing of the Senate Subcommittee on Internal Security at which we took the testimony of Dr. Olav J. Braenden, for many years director of the United Nations Narcotics Laboratory in Geneva. Dr. Braenden testified that, among the scientists working in the field, there was a general consensus that marihuana is dangerous. He said:

As progressively more scientific facts are discovered about cannabis, the more one becomes aware of its potential dangers.

He understood the need for more research and, pointing to the example of thalidomide, he told the subcommittee that when it comes to medicine and drug policy it is better to be careful than to be careless.

But the media generally paid shamefully little attention to the testimony given by this eminent European scientist—testimony based not only on his own experience but on the experience of some 26 cooperating laboratories in various parts of the world.

The recent hearings, I am happy to report, have finally succeeded in breaking through the virtual blackout which characterized previous media attention to the adverse scientific evidence on marihuana. There were too many scientists of distinction involved for anyone to be able to dismiss their testimony as the work of scientific mavericks or crackpots. The credibility of their collective testimony was reinforced by the fact that quite a few of them, earlier in time when embarking on their research, leaned toward the tolerant attitude on marihuana that was then prevalent. Adding further reinforcement was the additional fact that this mass of independently conducted scientific investigations came up with results that frequently overlapped and mutually supported one another.

On the basis of the attention our hearings have already received, I believe that these hearings have succeeded in completely shattering the widespread belief that the scientific community looks upon marihuana as a relatively harmless drug.

All of the scientists who testified said that they considered marihuana a very dangerous drug. They further stated that this was the consensus at several recent international conferences of cannabis researchers. Several of the witnesses said that they considered cannabis the most dangerous drug on the market today.

Collectively, their testimony pointed to the following findings: First, that marihuana reduces DNA synthesis thus impeding the process of cellular reproduction; second, that, smoked even in small amounts, it results in broken and malformed chromosomes, thus opening up the possibility of abnormal births or genetic mutations; third, that chronic marihuana smoking results in a severe reduction in male hormone levels and sperm count; fourth, that marihuana alone, or combined with cigarette smoke, damages lung tissues far more rapidly than cigarette smoke alone; fifth, that there is evidence of irreversible brain damage after several years of chronic exposure; and sixth, that even single exposures to large dosages can lead to psychotic episodes, while chronic use leads to paranoid symptoms and serious and persistent deterioration in mental functioning.

I have made the point that this testimony cannot be lightly dismissed, because there are too many internationally distinguished scientists involved. The witnesses included such eminent names as: Prof. W. D. M. Paton of Oxford University, who heads up the British drug research program and who is without question one of the world's leading pharmacologists; Prof. Nils Bejerot of Sweden, perhaps the ranking international expert on the epidemiology of drug abuse; Prof. M. I. Soueif of Egypt, author of the classic study on the consequences of hashish addiction in his country; Prof. Robert Heath, chairman of the Department of Psychiatry and Neurology at Tulane University Medical School; Prof. Morton Stenchever, chairman of the Department of Obstetrics and Gynecology at the University of Utah Medical School; Dr. Julius Axelrod, Nobel Prize winning researcher of the National Institute of Mental Health; and, at a previous hearing, Dr. Henry Brill, senior psychiatric member of the Shafer Commission and president of the American Psychopathological Association.

Let me recapitulate some of the major findings that were presented to the subcommittee by the scientists who testified.

1. TOXICITY AND ACCUMULATION IN THE BRAIN

Marihuana is a complex toxic substance, whose principal psychoactive component is THC—tetrahydrocannabinol. This substance is intensely soluble in fat, which gives it the ability to penetrate into all parts of the body, including the brain, the ovary, the testes, and the fetus. This characteristic means that it tends to persist in the human body for long periods of time after exposure, and to accumulate with repeated exposures.

One of the principal areas of accumulation is the human brain. This has been established with radioactively tagged THC.

Experiments with animals have demonstrated that the toxicity also tends to be cumulative; thus, it requires one-tenth as much marihuana to kill a mouse if given in repeated daily doses as if given in a single dose.

2. EVIDENCE OF IRREVERSIBLE BRAIN DAMAGE

Related to its toxicity and its tendency to accumulate in the brain, is a growing body of evidence that regular marihuana use for a year or 2 may result in irreversible brain damage. This also ties in with the evidence developed by a number of researchers that marihuana use reduces DNA synthesis and, in so doing, reduces the mitotic index, or the rate at which the body produces new cells to replace the cells that are constantly dying off.

Several of the psychiatrists who testified before the subcommittee said that a hypothesis of irreversible brain damage tied in with their own clinical observations that brilliant young people who went on prolonged marihuana binges were simply not able to recapture the same level of mental competence they had displayed before becoming chronic marihuana users, even after abstaining from marihuana for several years.

Dr. Robert Heath of Tulane University, working with brain wave patterns in rhesus monkeys, demonstrated that after 3 or 4 months of chronic marihuana exposure there was a persisting abnormality in the brain wave patterns of the monkeys, even when the marihuana was removed.

Professor Paton referred to animal experiments which demonstrated that rats exposed to marihuana smoke had significantly smaller brains and hearts than rats not so exposed. In the light of the cumulative evidence, he felt that serious attention had to be paid to the research of Dr. Campbell and his colleagues at the Royal Bristol Hospital, demonstrating that chronic young marihuana smokers aged 18 to 26 had suffered as much brain atrophy as is normally encountered in people aged 70, 80 and 90.

3. DAMAGE TO THE CELLULAR SYSTEM

New scientific research pointing to radically new findings, is traditionally not accepted by the scientific community unless there is confirming or converging evidence from other independent researchers. What was truly remarkable about the body of evidence presented to the subcommittee was the fact that the main reports on new marihuana research converged from four or five or six directions on several central conclusions.

There was, for example, converging evidence from a substantial number of the scientists whose research pointed to damage to the cellular system, primarily through reduced DNA and RNA synthesis.

Dr. Akira Morishima of Columbia University, told the subcommittee that—

When the specimens of three marihuana smokers were compared with those of age and sex matched non-smokers, the mitotic index, or the proportion of those cells in process of cell division, was noted to be only 2.3 percent in marihuana users, compared with 5.9 percent for the controls.

Dr. Morishima also found that a large proportion of the cell nuclei in marihuana smokers contained a significantly decreased number of chromosomes—

from 38 to 8—instead of the 46 chromosomes found in normal cells.

Dr. Gabriel Nahas and a team of three other Columbia University scientists found that in 51 marihuana smokers who had averaged three marihuana cigarettes a week for 4 years, the production of the immune cells—the T-lymphocytes—in the blood was 41 percent less than in nonsmokers. He made the point that the immunity response of the smokers "was similar to that of patients with cancer, or kidney grafts—treated with immunosuppressants—who were tested and who presented documented evidence of an impairment of their immunity system."

Professor Cecile Leuchtenberger, head of the Department of Cytochemistry at the Swiss Institute for Experimental Cancer Research, also found evidence of serious damage to the cellular process, involving the possibility of lung cancer and genetic damage. This is what she told the subcommittee:

Smoke of marihuana cigarettes has harmful effects on the tissues and cells of animals and of humans. The observations that marihuana cigarette smoke stimulates irregular growth in the respiratory system, that it interferes with DNA stability of cells and chromosomes, that is it disturbs the genetic equilibrium, strongly suggests that marihuana cigarette smoke is a health hazard which may not only be implicated in lung carcinogenesis, but may also have mutagenic potentialities.

Prof. Arthur M. Zimmerman, of the University of Toronto, in a statement subsequently submitted to the subcommittee, reported on recent research dealing with the effects of marihuana on a culture of unicellular organisms.

His studies, he said:

Clearly demonstrate that THC at a modest dosage reduces the growth and delays cell division of a uni-cellular protozoan, tetrahymena. These effects on cell growth are related to a depression of cell metaboism, i.e., a reduction of DNA, RNA and protein synthesis. The effects of THC are reflected in a reduction in the cell's ability to synthesize and assemble RNA, which is an essential components of the protein synthesis system. The reduced cell synthesis, in the presence of THC, may be attributable to the reduction of DNA synthesis which is known to direct cell metabolism.

Professor Paton, who has monitored some 800 cannabis research papers in connection with his duties as director of the British drug research program, told the subcommittee that there were many more papers dealing with other aspects of the damage done by marihuana to both cell metabolism and cell division. Said Professor Paton:

Numerous such effects have now been described, including actions on microsomes, on mitochondria, on neurones, fibroblasts, white blood cells, and on dividing cells, affecting metabolism, energy utilization, synthesis of cellular constituents, and immunological responses.

Professor Paton and several of the other scientists who testified expressed grave concern that grade school children exposed to marihuana—an increasing phenomenon over the past 2 or 3 years—might damage themselves in a manner which would make impossible their physical and mental maturation. The years on either side of the advent of puberty normally constitute a period of explosive physical development, when new cells are being produced more rapidly than at any other period in the lifespan. A serious impairment in DNA synthesis and cell division during this period could conceivably have catastrophic effects. To paraphrase what Professor Paton told the subcommittee, we might, a number of years hence, find ourselves saddled with a partial generation of teenagers who have begun to grow old before they have even matured.

4. DAMAGE TO THE REPRODUCTIVE SYSTEM

The subcommittee also heard impressive evidence dealing with the damage—or potential damage—of marihuana to the reproductive system. Dr. Robert C. Kolodny, who heads up the Endocrine Research Section at the Masters and Johnson Research Foundation, reported that in a group of 20 males aged 18 to 28 who had used marihuana at least 4 days a week for a minimum of 6 months, the principal male sex hormone, testosterone, was found to be approximately 44 percent lower than for the control group of men who had never used this drug. He said that the reduction in testosterone level appeared to be related to the amount of marihuana used, so that men who averaged 10 or more joints per week had significantly lower levels than men who used fewer than 10 marihuana cigarettes weekly. He also found subnormal sperm counts in six of the men tested. In a few cases involving very heavy use, the sperm count was so low that the men had to be considered clinically sterile. Finally, he reported on several instances where intermittent impotence, apparently associated with marihuana use, disappeared after the use of marihuana was discontinued.

Although making the point that the Masters and Johnson results will have to be confirmed by further research, Dr. Kolodny warned against the possible dangers in these terms:

Since at least some of the active constituents of marihuana have been shown to cross the placenta, there may be a significant risk of depressed testosterone levels within the developing fetus when this drug is used by a pregnant woman. Since normal sexual differentiation of the male depends on adequate testosterone stimulation during critical stages of development, it is possible that such development might be disrupted. Theoretically, there is also the possibility that marihuana use by the prepubertal male may delay the onset or completion of puberty or may interfere with bone growth, if a suppression of pituitary or hypothalamic function occurs. Neither of these possibilities have been investigated.

Although Dr. Kolodny said that he was not aware of any confirmatory research that had yet been conducted on the specific subject of marihuana and spermatogenesis, Dr. Cecile Leuchtenberger told the committee that she has found a marked disturbance in spermatogenesis in male mice which had inhaled marihuana smoke for several months. Not only were there fewer mature sperm cells than in the controls, but many of the spermatids—the precursors of the sperm cells—carried a faulty and reduced amount of DNA. This, she said, would indicate that marihuana smoke interferes with male fertility.

Dr. Morton Stenchever, of the University of Utah, reported on research which he and two other University of Utah scientists had conducted over 1971 and 1972 on chromosome damage in chronic marihuana users. They found that the chronic users displayed roughly three times as many broken chromosomes as nonusers, and that smoking was also accompanied in some cases by abnormal chromosone formations. The much higher rate of broken chromosones held true for light users who had averaged only one marihuana joint per week.

In summarizing his studies, Dr. Stenchever said:

The study did not shed any light on the question of whether or not this chromosome breaking agent or any other chromosome breaking agent is capable of causing abnormalities of unborn children, an increased mutation rate, or an increased incidence of cancer. However, all of these possibilities are potentially there and only further studies of a more detailed nature will be able to answer these questions.

Dr. Paton, in his testimony, reported on a number of experiments with animals that pointed to a series of adverse effects from marihuana on the birth process. Said Dr. Paton:

Administration of cannabis during the vulnerable period of pregnancy has been found to cause fetal death and fetal abnormalities in three species of animals. The deformity includes lack of limbs (reduction-deformity). The factor responsible has not been identified, but does not appear to be THC, although new work is showing that THC kills a majority of fetuses and in the remainder produces an increased incidence of still births and stunting. The effect is dose-related, an important thing to establish if cause and effect are considered.

One must notice that general anesthetics as a class can also produce fetal abnormality. A provisional hypothesis for teratogenicity, therefore, is that this action of cannabis reflects its fat-solubility and relation to anesthetics, and constitutes a sort of anesthesia, for instance, of limb buds developing in the fetus at critical periods—hence the reduction-deformity. It must be stressed that all I have said refers simply to the development of the fetus. There is also the question whether the genetic material, perhaps as a result of interference with cell-division, is altered—giving life to heritable defects.

In one of the animal experiments to which Professor Paton referred, the teratogenic effects carried over for another two generations without further exposure to marihuana.

In the light of all of this converging research, I do not think it premature to warn the public that the use of marihuana during pregnancy, or its chronic use prior to pregnancy, may result in birth defects or even in genetic mutation. Although his research would have to be duplicated by other scientists before it could be considered definitive, Dr. Kolodny made the point that the evidence already on hand was strong enough to warrant a public warning. Professor Paton went one step further. In response to a question, he stated flatly that those indulging in chronic abuse ran a serious

risk of giving birth to abnormal or defective offspring.

CANNABIS AND CANCER

There is a growing body of evidence that marihuana smoke has a far greater potential for bringing about cancerous alterations in tissues than does tobacco smoke. Dr. Cecile Leuchtenberger reported that her experiments have demonstrated that addition of marihuana to tobacco cigarettes produced a smoke which was much more harmful to mouse lung cultures than was the smoke from tobacco cigarettes without marihuana.

Drs. Kolansky and Moore, two Philadelphia psychiatrists, told the committee that emphysema and other disorders of the respiratory track were the general rule among chronic marihunana smokers.

Dr. Forest S. Tennant, Jr., who headed up the U.S. Army drug program in Europe from 1968 until 1972, told the committee that among chronic hashish smokers in the Armed Forces, bronchitis and sinusitis were very commonplace and that he had been surprised to find in young men of 20 the kind of acute bronchitis ordinarily found in cigarette smokers who had smoked heavily for many years. He said that—

The abnormalities found in the bronchial biopsies were the same that are associated with heavy cigarette smoking and cancer on the lung.

What makes these findings all the more alarming is that, because of the time limitations of an Army tour of duty, the young men examined by Dr. Tennant had been chronic cannabis abusers for very brief periods of time—several months to a year at the most.

Dr. Paton pointed out that one of the reasons for the greater damage done by marihuana is that the inhalation and retention of the smoke is much deeper and more efficient with marihuana than it is with cigarettes. Calling for medical studies on a wide scale to determine the effects, Professor Paton said that emphysema which is normally a disease of later life is now cropping up with increasing frequency in young people, opening up the prospect "of a new crop of respiratory cripples" early in life.

It will take some years before scientists can report in an epidemiological manner the precise impact of marihuana on cancer. Hopefully, now that we are alerted, it should not take us long to get this information as it took us to find out about the relationship between cigarette smoking and cancer.

THE PSYCHIATRIC EFFECTS OF MARIHUANA

There was also a remarkable convergence of findings between the psychiatrists who testified before the subcommittee on the spectrum of major damage resulting from chronic marihuana usage. The psychiatrists included Dr. Harvey Powelson, for 8 years—1964–72—the head of the psychiatric division of the student health service at Berkeley; Dr. Henry Brill. Senior psychiatric member of the Shafer Commission and the president of the American Psychopathological Association; Dr. N. I. Soueif, of the university of Cairo, recognized as the foremost expert on hashish addiction in Egypt; Dr. Philip Zeidenberg, senior research psychiatrist at the New York Psychiatric Institute; Dr. Andrew I. Malcolm of Toronto, until recently staff psychiatrist with the Addiction Research Center of Ontario; Prof. Nils Bejerot of Stockolm, an internationally recognized expert on drug epidemiology; Dr. Conrad Schwartz of Vancouver, chairman of the drug habituation committee of the British Columbia Medical Association; and Drs. Harold Kolansky and William T. Moore, two Philadelphia psychiatrists with wide experience in marihuana-related cases.

Drs. Kolansky and Moore told the subcommittee:

Marihuana and hashish have a chemical effect that produces a brain syndrome marked by distortion of perceptions and reality. This leads to an early impairment of judgment, a diminished attention and concentration span, a slowing of time sense, difficulty with verbalization, and a loss of thought continuity characterized by a flow of speech punctuated with non sequiturs which leaves the listener puzzled. In time, the chronic smoker develops a detached look as decompensation of his ego occurs.

Dr. Harvey Powelson, whose extensive exposure at Berkeley over 8 years probably makes him the most experienced campus psychiatrist in the country, told the subcommittee that in 1965 and 1966, when the marihuana epidemic first broke, he had had a tolerant attitude toward it, based on the then almost universal assumption that marihuana was not seriously harmful. As a result of his experience, he said, his attitude toward marihuana was changed to the point where he now considers it the most dangerous drug we must contend with. He gave the following reasons for his change in attitude toward marihuana:

1. Its early use is beguiling. It gives the illusion of feeling good. The user is not aware of the beginning loss of mental functioning. I have never seen an exception to the observation that marihuana impairs the user's ability to judge the loss of his own mental functioning.

2. After one to three years of continuous use the ability to think has become so impaired that pathological forms of thinking begin to take over the entire thought process.

3. Chronic heavy use leads to paranoid thinking.

4. Chronic heavy use leads to deterioration in body and mental functioning which is difficult and perhaps impossible to reverse.

5. For reasons which I can't elucidate here, its use leads to a delusional system of thinking which has inherent in it the strong need to seduce and proselytise others. I have rarely seen a regular marihuana user who wasn't "pushing". As these people move into Government, the professions, and the media, it is not surprising that they continue as "pushers," thus continuously adding to the confusion that this committee is committed to ameliorate.

Dr. Philip Zeidenberg, a biologist as well as a psychiatrist, told the subcommittee that—

There is no doubt that a single dose of tetrahydrocannabinol can cause an acute psychotic reaction in mentally healthy individuals; and that marihuana use is also associated with longer-lasting and even chronic psychoses.

All the psychiatrists who testified agreed on the point that chronic marihuana abuse results in a serious loss of motivation—the so-called "amotivational syndrome." Commenting on this point, Dr. Nils Bejerot told the subcommittee that the syndrome is characterized by "a massive and chronic passivity brought about by prolonged and intensive abuse of cannabis. In these cases there is a basically altered sense of reality, and a tendency to magical thinking. Intellectual deterioration, which may be irreversible, and vagabondism commonly develop." Dr. Bejerot expressed the belief that marihuana is an addictive drug and that a strict concept of addiction does not necessarily involve the kind of agonizing withdrawal symptoms that characterize heroin use. He warned that—

If cannabis were legalized in the United States this would probably be an irreversible process, not only for this country and this generation, but perhaps for the whole of western civilization. As far as I can see, another result would be a breakdown of the international control system regarding narcotics and dangerous drugs.

THE DANGER OF EPIDEMIOLOGICAL SPREAD

The spreading use of marihuana throughout our society has been made possible in part by the tolerant attitude of the media and the academic community. But another major factor that accounts for the dramatic escalation of marihuana use is the ease with which it can be transported and concealed and used and the relative cheapness of the drug.

As dangerous as alcohol can be when chronically used, the bulky nature of alcohol places certain limits on its use—and these limits are further reinforced by the familiar drunken stagger and by the unmistakable smell of alcohol on an inebriate's breath.

None of these considerations apply to marihuana.

A high school student or a grade school child or a blue-collar worker or an office worker would have difficulty smuggling a bottle of alcohol into his school or his place of work without being discovered. And if he was able to conceal the bottle, he is likely to give himself away by his drunken stagger or his alcoholic breath. With marihuana, however, the concealment of several joints presents no problem even to the unsophisticated grade schooler—nor is there any drunken stagger or telltale odor.

Cost is another factor contributing to marihuana's tremendous danger of epidemiological spread. Even though the sale of marihuana is illegal, students are able to purchase it—the rate will vary from time to time and from place to place—at approximately $1 per joint. And a joint of good marihuana is quite enough to produce intoxication. If marihuana were ever legalized, an entire pack of joints could theoretically be sold for the same price as a pack of cigarettes or less.

Because of these factors, the marihuana-hashish epidemic, which began in 1965, rapidly spread down into the high schools and junior high schools and then into the grade schools, and more recently into the ranks of the blue-collar workers and businessmen. Beyond its demonstrated ability to involve a very large number of people in a very short time, marihuana use in moderate

amounts accelerates rapidly to use in large amounts and more potent forms. Thus, Dr. Forest Tennant, who headed up the Army drug program in Europe, found that young soldiers arriving in Germany could escalate from a few marihuana joints a week prior to arrival, to anywhere from 50 to 600 grams of hashish a month only 1 month later. I want to point out here that it takes only a quarter of a gram of hashish to produce intoxication in the average person.

Dr. Tennant also found that, because of the easy availability of hashish in West Germany, 10 percent of our servicemen rapidly reached the hashaholic stage, while a total of 16 percent consumed hashish in excess of three time a week.

These are facts we have to keep in mind when people talk about the legalization of marihuana in the United States.

Several of the scientists who testified stated that they considered marihuana far more dangerous than alcohol, in terms of its potential for damage to the individual and to society. Summarizing the important differences between alcohol and marihuana, Professor Paton said the following:

Alcohol is taken, often diluted with food, and often for taste or to quench thirst rather than for psychic effect; it is eliminated in a few hours; there is little or no evidence for carcinogenicity or teratogenicity, particularly if nutritional defect and correlation with smoking are allowed for; psychotic phenomena only occur after heavy and prolonged dosage; it occurs naturally in the body of animals, and probably also in man; it has valid medical uses for nutrition and as a vasodilator; it "escalates" only to itself; the price paid for overuse is paid in later life.

Cannabis is taken specifically, and usually by itself (sometimes with other drugs), for its psychic action; it is cumulative and persistent; its tar is carcinogenic and failure to inhale reduces its effect considerably; experimentally it is teratogenic; psychotic phenomena may occur with a single dose; it is not a natural constituent; prolonged trials in medicine from the 1840's led to its abandonment from pharmacopaeias; it can predispose to the use of other drugs; the price for its overuse is paid in adolescence.

One could say that cannabis shares the disadvantages of alcohol and tobacco, together with its own psychotogenic and biochemical actions, its chronic effects being accentuated by its cumulative tendency, giving it much earlier adverse action.

To what Professor Paton said, one has to add the much greater potential of marihuana for epidemic spread, about which I have already spoken.

MARIHUANA AND THE LAW

What I have said about the physical and psychological effects of marihuana should not be construed as meaning that I favor tougher penalties for those who smoke it occasionally and who are caught in the possession of small quantities.

In his opening statement, Senator EASTLAND made it clear that the subcommittee was opposed to sending young people to prison for the possession of small quantities of marihuana for personal use. I strongly support this position. The fact is that at the present time very few young people are sent to prison for simple possession, either under Federal law or under State law. But the State laws are uneven on this point, and Federal law still leaves much to be desired.

We have come a long way in recent years. Up until 1970, under the Marihuana Tax Act and the Harrison Act, simple possession of marihuana called for a mandatory minimum sentence of 2 years in prison and a maximum of 10 years; and it is appalling to think that many young people actually did receive sentences of this magnitude. Both of these acts were removed from the books by Public Law 93–513, which was passed in October 1970. The provisions of this law, which are now incorporated in the United States Code—title 21, sections 841–844—converted simple possession of marihuana from a felony to a misdemeanor. While there is no mandatory minimum penalty, the law does permit a maximum penalty of 1 year and/or $5,000 for first offenders. Second offenders are still considered felons, and for them the maximum penalty is 2 years in prison and/or $10,000. First offenders convicted under this law can have their convictions set aside and records cleared if probation is successfully completed.

My personal opinion is that it would make more sense to rewrite this portion of the law to make simple possession, on a first offense, a misdemeanor punishable by a fine of up to $100. Having laws which permit penalties of 1 year in prison and a $5,000 fine for a first offender caught in possession of an ounce of marihuana is actually counterproductive because by far the majority of our judges recoil from such excessive penalties—and, in the act of recoiling, they frequently are disposed to impose no penalty at all.

The same situation applies, but in an even more dramatic manner, to the laws governing the smuggling of marihuana. Smuggling of any quantity of a drug is a felony. In the case of marihuana, any person caught in the act of smuggling even 1 ounce could, theoretically, be imprisoned for 5 years. In practice, as a customs officer stationed on the Mexican border recently informed the subcommittee, hundreds of young people are caught every week trying to smuggle in small quantities of marihuana. Those caught smuggling bottles of whisky frequently have administrative fines of $5 or $10 slapped on them—in addition to suffering the pain of watching their whisky flushed down the toilet. But in the case of minor marihuana smugglers—anything under an ounce and a half or 2 ounces—our customs officers simply flush the pot down the drain and there is no penalty of any kind.

Laws that are never enforced are worse than no laws at all. In the case of the laws governing the smuggling of marihuana, I really do think that the present penalties for first offenders should be replaced by a mandatory fine similar to what I have recommended for simple possession; perhaps the second offense for both possession and smuggling should constitute a felony punishable by fine and imprisonment.

There are those who recommend the abolition of all penalties for possession of marihuana. This was the position of the Shafer Commission, and it is also the position of NORML, the most prominent of the national promarihuana lobbies. All of the scientists who testified on this point were inclined to favor some kind of penalty for simple possession. As one psychiatrist pointed out, by penalizing traffickers but letting users go scot free, we would, in effect, be sending contradictory signals to our young people—which would make it more difficult to get across the basic message that marihuana is a very dangerous drug against which society has to protect itself. Dr. Brill, who had served as senior psychiatrist on the Shafer Commission, told the subcommittee that although he had originally supported the proposal that there be no penalty of any kind for simple possession, he now felt that this position had to be reconsidered.

If those portions of our law which govern simple possession are still too stringent, the statutes covering the big smugglers and the big pushers are far too lenient—and, even worse, they are far too leniently enforced. Over and over and over again, traffickers caught with hundreds or even several thousand pounds of marihuana go scot-free, with a 6-month or 1-year suspended sentence. This portion of our law, in my opinion, has to be amended and amended promptly. The large traffickers and the pushers must not be permitted to get off so lightly. For them, I would like to see mandatory minimum sentences of several years in prison.

I have instructed my staff to study the existing legislation and ways of improving it, and after these hearings have been made public, I may want to submit some concrete proposals for the revision of existing laws.

THE NEED FOR A NATIONAL EDUCATIONAL PROGRAM

I believe that, with the evidence we have brought together at these recent hearings, we can now mount a national educational program on marihuana and hashish that will be effective in persuading young people to abstain from the drug.

No young person wants to run the danger of permanent brain damage.

No young male wants his male hormone level reduced by almost 50 percent or his sperm count reduced to zero.

No young person wants to damage their cellular processes and chromosomes, thus opening the way to abnormal offspring or genetic mutations.

Up until recently, those scientists who mistakenly believed that marihuana was a relatively benign drug have had the ear of our press and of our networks. I have the impression that we are now witnessing the beginning of a change in attitude. It is my conviction that we can reverse the massive marihuana-hashish epidemic which engulfs our country—just as we have already succeeded in reversing the relentless upward trend of the heroin epidemic and the LSD epidemic which preceded it—if our various Government agencies and our media and our schools embark on a united educational effort.

It is my hope that our recent hearings

will serve to encourage and facilitate the launching of such a nationwide program.

Mr. President, I ask unanimous consent to print in the RECORD at this point the text of the testimony given to the Subcommittee on Internal Security by Prof. W. D. M. Patton of Oxford University, and the text of the testimony of Dr. Harvey Powelson, formerly of the University of California at Berkeley.

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

STATEMENT BY W. D. M. PATON

I am Professor of Pharmacology in the University of Oxford. My interest in cannabis was aroused by a conference on adolescent drug-dependence in 1966. Since it subsequently appeared that there was little known about it in modern terms, and that little but sociological or psychological work was being initiated, I began pharmacological studies in 1969. Some of my earlier work has been relevant: on anaesthetics (dating back to 1944 in connection with narcosis in diving and submarine escape), and on opiates (from 1949). The statement that follows rests partly on this work, partly on my own informal contacts with drug users, and partly on a review of the recent research on the effects in animals and man (written together with Dr. R. G. Pertwee and Dr. Elisabeth Tylden) which forms three chapters in "Marihuana" ed. R. Mechoulam, Academic Press, recently published. Of this work (400–500 papers), usually only a small fraction is referred to in official reports and other writings; something like 100 further scientific papers have appeared since our final manuscript was sent in. I will try to bring out what appear to me the salient points of all this work, interpreted from my pharmacological experience, and taking for the most part the point of view of preventive medicine.

I shall use the term cannabis rather than marihuana, since the use of the latter word may suggest a sharper distinction from hashish than in fact exists (both are mixtures of cannabis resin with other material from the plant), and perhaps also begs the question whether or not it would be possible to legislate differently for them.

It is sometimes said that cigarettes and alcohol are as bad as, or worse than cannabis, yet they are "legal"—why should not cannabis be too? I shall try to compare these three later; but it is necessary to review the actions of cannabis first, particularly because very little publicity indeed has hitherto been given to many of its actions.

The first point to stress is that cannabis is a complex mixture of chemicals, of which *at least* the following are known to have a biological action: tetrahydrocannabinol (THC), propyl-THC, cannabidiol, cannabinol, and a group of water soluble materials giving alkaloidal reactions. This affects, inter alia, the suggestion that one might permit a preparation containing up to 1 or 2% THC to be marketed: this would only be feasible if THC were the only active principle. It also means that pharmacological or other studies which are limited to THC have only a restricted relevance to problems of human usage of cannabis.

FAT-SOLUBILITY

Second, and possibly the most important single fact about cannabis, apart from the fact of its psychic action, is that THC, the main psychically active principle, is intensely soluble in fat, as we pointed out in 1970. It has an octanol/water partition coefficient of about 6000 to one, over 10,000 times that of alcohol. Corresponding to this is a low solubility in water. Its fat solubility is greater than that of industrial solvents, and is exceeded only by substances like DDT. The other cannabinoids share these properties. This solubility gives it an affinity for, and ability to transverse, the fatty material in cell-membranes.

From this physical property follows: (a) the activity of cannabis by all routes of administration; (b) its cumulative effect, and the persistence of effect when drug is withdrawn; (c) its passage into all parts of the body, including brain, adrenal gland, ovary, testis, and foetus; (d) the diffuseness of its effects because it is able to reach every cell in the body; (e) the overlap in its effects with those of one important group of fat-soluble materials, the general anaesthetics such as chloroform.

Perhaps I should say a special word about the brain, where perhaps the most important fatty material in our bodies is located, though in much smaller percentage than (say) in adipose tissue. Here, too, cumulation of THC and its first two metabolites has been found.

TOXICITY

(a) Fat affinity and cumulation in the body in themselves are not necessarily harmful, even if cumulation is undesirable in principle. The fundamental test is a biological one, whether *toxicity* is cumulative. This has been found to be the case; for a mouse, it requires one-tenth as much cannabis to kill if given in repeated daily doses as if given in a single dose. Similar cumulative toxicity has been found for THC and in other animals. Inferences must not be drawn, therefore, from responses to single exposures to the likely effect of repeated doses.

(b) We have found that toxicity, as judged by loss of weight and lethality, is associated with the fat-soluble fraction of cannabis; THC appears to be the main, but not the only substance responsible. It appears impracticable, therefore, to dissociate the psychic and the toxic effects.

(c) The question of lethality in man is important. Since few practitioners would know how to diagnose a death caused, or contributed to, by cannabis, and since it could not at present be proved by forensic analysis, only scanty information can be expected in any case. The case reported by Heyndrickx et al, in the light of this, is rather convincing.

Possibly more important is to point to three ways in which cannabis could indeed cause or facilitate death. (a) It produces a considerable tachycardia, and this may be associated with electrocardiographic changes and ventricular extra-systoles. It is not at all impossible that this, in unfavorable circumstance in a chronic user, could progress to ventricular fibrillation and death. (b) It causes a dilatation of peripheral blood vessels, corresponding to the hypotensive action in animals. This probably underlies the "fainting attacks" reported, causing postural hypotension. As with other hypotensive drugs, if the subject could not become horizontal either deliberately or by falling (e.g., because he was in a chair), blood supply to the brain might fail. (c) Cannabis, chiefly because of its cannabidiol content, can potentiate and prolong the action of barbiturates (as well as other drugs used in medical treatment). This could mean that a non-lethal dose of barbiturate became lethal.

Regardless of decisions about the law, one wishes that all cannabis users were aware of these possibilities.

TERATOGENICITY

Administration of cannabis during the vulnerable period of pregnancy has been found to cause fetal death and fetal abnormality in three species of animals. The deformity includes lack of limbs (reduction-deformity). The factor responsible has not been identified but does not appear to be THC although new work is showing that THC kills a majority of foetuses and in the remainder produces an increased incidence of stillbirth and stunting. The effect is doserelated, an important thing to establish if cause and effect are considered.

These results are sometimes dismissed on the grounds that any drug in sufficient dose will be teratogenic. While this is not quite accurate, there is evidence that serious disturbance of the mother can have such an effect. This gives an added importance to the criterion suggested by Robson & Sullivan which I would adopt; that a result should be taken as significant when the teratogenic dose is a small fraction of the dose lethal to the mother. This is the case with cannabis, and is in contrast to other drugs, including nicotine and aspirin.

A very important question is whether cannabis directly affects the genetic material, i.e., nucleic acid. Early reports of interference with cell-division indicated this. These have been confirmed. Dr. Nqhas' report here has clinched the issue. One must notice that general anaesthetics as a class can also produce fetal abnormality. A provisional hypothesis for teratogencity, therefore, is that this action of cannabis reflects its fat solubility and relation to anaesthetics, and constitutes a sort of anaesthesia, for instance, of limbbuds developing in the fetus at critical periods—hence the reduction-deformity. It must be stressed that all I have said refers simply to the development of the fetus. There is also the question whether the genetic material, perhaps as a result of interference with cell-division is *altered*—giving life to heritable defect.

CARCINOGENICITY AND LUNG PATHOLOGY

Like the tar from cigarettes, reefer tar is carcinogenic when painted on mouse skin. Cannabis smoke produces changes in cultures of lung tissue, including loss of contact-inhibition between cells. THC in low concentration resembles the carcinogen methyl-chlolanthrene in generating malignancy in rat embryo cells incubated with a murine leucemia virus, but is slower in action. The irritant effect of the smoke on the respiratory tract is well-known to users, and is associated with bronchial pathology.

These effects are becoming very important. Originally, one was uncertain about their significance, and what the balance would be between the facts that more cigarettes than reefers will normally be smoked in any one day, whereas inhalation and retention of the smoke is much deeper and more efficient with the reefer. But now lung damage, in the form of emphysema, is being repeatedly recorded. Emphysema is normally a disease of much later life; but now the quite unexpected (to me, at least) prospect of a new crop of respiratory cripples early in life, is opening up. Originally, I thought the cancer risk was the main problem; cannabis has never been used extensively in a society with an expectation of life long enough to show a carcinogenic effect in man, until recent years. In effect, a new experiment in cancer epidemiology started 5–10 years ago. To this I would now add respiratory pathology generally; and because, just as with bronchitis and cigarette-smoking, it shows itself early, I believe medical studies on this, on a wide scale, are now urgent.

CELLULAR EFFECTS OF CANNABIS AND THC

Numerous such effects have now been described, including actions on microsomes, on mitochondria, on neurones, fibroblasts, white blood cells, and on dividing cells, affecting metabolism, energy utilization, synthesis of cellular constituents, and immunological responses. To this we must add the recent observation that chronic administration of THC to young rats leads to a reduction in brain and heart weight. Such effects are to be expected, rather than a matter of surprise, from a drug with a high affinity for lipid in a cell-membrance. It should be noted that the local concentrations of THC or its metabolite in the cell-membranes will be far higher than those in the blood; theoretically, one would expect a concentration factor of several hundred; experimentally, con-

centrations of 600-fold with brain and 380 with red cell membranes.

An important aspect of these effects is what they imply for *maturation* of an individual; we are concerned not only with the effect of a drug on a mature adult, but also what it does to school-children, still developing in many ways. The interference by cannabis with both cell-metabolism and cell-division is very worrying.

THE RELEVANCE OF ANIMAL WORK

It may be argued that actions in animals are of little relevance to man. However, the pharmaceutical industry, and the bodies which supervise it, do not operate on this pre-Darwinian principle. Difficulties chiefly arise when an inordinately high safety factor has been stipulated. But there is also misunderstanding over rates of dosage. It is to be expected that small animals will require proportionately larger doses (per unit body weight) than man, just as they need proportionately more food, because of their faster metabolic rate. One can estimate a house dose on this basis as ten times that of man; taking this together with the rates of human use reported in WHO Special Report No. 478 (up to or exceeding 10 mg/Kg THC per day) it appears that almost all the experimental work reported in animals is relevant to man. The conclusion is reinforced by the NIMH-sponsored toxicity studies on monkeys. A daily dose of 50 mg/Kg orally of THC killed 1 of 6 monkeys; damage to the pancreas, ulcerative colitis, and myeloid hyperplasia were noted. This result, at doses only 10 times some rates of human consumption makes no allowance for contribution by other toxic materials in cannabis.

TOLERANCE

I mentioned high rates of human use. People have expressed incredulity at this, yet it is well-established. I would like to deposit a table of consumption in a group of English students (subject to the approval of the authors)—perhaps the best evidence yet, since the composition of the actual reefers being used was measured; uses ranged up to 199 mg THC per day, around 20 times the ordinary dose for a "high." By itself it shows the degree of tolerance that is achieved, with the resulting need to take high doses for an effect. By the same token, toxicity and accumulation *at these levels* must be considered.

DIFFICULTIES IN THE EXTENSION OF ANALYTIC WORK TO MAN

Although there are a number of human studies on the effects of single small doses, there is still no systematic modern study of the bodily effects of continued cannabis administration. One reason is that while limited dosage is acceptable for volunteers, dosage over a prolonged period at the higher rates of use is not. It would be possible to study users themselves, if a method of urine and blood analysis existed capable of verifying their actual consumption. This, however, is at present not practicable; as a result only the subject's testimony as to his rate of consumption of a substance of unknown composition is available, and this is hardly sufficient. Once methods of analysis of body fluids are adequate, the position should improve considerably.

PSYCHOLOGICAL EFFECTS IN MAN

It may be useful to bring a number of findings together:

(a) The neurophysiological observations, in man and animals, of hypersynchronous discharges from the deeper parts of the brain (not the cortex) as a result of giving cannabis or THC. These discharges have been termed "epileptiform."

(b) The observation by Campbell and his colleagues of an apparent loss of brain substance in the deeper regions, in a group of young chronic cannabis users. This needs further exploration, and it is likely that it is now possible with new non-invasive radiographic techniques.

(c) The cumulative property of THC, and its affinity for fat and hence for cell-membranes.

(d) The numerous psychiatric reports of gradual psychological change, which becomes less and less readily reversible, the longer the cannabis exposure. (This delayed recovery may well have been known in the Moslem community in medieval times; see Schwarz, J. Amer. Med. Ass. *223*, p. 195. 1973.)

(e) The fact that most of the elements of this psychological change (paranoid feelings, change in mood, cognitive impairment, loss of memory, loss of concentration, a motivational state, introspective preoccupation with internal imagery, hallucination) can be reversibly produced by single doses of THC or cannabis in normal volunteers.

(f) The ability of cannabis to affect cellular metabolism and cell division.

These findings converge to a remarkable extent in supporting a prima facie view that repeated cannabis use acts on the deeper parts of the brain (where sensory information is processed and mood controlled); that this is at first reversible, but becomes more persistent as cumulation occurs, and that later irreversible changes occur with loss of brain substance, due either to interference with the capacity of brain cells to synthesise their requirements or to interference with cell division.

It is quite likely that all this would be accepted and acted upon, by the cannabis user, were it not for the visual imagery, and (here cannabis is very like nitrous oxide) the euphoria and the conviction of insight and cosmic significance.

COMPARISON WITH ALCOHOL AND TOBACCO

One may summarize this as follows: (1) alcohol is taken, often diluted with food, and often for taste or to quench thirst rather than for psychic effect; it is eliminated in a few hours; there is little or no evidence for carcinogenicity or teratogenicity particularly if nutritional defect and correlation with smoking are allowed for; psychotic phenomena only occur after heavy and prolonged dosage: it occurs naturally in the body of animals, and probably also in man; it has valid medical uses for nutrition and as a vasodilator; it "escalates" only to itself; the price paid for overuse is paid in later life.

(2) tobacco is taken partly for relaxation, partly to assist work, and there is some evidence of an improvement in mental function; the nicotine in it is rapidly metabolised and non-cumulative; the evidence suggests that it is the tar that is carcinogenic, and the risk can be reduced if inhalation is avoided, nicotine being absorbed through the mouth; it is not teratogenic; no psychotic phenomena occur; it is not a natural constituent; it has no medical use; it does not "escalate"; the price paid for overuse is paid in later life—reducing life expectancy from about 75 years to 70 years.

(3) cannabis is taken specifically, and usually by itself (sometimes with other drugs), for its psychic action; it is cumulative and persistent; its tar is carcinogenic and failure to inhale reduces its effect considerably; experimentally it is teratogenic; psychotic phenomena may occur with a single dose; it is not a natural constituent; prolonged trial in medicine from the 1840's led to its abandonment from pharmacopaeias; it can predispose to the use of other drugs; the price for its overuse is paid in adolescence.

One could say that cannabis shares the disadvantages of alcohol and tobacco, together with its own psychotogenic and biochemical actions, its chronic effects being accentuated by its cumulative tendency, giving it much earlier adverse action.

THE QUESTION OF LEGALIZATION

(a) Viewing cannabis as if it were a new pharmaceutical product, I could not agree to approval being given to the introduction, for general and repeated consumption, of a substance shown experimentally to be carcinogenic, teratogenic, and cumulative, and able to interfere with a variety of cellular processes, until it had been shown, quite unequivocally, that, for some reason, humans were exempt from the actions concerned.

(b) There is no rational dividing line between cannabis and other drugs such as LSD or some opiates. A high dose of cannabis overlaps with a low dose of LSD (in its hallucinatory and psychotomimetic action) and with the less active opiates (in respect of analgesia, euphoria, and "day-dreaming" state). In fact, since cannabis is unique among these drugs for its cumulative action, I would put it lower in the list for legalization than some others. One needs to ask, what other drugs can produce prolonged cognitive impairment in a young person?

(c) In a similar way, it does not seem feasible to me to propose legalization of cannabis of limited potency. There is in fact an analogy with alcohol here: we have marihuana (1–2% THC), and weak beers (2% alcohol); hashish (say 8% THC) wines (8-15% alcohol); red oil, on the illicit market (up to 30–40% THC), hard liquor (30–50% alcohol). To suggest one could legislate for 1 or 2% THC is like suggestion one could legislate for weak beer. It would remove none of the present objections to cannabis legislation, while yet allowing the drug to be used.

(d) The significance of progression from cannabis to other drugs has been much discussed, and my own (1968) paper severely, but fallaciously, criticised. (The fallacy was exposed, inter alia, by R. C. Pillard in the New England Journal of Medicine (197) *285*, 416–7). The final report of the Le Dain Commission concluded as regards LSD that "the use of cannabis definitely facilitates the use of LSD or predisposes a certain number of individuals to experiment with it." The argument they give (including the relationship between the nature of the two drugs and the finding that over 95% of those who had used LSD had used cannabis) were the same as those I had advanced in respect of heroin and cannabis. My argument also cited the remarkable temporal coincidence between cannabis convictions and heroin addiction in the U.K.; evidence of this sort has not been provided in respect of LSD.

Today, with the further evolution of drug use, it seems clear that, depending on availability of drug, various patterns of progression are possible, in which one would include cannabis to opiates, cannabis to LSD, and cannabis (low potency) to cannabis (high potency). Simple reasons can now be seen; that cannabis increases suggestibility and impairs memory; and that it overlaps in pharmacological actions with opiates (euphoria, analegisa, daydreaming state) and with LSD (visual imagery). It is therefore well-suited to providing a halfway house, converting one major step directly to use of opiates, LSD or hashish, into two smaller and more easily accepted steps.

The growth of poly-drug use may now have made it impossible to define patterns of progression accurately. But one may hazard the opinion that no programme to get rid of opiate addiction or LSD use will really succeed until cannabis use declines. Cannabis can serve as well to cause relapse, as to initiate drug use.

(d) The last point concerns the age of those involved. If someone dies of alcoholism or lung cancer at the age of 50 onwards, that is a loss; but the individual has had 30 years of adult life, and the chance to make his own contribution. But the adolescent, dead or socially inactivated by 20 years old,

has never even had a start on mature life; the loss, both for him or her, and for society, is incalculably greater.

THE DIFFICULTY OF FRAMING A POLICY

My own opinion is that it would be disastrous to make it legal even to possess cannabis. If one talks, not to lawyers or sociologists but to schoolchildren and students, at least in the U.K., it is not at all clear that a majority would even wish for this to happen. But nevertheless, there would be for the foreseeable future a large number of people breaking the law, just as they do over speed limits, customs-regulations, and income-tax return. It seems that one would have to treat a cannabis-possession similarly, accepting that the majority of offences would not be recognized, yet maintaining the legal position about it. Viewing it in this way might, indeed, help to deglamourise it.

But something more is needed. It would be quite right for the debate to sharpen our criticism of alcohol and tobacco. Further, for a significant number of youngsters, who have found consolation in cannabis, there is the question, "If not pot, what?" It is for the framing of an answer to this question that new creative thinking is urgently needed.

STATEMENT BY DAVID HARVEY POWELSON, M.D.

In 1965, I was chief of the Department of Psychiatry in the Student Health Service at the University of California in Berkeley. It was the first year of the student riots. It was also the first year that hallucinogens were becoming widely used and I, as the person responsible for mental health on that campus, was vigorously involved in the debate about psilocibin, LSD and mescaline.[1]

In the spring of that year a reporter for the Daily Californian, the student newspaper, asked for my opinion on marihuana. At that time I lacked any direct experience as a physician with marihuana users. The medical literature was sparse, but in general seemed to be saying that there was no proof of long term harmful effects from marihuana. I summarized this for the reporter and said there was no proof of harm and that it probably should be legalized and controlled. In general, this view met with approval from most of the students and most of my professional colleagues.

In 1965, the use of marihuana spread throughout the Berkeley Campus. Simultaneously its use was spreading to all the colleges and universities across the country. From the campus communities it spread at an accelerating rate through the surrounding communities. By now its use is subject to no age, social or geographic barriers.

My place of observation was unique. I was there at the beginning and in my work I was actively involved with students not only as a psychiatrist but as a teacher, and as a participant in a four year research project studying maturation and growth, in college students. In addition, I was routinely meeting with deans and administrators who were dealing with the drug problem and the students who were in academic and/or disciplinary difficulties as a consequence of the use of marihuana and its derivatives.

Most importantly, I was in daily contact with the constant flow of students through the student health service and the psychiatric clinic and hospital.

During the period I am speaking of (from 1965–72) the clinic saw approximately 2000–3000 students a year as outpatients and about 150–200 students a year who were mentally ill enough to be hospitalized. Naturally, I didn't see all these students but the people who ministered to them were all under my supervision. I personally interviewed about 200 students a year; many were seen for a single hour, others were seen as intensively as 2–3 times a week for varying lengths of time up to and including 5 years. A legitimate question which is often raised is that of sampling: i.e., "how typical are these patients when compared with the general population of U. C. students?"

(I am convinced that aside from the obvious fact that they have come to the clinic, they vary in no significant way from the population of the University of California, Berkeley, as a whole. For a systematic study of this point, c. f., Katz, Joseph, Ph. D., *Growth and Constraint in College Students,* Institute for the Study of Human Problems, Stanford University, Stanford, California, 1967, pp. 510–68. This study was done at Berkeley on the same group of students I am discussing. Comparisons were made on all sorts of variables: psychological; psychiatric; and so on. No significant difference between the clinic and general population were found.)

During this time (from 1965–72) an increasing number of patients were using marihuana. My best guess, based on surveys and impressions, is that more than 90% used it at one time or another in college. More than 50% used it "socially" (approx. 1–2 times per week) and about 10% were heavy users (at least 1 time daily).

My first important shift in thinking occurred as a result of observations made during psychotherapy with a young man, S., who was bright enough to be getting his law degree and Ph. D. simultaneously and competent enough to be learning to fly and deal in real estate at the same time. As we proceeded in our work together, I came to know S.'s way of thinking; i.e., *how* he thought. Most of us do this without thinking about it. All of us come to know to some degree the way our friends and colleagues think. In therapy, the opportunity to hear someone think out loud about a problem important to him maximizes the opportunity to come to know how he uses or misuses logic, remember clearly or not at all, does or does not exercise good judgment about his own thinking, and whether or not he is able to know his own feelings. We had made enough headway so that S. had begun to be able to observe and understand his own thinking. Periodically, we had hours (I was seeing him twice weekly) when his thinking became mushy. If I tried to follow him, my head began to spin. When I protested that he'd become impossible to listen to, he'd argue that his own experience was that he was thinking more clearly, more insightfully, than ever. On one such occasion, he mentioned that he'd been to a party two nights before where he'd had particularly good "grass." In Berkeley, 1968, that was not a particularly memorable remark, but we thought there might be some connection with his thinking. This same series of events recurred often enough so that I finally was able at times to post dict that S. had had some "mind-expanding drug," usually marihuana.

S., because he was a good observer, helped show me another aspect of the thinking disorder I'm describing. Central to his difficulties was a paranoid stance toward the world. By this, I mean a style of thinking characterized by a constant suspicion that one is being controlled; e.g., by the establishment, the system, etc.; and simultaneously a constant unwitting search for people and situations which will do just that; e.g., drugs, demagogues. If this manner of thinking is carried further, it blends into the condition usually called paranoia. Here the subject is controlled by voices, God, or whatever, and at the same time, he is very often "against his will" being controlled by a state hospital or jail. S. was forever talking about his search for something or someone he could trust. He very frequently clutched to himself people who were totally untrustworthy and hurt and rejected others who manifestly admired and like him.

When he had used marihuana, his thinking became more paranoid, i.e., he became more mistrustful of me, for instance, and at the same time, he became more wily so that he talked glibly, using cliches, theories, and "insights," all to avoid noticing concretely and immediately whatever he was really doing and feeling in his relationship with me, as well as his relationships outside. In short, the pathological part of his thinking was exaggerated in two ways: (1) he was more suspicious, etc. and (2) he was more adept at fooling himself about what he was up to, while simultaneously maintaining how "aware," "in touch," and "loving" he was.

S. continued in therapy but also continued to use marihuana and hashish. (Hashish is merely another more concentrated source of the active principals contained in marihuana). Toward the end of his therapy, I had decided that so long as he muddied his thinking in this way, there was no use continuing. He, however, suffered a fatal accident (as a result of an error in judgment) before his therapy actually terminated.

As I was becoming familiar with these effects of marihuana on S., I gradually learned to pick up signs when they were more subtle. I came to observe the same changes in others, i.e., that marihuana exacerbated the pathological aspects of their thinking.

These observations were made before controlled studies began to give clues as to the nature of the mental changes taking place which could explain these phenomena. The committee has undoubtedly heard or will hear of the studies by the Hollister [2] group at Stanford on what they call "temporal disintegration" which seem to be changes secondary to the loss of immediate memory and the loss of an accurate time sense. There are also corrorborating studies from Utah [3], clinical studies by Kolansky and Moore [4], x-ray studies by Campbell in England [5], and a study on students by Schwarz [6] at the University of British Columbia to cite a few of the most relevant studies made on subjects comparable to the ones I'm describing.

Following the above described observations, I saw the same picture more and more frequently. The essence of the pattern is that with small amounts of marihuana (approximately three joints of street grade), memory and time sense are interfered with. With regular usage the active principals cause more and more distorted thinking. The user's field of interest gets narrower and narrower as he focuses his attention on immediate sensation. At the same time his dependence and tolerance is growing. As he uses more of the drug, his ability to think sequentially diminishes. Without his awareness, he becomes less and less adequate in areas where judgment, memory and logic are necessary. As this happens, he depends more and more on pathological patterns of thinking. Ultimately all heavy users (i.e., daily users) develop a paranoid way of thinking.

After I had become aware of the generality of this sequence another reporter from the *Daily Californian* interviewed me to see if my opinions had changed in the interim. In the course of that interview, I realized in a concrete and explicit way that they had. The headline read, "Psychiatrist says pot smokers can't think straight." This time

---

[1] M. Friedman and D. H. Powelson, "Drugs on Campus," *The Nation,* January 31, 1966.

[2] Hollister, T. F., *Science,* 2 Apr. 71.

[3] Clark, J., Hughes, R., and Nakashima, F., *Arch. Gen. Psychiat.,* Vol. 23, 1970.

[4] Kolansky, H. and Moore, W. T., *JAMA,* Apr. 19, 1971.

[5] Campbell, H. H. G., Evans, M. Thomson, J. L. G., *et al., Lancet,* 2:1219–1224, 1971.

[6] Schwarz, Conrad J., *Conad Psychiat. Ass. Jour.,* Vol .14, 1969.

the response of the community and colleagues was not so approving. It is an interesting fact that questioning the claims or marihuana users leads to much more anger, vilification, and character assassination than does the opposite stance.

In subsequent years in Berkeley, both at the clinic and in my private practice, I have observed the long term effects of cannabis. Originally, my observation was that students who had "dropped out" into the "drug scene" and were attempting to return, were finding it difficult if not impossible. A frequent story is that the young person has become aware that the life he's been leading is unsatisfactory and unproductive. He then stops drugs for six months or so and reenters the university. When he returns to school, however, he finds that he can't think clearly and that, in ways he finds difficult to describe, he can't use his mind in the way he did before. Such people also seem to be aware that they've lost their will someplace, that to do something, to do anything, requires a gigantic effort—in short, they have become will-less—what we call anomic. An irony here is that they have now achieved the freedom they sought. They need an external director. They are ripe for a demagogue.

The changes in the capacity to think in some subjects are long lasting if not permanent. One of my original (1967) subjects was a member of the junior faculty. He "dropped out" and used hashish exclusively for 18 months in daily doses. When he realized that it was interfering with his physical coordination he stopped all drugs. Two years subsequent to this he returned to the University. He found that he could not do mathematics at a level which he had found possible before. Three and one-half years later, his conviction was that the change was permanent. My own observations of him and other such gifted people have led me to the same conclusion, i.e., that the damage may be permanent.

My stance toward marihuana has shifted to the extent that I now think it is the most dangerous drug we must contend with for the following reasons:

1. Its early use is beguiling. It gives the illusion of feeling good. The user is not aware of the beginning loss of mental functioning. I have never seen an exception to the observation that marihuana impairs the user's ability to judge the loss of his own mental functioning.

2. After one to three years of continuous use the ability to think has become so impaired that pathological forms of thinking begin to take over the entire thought processes.

3. Chronic heavy use leads to paranoid thinking.

4. Chronic heavy use leads to deterioration in body and mental functioning which is difficult and perhaps impossible to reverse.

5. For reasons which I can't elucidate here, its use leads to a delusional system of thinking which has inherent in it the strong need to seduce and proselytize others. I have rarely seen a regular marihuana user who wasn't actively "pushing."

As these people move into government, the professions, and the media, it is not surprising that they continue as "pushers," thus continuously adding to the confusion that this committee is committed to ameliorate.

Mr. GURNEY. Mr. President, I also ask unanimous consent to print in the RECORD a number of editorials that have resulted from our hearings; an article that appeared in U.S. News & World Report; a column by syndicated Columnist John Chamberlain; and a major article which appeared in the Washington Post. Although this last article did not mention our hearings, the author systematically interviewd many of the scientists who testified before the subcommittee, and there is no doubt that the inspiration for the article was provided by our hearings.

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

SO, YOU THINK POT IS HARMLESS

(By John Chamberlain)

John Stacks, the news editor of Time's Washington Bureau and the co-ordinator of its Watergate coverage, remarks, in an article in the Overseas Press Club of America's "Dateline 1974," that "the success of the Watergate investigators in ferreting out hard facts from reluctant sources was a tonic to Washington journalism."

What Stacks says is true about one type of Washington journalism, the "get the guy" type. I applaud "getting the guy" if he is really a crook or a liar, but when the press corps of a great capital is encouraged to think of journalism primarily as an adventure in the cultivation of stool pigeons it is not a tonic generally. The trouble with Washington journalism at the moment is that whole areas of government activity get very little coverage. All the hounds are on one scent.

Information that might have a great effect on a nation's life is left to smoulder. For example, how many stories have you seen devoted to the remarkable marijuana investigation conducted by the US Senate Subcommittee on Internal Security?

The glib cliche about marijuana, endorsed, by the way, by some conservatives as well as by the liberals, is that marijuana, or pot, when smoked in moderation, is really no worse than a few glasses of beer. This view has been periodically challenged, mainly in Europe, but there has been little published on the subject that has had a cumulative impact.

The Senate Subcommittee on Internal Security, the Eastland Committee, has really dug into the question of marijuana toxicity, rolling up a vast body of testimony that should be the subject of debate on campuses from Berkeley, Calif., to Cambridge, Mass. Since I am not a doctor, and my paraphrases of medical testimony might not be trusted by the marijuana cultists, let me quote a few authorities directly.

Item, from a statement by Drs. Harold Kolansky and William T. Moore on the results of a clinical study: "In the last nine years we have seen hundreds of patients who have suffered psychiatric and neurological symptoms . . . and have described the findings in almost 60 of these patients. . . . Many of those we examined . . . appeared older than their chronological age. . . . The incapability of completing thoughts during verbal communication that resulted in confused responses seemed to imply some form of organicity either of an acute biochemical nature . . . or, one might hypothesize, structural encephalopathy." (I looked up "encephalopathy" in the dictionary: It means sickness or derangement of the brain.)

Item, from Dr. W. D. Paton, professor of pharmocology at Oxford: "Administration of cannabis during the vulnerable period of pregnancy has been found to cause fetal death and fetal abnormality in three species of animals. The deformity includes lack of limbs (reduction-deformity) . . . a very important question is whether cannabis directly affects the genetic material, i.e., nucleic acid . . . Dr. Nahas' report here has clinched the issue . . . lung damage, in the form of emphysema, is being repeatedly recorded. Emphysema is normally a disease of later life; but now the quite unexpected (to me, at least) prospect of a new crop of respiratory cripples early in life is opening up . . ."

(So you can give birth to congenital cripples and die in your 40s or 50s of wrecked lungs. Go right ahead.)

Item, from Dr. Robert G. Heath's description of his studies of the effect of cannabis on rhesus monkeys: When the monkeys were regularly exposed to these drugs . . . persistent — perhaps irreversible — alterations developed in brain function at specific deep sites where recording activity has been correlated with emotional responsivity, alerting and sensory perception."

(Warning: you may be more like a rhesus monkey than you think.)

Item, from Dr. Robert C. Kolodny, endocrine research director, Reproductive Biology Research Foundation, St. Louis, Missouri: "Cannabis resin . . . injected into pregnant rats . . . had a variety of effects. These effects included syndactyly (webbing between the digits) . . . encephalocele (hernia of the brain). . . . Phycomelia (abnormal development of the limbs, with the 'seal-flipper' appearance also encountered with thalidomide . . . complete absence of limbs . . .").

(Well, they're only rats. The trouble is that rats react to drugs in a very human way.)

I could go on quoting from other medicos. If you want more evidence, write to the Eastland subcommittee, care of the U.S. Senate.

RESEARCH REPORT—THE PERILS OF "POT" START SHOWING UP

At a time when demands are growing for reduced penalties on use of marijuana and hashish, new evidence is coming out linking the drugs to both mental and physical disorders.

As described in official testimony, research by U.S. and foreign experts indicates that marijuana and hashish may cause birth defects, psychological addiction, and sexual and other troubles.

The experts presented their findings before the Senate Internal Security Subcommittee investigating what it terms a "cannabis epidemic" in the U.S.

Cannabis is the dried parts of the hemp plant from which marijuana—called "pot"—and hashish—or "hash"—are derived. Hashish is more potent than marijuana, but is used less.

THE RISK FACTOR

The researchers emphasized that much more work is needed to substantiate their findings, but they agreed that the claim that cannabis is an innocuous drug is ill-founded.

Over and over in the testimony, the scientists made clear their studies suggest that marijuana and hashish users run considerable risks. For example:

Marijuana and hashish use among children may result in a generation of young "old people," according to Prof. W. D. M. Paton, professor of pharmacology at Oxford. He said cannabis interferes with cell division and cell metabolism and may affect adolescent development.

Professor Paton reported that studies done in England found a shrinkage, due to reduced cell production, of the brains of cannabis users. This shrinkage, he said, is comparable to that found in people late in life.

HARDER TO GET "HIGH"

Regular users of cannabis develop a tolerance for the drug, thus requiring greater levels of its use to get a "high," Professor Paton said. "This increased intake may be a serious factor," he added, since preliminary tests on animals indicate that as the drug is used regularly, less of it is needed to produce a dangerous toxic effect.

Dr. Gabriel Nahas, physiologist and pharmacologist at Columbia University, said his tests indicate that cannabis impairs the body's immunity system.

Results showed that marijuana smokers had a 40 per cent lower production of white

blood cells than nonsmokers of marijuana. He said he suspects that this lowered response lessens the body's ability to combat disease.

Findings by another researcher raise suspicions that cancer, genetic mutation and birth defects may result.

According to Dr. Akira Morishima, of the department of pediatrics, Columbia University, such problems may occur in marijuana smokers because of a substantial decrease in the number of chromosomes—specks of matter that carry hereditary characteristics—in each cell. This shortage often leaves the "pot" smoker with less than the normal complement of 46 chromosomes.

STERILITY PERIL

The potential danger of sterility in men was also raised.

Testosterone, the principal male sex hormone, has been found to be at a significantly lower level of production in marijuana smokers than in those who do not use marijuana. Dr. Robert C. Kolodny, research director at the Reproductive Biology Research Foundation in St. Louis, testified further: "It is apparent that there is a potential risk in cannabis use during pregnancy."

Dr. Kolodny indicated that birth defects and miscarriages were possible side effects of usage.

Despite what many believe, long-time users of the drugs can get "hooked" by developing "psychic dependence" on them, one authority testified.

Dr. M. I. Soueif, of the department of psychology at Cairo University in Egypt, said withdrawal after long-term use results in the individual's becoming "quarrelsome, anxious, impulsive, easily upset and difficult to please."

Although the findings unveiled in the hearings are relatively new, they are already being reviewed by drug-study organizations. E. M. Steindler, secretary of the Committee on Drug Abuse of the American Medical Association, told "U.S. News & World Report":

"It [cannabis] is definitely not an innocuous drug. We have looked at those reports on marijuana and hashish. . . . These are interesting studies, and we feel that more needs to be done along those lines."

Dr. Robert L. DuPont, director of the National Institute on Drug Abuse, takes an even stronger position on the findings.

"These are valid concerns, and all of these problems are being investigated further," he said. "I have no doubt that we will find problems with the use of marijuana and hashish.

"Some of the pressing concerns that I have with cannabis usage have to do with possible chromosome breakage, respiratory-system damage, reduction of testosterone levels and the hampering of the body's immunity system. . . . It's going to take some time to confirm these things and to build a firm base around these findings."

A SENSE OF URGENCY

Exactly what to do about the medical problems remains a matter of debate. Subcommittee officials contend that increased use of "pot" and "hash," as indicated in the chart at left, adds urgency to this issue.

One thing that seems certain: How to handle this increased usage in the light of recent medical findings is going to present the nation with big problems for years to come.

JUDGING BY CONFISCATIONS—A RAPID RISE IN MARIJUANA USE

Seizures by federal authorities:

	Marijuana	*Hashish*
	Pounds	
1968	85,715	534
1969	73,108	2,247
1970	185,096	7,256
1971	308,048	22,188
1972	514,812	30,094
1973	782,033	53,333

All told: An estimated 835,366 pounds of marijuana and hashish—a more potent form of marijuana—were seized last year.

Officials say that roughly 8 pounds of drugs reach users for every 1 pound seized. Thus, close to 7 million pounds of marijuana and hashish were consumed in the U.S. last year—enough "pot" and "hash" to make more than 2 billion cigarettes.

Source: Senate Internal Security Subcommittee; U.S. Drug Enforcement Administration.

[From the Indianapolis (Ind.) News, June 10, 1974]

POT PERILS

Advocates of legalizing marijuana have long contended that it's non-addictive and no more harmful to one's health than cigarettes or liquor.

They've got away with this because, until quite recently, no one had done any research on how marijuana affects the body and the mind.

The spreading use of marijuana has caused scientists to look into the question, and the results are now coming in.

Dr. David H. Powelson, former director of the student health services psychiatry department at the University of California at Berkeley, who once called marijuana harmless and urged its legalization, recently told a Senate Internal Security subcommittee that seven years of research have convinced him that he was completely wrong.

He has found evidence, he said, that chronic use of marijuana permanently impairs the ability to "think clearly."

Appearing before the same Senate subcommittee, Dr. Nils Bejerot, acting professor in social medicine at the Karolinska Institute in Stockholm, reported on the work of a team of German scientists.

"A serious complication of cannabis (marijuana) abuse is chronic psychosis," he said. He added that acute marijuana intoxication can cause an altered sense of reality and "a tendency to magical thinking."

At the same time, Dr. William T. Moore decleared that he and a colleague, Dr. Harold Kolansky, had conducted studies which showed that "marijuana smoking carries enormous risks of physical and mental damage."

In the current New England Journal of Medicine, a group of researchers at the Reproductive Biology Research Foundation in St. Louis tell of a study they made on the relation between marijuana and sexuality.

Pot, they found, may cause temporary sterility—possibly even impotence—in males. In a preadolescent boy, it may severely disturb the normal course of puberty.

A pregnant woman carrying a male fetus might seriously inhibit his sexual development by smoking grass.

A recent survey by the Phoenix Newspapers, Inc., showed that 57 per cent of students in one Phoenix high school believe that marijuana usage by teenagers is increasing.

If the students are right—and they should know—it's about time the schools told them of these recent findings.

[From the Memphis (Tenn.) Commercial Appeal, May 16, 1974]

THE MOST DANGEROUS DRUG

For several years, a movement to legalize marijuana has been gaining ground in the United States. Both the Consumers Union and the National Commission on Marijuana and Drug Abuse have urged softer laws. But Congress has reacted cautiously—and with good reason. Research reports on the long-term effects of marijuana use have not been conclusive. The possibility of the drug's becoming a more dangerous and pervasive problem than alcohol has been a strong barrier to its legal acceptance.

Now a new and most persuasive opponent has come forth. In 1965, Dr. David H. Powelson, a California psychiatrist, publicly endorsed the open sale of marijuana. He has changed his mind, he told the Senate Internal Security subcommittee recently. After seven years of research with students at University of California at Berkeley, where he was director of the student health service psychiatry department, Powelson said he is convinced marijuana is "the most dangerous drug" sold illegally in this country.

His studies indicate that chronic use for from one to three years permanently impairs the ability to think clearly. He described this pattern of deterioration: Loss of ability to think sequentially, partial loss of memory, inability to reason and, finally, a paranoid mental state in which the user thinks he's being persecuted.

Marijuana supporters, of course, will cite other studies that don't reach the same conclusion. Authorities can be quoted that pot smoking is relatively harmless fun. People who like marijuana, it is often argued, should have as much right to indulge their habit as those who like alcohol.

But what is "harmless" about the cases like Powelson documents. They exist. Even if some people are more severely affected than others, there is apparently no way to determine who is likely to be mentally and physically impaired and who isn't. Why should the government, through legalization, encourage anyone to take such a chance? And just because alcohol is abused doesn't mean that society should approve the abuse of another drug. To the contrary, the alcohol problem should make society determined that additional abuses must be prevented as much as possible. Making marijuana easier to get and smoke would be a major cop-out.

Powelson's change of heart and mind underlines the danger.

[From the Boston Evening Globe, May 16, 1974]

PRESS, TV ACCUSED OF PROPOT BIAS

WASHINGTON.—The United States is in the midst of a marijuana and hashish epidemic, but the media have reacted by blacking out news of evidence that might be adverse to legalizing the drugs, Sen. Edward J. Gurney said today.

In a statement prepared for delivery to a Senate Panel's headings on the dangers of marijuana, the Florida Republican said that based in the amount of seizures, it is estimated that Americans consumed 7.82 million pounds of marijuana and 265,000 pounds of hashish last year.

"These are truly staggering figures—figures which suggest that the United States may today be caught up in the worst cannabis epidemic in history," Gurney said.

Gurney said he is convinced from evidence he has seen that "our media have observed a near total blackout on news or scientific evidence that might be considered inimical to the cause of legalizing marijuana."

In testimony last Thursday before the Senate internal security subcommittee Dr. Henry Brill, one of the senior psychiatric members of the President's Commission on Marijuana and Drug Abuse, said the media seized on passages in the report which suggested a tolerant attitude—"and ignored a number of strongly worded passages warning against the dangers of marijuana," Gurney said.

He added that many television talk programs and news panel shows "have run literally scores of discussions on marijuana, featuring pro-marijuana authors . . ." But he said letters which accompanied a book critical of marijuana and written by "a highly distinguished scientist" were not acknowledged by the television stations.

The senator added that "The New York Times book review section had favorably reviewed some half-dozen books on mari-

juana . . . the same book was ignored. When six or seven Columbia University scientists who thought the book had merit wrote individually to The New York Times urging that the book be reviewed; their letters were not accorded the courtesy of a routine acknowledgement."

[From the St. Paul (Minn.) Pioneer Press, May 21, 1974]

RESULT OF SMOKING GRASS COMPARED TO RADIATION

WASHINGTON.—Marijuana smoking can have the same result as radiation poisoning and some of the blame for leading people to think it's harmless lies with the federal government, a Senate panel was told Monday.

Appearing before the Senate Internal Security subcommittee, Dr. Hardin Jones, a professor of medical physics and physiology at the University of California, said the United States is in a marijuana epidemic caused by a propaganda campaign "involving a small but influential number of academic propagandists, the media, the entertainment industry and the new left."

Jones said efforts to use marijuana at a moderate level or to legalize it "have prevented sensible acts to reduce use of this drug . . . we find no 'safe' level of the use of cannabis."

Smoking marijuana affects the body the same way radiation does, Jones said.

"As an expert in human radiation effects . . . chromosome damage . . . even in those who use cannabis 'moderately,' is roughly the same type and degree of damage as in persons surviving atom bombing with a heavy level of radiation exposure (approximately 150 roentgens). The implications are the same," he said.

As for misformation about marijuana, Jones said the federal government, through its agencies, "has been one of the worst offenders in spreading the impression that cannabis is a harmless drug.

"Reports of the Department of Health, Education and Welfare are inadequate scientifically, do not touch accurately on the principal matters needing clarification and, in many instances, are likely to lead the public to believe that science has proven marijuana harmless," Jones said.

Jones also said the networks have given so much time to people like LSD advocate Timothy Leary that if the equal time principle were invoked, "some hundreds of hours, at least, to scientists" who have found marijuana harmful would be required for broadcast.

"In placing their facilities at the disposal of this one-sided propaganda campaign, they may have succeeded in brainwashing themselves, in addition to the brainwashing of a substantial portion of the American public.

"At least one cannot escape the impression that many people in the media now seem to have convinced themselves that marijuana is perfectly safe and that the public interest demands its legalization," Jones told the panel.

[From the Jacksonville (Fla.) Times-Union, May 23, 1974]

MARIJUANA AND THE ATOM BOMB

The horrors of possible genetic mutations resulting from atomic fallout have been widely accepted and rightly so.

At the same time, marijuana has been pushed in many quarters as a pleasant relaxant that should be legalized.

What do the two things have in common?

Plenty, if the testimony of Dr. Hardin B. Jones, a professor of medical physics and physiology at the University of California, is to be believed.

Dr. Jones told the Internal Security subcommittee of the United States Senate:

"As an expert in human radiation effects . . . chromosome damage . . . even in those who use cannabis (marijuana) 'moderately,' is roughly the same type and degree of damage as in persons surviving atom bombing with a heavy level of radiation exposure—approximately 150 roentgens. The implications are the same."

We don't know whether Dr. Jones is a conservative or a liberal in his political views and it should not matter. Scientific research, not ideologies, should be the determinant as to whether marijuana is harmless or dangerous.

Unfortunately, much of the debate so far has been ideological rather than scientific.

That is a ridiculous situation but ridiculous situations are commonplace these days.

The push to make marijuana socially and legally acceptable has come from some very high places and some of these voices have told many people, mostly young people, exactly what they want to hear.

This is true to the extent that evidence indicates that enough marijuana or hashish for five billion "joints" entered the United States last year.

What kind of responsibility do the marijuana "pushers"—both those who sell and those who advocate its use—bear if Dr. Jones or Dr. Olav Braenden, director of the United Nations Narcotic Laboratory in Geneva, Switzerland, are right?

Dr. Braenden's report indicates from research that "cannabis accumulates in the brains and gonads in the manner of DDT, that it produces fetal deformities in animals, in addition to abortions and stillbirths in a manner that resembles the damage done b thalidomide. . . .

"That it results in breakage and serious damage to human chromosomes, and that it seriously reduces the body's ability to produce DNA, a critical component of all cells, including reproductive cells. . . ."

If this is true, what will be the effect of marijuana on a generation yet unborn? How can it be justified on any moral, social or ethical basis?

Public outcry, based on much thinner evidence than is piling up against marijuana has relegated several substances or products into a virtual leper colony status.

Unless the scientific testimony can be refuted by believable scientific research, the case against marijuana calls for a verdict of guilty and a change in the climate of thought that regards it as merely a pleasant relaxant.

Such a change in attitude is needed to counter what Dr. Jones describes as efforts to use marijuana at a moderate level or legalize it. These efforts, he says, "have prevented sensible acts to reduce use of this drug . . . we find no 'safe' level use of cannabis."

His testimony won't make a popular man on campus and it is more believable for this reason. He is risking the treatment accorded others who have debunked some of the modern myths that have become dogma in some academic circles.

What a frightening prospect to have all the radiation monitoring equipment and worldwide efforts to curb atomic fallout only to have the same effects from the already epidemic use of marijuana.

[From the Florida Times-Union, Jan. 9, 1974]

"POT" ACCUMULATES—LIKE DDT

A striking reminder that the public fight against drug abuse is a continuous battle comes in a report recently released by the U.S. Senate Internal Security subcommittee.

In the words of Chairman James Eastland, D-Miss., "We have been concentrating on the heroin epidemic for the past two years, and there seems to be some solid evidence of progress. . . .

"But it is impossible to escape the conclusion that, while our attention was focused on heroin, there has been a runaway escalation of the use of other drugs, primarily marijuana and hashish (milder and stronger forms, respectively, of cannabis). . . ."

For perspective, it should first be recognized that throwing the nation's major attention against heroin, instead of milder drugs, was no oversight, but a soundly reasoned decision. Heroin kills; heroin destroys lives; the need of heroin addicts to support a $150 or so a day "habit" has driven many—daily—into the streets to steal and rob and kill.

It would, indeed, have been a distorted sense of priorities which did not attack the greatest evil first.

And there is evidence that the massive effort is paying off: as early as a year ago Dr. Robert Dupont, chief of the Washington Narcotics Treatment Administration, termed heroin addiction "more than cut in half" in the nation's capital; Dr. Jerome Jaffe, head of the Federal Special Action Office for Drug Abuse Prevention, told a congressional subcommittee that heroin addiction was "leveling off;" and John Ingersoll, director of the U.S. Bureau of Narcotics and Dangerous Drugs stated that a "turning point" seemed to have been reached in the battle against "H."

But, without any thought to diminishing the efforts which have curtailed the greater drug abuse, there indeed seems urgency to turn to the lesser, though still pronounced, evil.

Evidence indicates that more than five billion marijuana and hashish "joints" (or 20 for every man, woman and child in the country) entered the U.S. last year.

"The pandemic use of marijuana and hashish has been brought about, in part," Eastland said, "by a militant pro-marijuana propaganda campaign conducted by many New Left organizations and by the entire underground press . . .

"And it has been stimulated perhaps in major degree, by a number of highly publicized reports, written by persons (many entirely well meaning) who did not have available to them, at the time, most of the highly significant scientific research conducted over the past few years that puts a danger sign on cannabis use. . . ."

Among the most recent reports cited by Sen. Eastland was one by Dr. Olav Braenden, director of the United Nations Narcotics Laboratory in Geneva, which "points strongly to the conclusion that marijuana may be even more dangerous than had previously been believed. . . .

"(Researchers have found that) cannabis accumulates in the brains and gonads in the manner of DDT, that it produces fetal deformities in animals, in addition to abortions and stillbirths, in a manner that resembles the damage done by thalidomide . . .

"That it results in breakage and serious damage to human chromosomes, and that it seriously reduces the body's ability to produce DNA, a critical component of all cells including the reproductive cells. . . ."

The subcommittee's report should receive priority attention from the full Congress, and, even more important, from the public, when the new session begins Jan. 21.

The prevalent impression that "pot" is harmless—"people smoke it every day and it doesn't bother them"—is increasingly being contradicted by many studies (of which the UN report is only the latest) which show persuasive evidence of serious, long-range effects. It is a matter too important to remain clouded, confused.

[From the Washington Post, June 24, 1974]

NEW FINDINGS SHOW HARM—VIEWS ON MARIJUANA SHIFTING

(By Robert Joffee)

LOS ANGELES.—Marijuana may turn out to be more harmful than many scientists had previously thought.

Only a year ago most researchers studying the drug thought it probably was relatively harmless—at least when compared with alcohol and other commonly abused drugs.

Since then, however, new findings have raised the possibility that long-term use of "grass" might be linked to damaged chromosomes, lower production of sex hormones, and greater vulnerability to diseases.

The new findings are preliminary and as yet unsubstantiated, but they have appeared in prestigious scientific and medical journals—publications which previously paid scant attention to the perils of "pot."

The findings are significant politically as well. At a time when respectable voices are calling for laws making personal possession and use of the drug a misdemeanor or no crime at all instead of a felony, the findings already have provided ammunition for those who oppose such moves.

Last week the Illinois Bar Association passed a resolution urging repeal of all laws banning personal possession and use. IBA President William P. Sutter explained, "We aren't endorsing its use; we are recognizing that the majority of medical opinion is that casual use is not harmful . . ." Critics can now argue that medical opinion may be changing, though many researchers still favor removal of criminal penalties for marijuana use despite the new findings.

About $4 million in federal grants and contracts insure that the research will continue during the coming fiscal year.

"I couldn't give a hoot about social policy," says Dr. Morton A. Stenchever, an obstetrician at the University of Utah Medical Center in Salt Lake City, "but I'll have to say there are quite a few problems with marijuana."

He compared chromosome damage in a group of 49 marijuana users to that in a control group of nonusers. His findings, published last January in the Journal of Obstetrics and Gynecology, were that users averaged 3.4 chromosome breaks per 100 white blood cells while non-users averaged only 1.2 breaks.

Dr. Stenchever explained that increased chromosome breaks might raise the likelihood of eventually getting cancer or becoming the parent of a child with birth defects.

Dr. Akira Morishima of the Department of Pediatrics, Columbia University, N.Y., has reported findings similar to Stenchever's.

The Stenchever and Morishima findings led the National Institute on Drug Abuse (NIDA)—the federal agency which bankrolls much of the nation's marijuana research—to fund several projects in which other researchers will attempt to reproduce the Stenchever and Morishima research processes to determine whether similar findings can be obtained.

Controversy over the findings persists. "Genetic damage is an extremely nebulous field," said Dr. Lissy Jarvik, a pediatrician-psychiatrist doing genetic research at the University of California Medical Center in Los Angeles.

"I don't see how Stenchever's work can be replicated," she said. "He's had some 50 students on a number of drugs, and marijuana was simply the only drug they had in common." She contended that Dr Morishima's work would be easier to recreate.

Dr. Jarvik pointed out that "the body has repair mechanisms. Depending on the type of break, chromosome damage may have no effect. Also, cells in which breaks have occurred may die; and then again, there's no harm."

The danger, she said, is that cells with abnormal chromosomes might multiply and produce identical, also damaged, cells. "Then, in 10 or 15 years, such cells might be responsible for causing cancer."

"Whenever I present data I'm immediately attacked by the other side," Dr. Stenchever retorts. "Maybe she didn't read my article." He insists the increase in breakage alone is enough to cause serious concern, and he notes that half the drug users he studied took no other drugs except alcohol.

The Utah researcher noted that, when it comes to chromosome breaks, other widely used drugs are probably as dangerous as marijuana. "I think the same rate of breakage probably occurred in Valium," he said. Valium, a tranquilizer, is one of the most common prescription drugs in the country.

Few researchers are more cautious about the implications of their findings than Dr. Robert C. Kolodny, director of the infertility program at the Reproductive Biology Research Foundation in St. Louis. He has been checking levels of testosterone, the principal male sex hormone, in marijuana.

Dr. Kolodny, 30, has been working with Dr. William Masters, famed for his pioneer research in human sexual response, and Drs. Robert Kolodner and Gelson Toro.

In a recent article in the New England Journal of Medicine, Dr. Kolodny told how his group compared 20 men who used marijuana four days a week for a minimum of 6 months with 20 men who were nonusers; testosterone levels in the users averaged a striking 40 per cent lower than in non-users.

Dr. Kolodny speculated—and he stresses the word "speculate"—that "there may be a decrease in fertility as a result of chronic, intensive marijuana use"; that heavy users may encounter potency problems; that pregnant female users "may disrupt sexual differentiation in male fetuses" during the second, third and fourth month of pregnancy; and that preteenage boys who smoke marijuana "may somehow disrupt completion of puberty," impairing normal sexual development.

He noted that his study has not yet been replicated. "So what you're dealing with is speculation based on preliminary findings."

Other researchers praised Dr. Kolodny's objectivity; and some said they believe his work is more important—and more frightening—than even he thinks it is.

Others noted that the exact function of testosterone is not completely understood, and thus the effect of the shortage is unpredictable.

Dr. Kolodny is beginning to receive testosterone samples from other laboratories throughout the country.

Even fellow researchers who respect his work call Dr. Gabriel Nahas a "crusader" against decriminalization. Others call him "a fanatic." Almost all agree, however, that efforts to duplicate the Columbia University pharmacologist's research should be made as soon as possible.

Dr. Nahas, who announced his findings at a highly publicized press conference two weeks before they appeared in Science magazine last February, studied white blood cell production in 51 marijuana users. All the subjects reported having smoked at least three times a week for four or more years.

He found that cell production in users averaged 40 per cent less than in a control group of nonusers.

Since white blood cell production is considered vital to the body's ability to fight disease, he speculates that marijuana use impairs the immunity system.

The Nahas findings are viewed as significant because they show exactly the same low level of production in white cells taken from users that he found in cells taken from nonusers and subsequently exposed to a marijuana agent in the test tube.

"We'd all be surprised if Nahas' findings are replicated," said UCLA's Dr. Jarvik. "I've spoken with a number of people in immunology and they're all extremely skeptical."

Sources at NIDA, which is funding attempts to replicate the immunity-system research, said two papers prepared for publication this summer confirm the Nahas findings while a third, using different techniques fails to do so.

Drs. Stenchever, Morishima, Kolodny and Nahas all learned about the drug-use background of their test subjects through interviews with them. Critics argue, with some justification, that interview data are not sufficiently reliable.

Ideally, say the critics, a test subject should be confined to a closely supervised hospital ward where researchers can make certain that he is under the influence only of the drug being tested—and feeling only the effect of a prescribed dose.

Until recently, prescribed doses of marijuana were unavailable—and street doses varied enormously from cigarette to cigarette.

But now, because pharmacologists have isolated tetrahydrocannabinol (THC), the main intoxicating agent in marijuana, researchers can choose from a pot smoker's pipe dream of doses. The government provides low-, medium-, and high-dose cigarettes—and even cigarettes with no dose at all. In addition, researchers can obtain THC pills, so that marijuana can be administered orally.

Long-term controlled-dosage research is expensive, because hospital beds and supervising nurses are expensive. But such research is said to be especially rewarding for detailed study of the psychological aspects of the drug.

A bearded young man named Craig sat smoking a "joint" in a dimly lit room filled with stereophonic rock and roll. A nurse sat beside him to make sure he smoked the whole cigarette.

The smoking room was on the third floor of UCLA's Neuro-Psychiatric Institute (NPI)—and except for occasional supervised excursions to movie theaters and restaurants, Craig had been on that floor for almost 90 days, receiving $25 a day for his work.

That work involves submitting to, and participating in, a daily battery of tests: being wired to brain-wave machines, pressing buttons when images appear on a screen, answering questions in almost incessant interviews, and taking written tests not unlike school admission exams.

Would Craig continue smoking after his release? "Yeah, probably," he said, "but if anyone tries to take my pulse or ask how high I am, I'll kick 'em."

Dr. Sidney Cohen, a psychiatrist, and Phyllis Lessin, an anthropologist, supervise the NPI study.

"We've pretty well disproved the old notion that marijuana produces a 'reverse tolerance,'" Lessin said. Reverse tolerance is a technical term for the old pot smoker's notion that it takes less and less marijuana for an experienced user to get high. Dr. Cohen said NPI researches have found that the drug produces real tolerance, that one becomes inured to the effects of the same dosage if it is received day after day.

Lessin said NPI researchers also had disproved other myths about the drug. "We're learning that in many ways, it's a drug just like other drugs," she said.

Dr. Cohen provided two examples: "A lot of cops believe grass dilates the pupils of the eye; when, in fact, if a suspect's pupils are dilated, it's probably because of anxiety. As for the notion that pot excites sexual desire, well, we found that—like alcohol—it's sexually debilitating."

NPI researchers were not seeking the therapeutic applications for marijuana, Dr. Cohen said, but two therapeutic possibilities were discovered there because specialists

from the enormous UCLA medical center next door also ran tests on NPI subjects.

For example, eye specialists discovered that marijuana reduces pressure within the eyeball, and thus might prove to be effective in treating glaucoma—a condition of excess pressure inside the eye which often afflicts older people. "The standard drugs for treating glaucoma don't help some people, but maybe THC will," Dr. Cohen explained.

Lessin said she occasionally goes over to the Jules Stein Eye Institute to help administer tests to middleaged glaucoma victims. "In other words, I have to teach them now to smoke pot," she said.

And while marijuana fails to dilate pupils, it does dilate bronchial tubes. "Asthma victims suffer from constricted bronchials," Dr. Cohen said. "It's possible THC will prove to be a useful supplemental drug for them, too." He said doctors at the medical center already are working to develop an experimental THC aerosol can.

Of course, the problem with THC as a therapeutic drug is its side effect—the high. Dr. Cohen said pharmacologists are hoping to isolate other cannabinoids which are not intoxicating because they may prove to have the same therapeutic effect.

At the Langley-Porter Institute (LPI) in San Francisco, another University of California facility, one strong joint a day is considered an extremely low dose. Test subjects there receive the equivalent of a pack of such cigarettes each day.

"Of course we administer it orally," said Dr. Reese Jones, a psychiatrist who has conducted marijuana research at LPI for more than five years. "Our subjects would be hoarse if they had to take that dose in smoke."

Dr. Jones' subjects—like their counterparts in Los Angeles—are confined to a psychiatric ward where they undergo constant testing. "We've been learning that little doses do one thing and big doses another," Dr. Jones said, stressing that big doses have much stronger physical effects.

"Our subjects are pretty sedated when they first get started on the high dose," he said. "Then, after six or seven days, what looks like a tolerance develops, and they become more alert and active, both psychologically and physically. You could say they return to normal.

"After two or three weeks, we substitute a placebo (a pill with no TCH); and suddenly the subjects become irritable and restless, and have trouble sleeping. They are probably suffering the symptoms of withdrawal from a physical dependence."

At such high doses, not presently available to ordinary users in this country, Dr. Jones is convinced THC closely resembles "sedatives—hypnotic-type drugs like alcohol and phenobarbital."

The "good news," he said, is that test subjects tolerate high doses "extremely well." But the "bad news" is the similarity between THC and "drugs that cause serious problems for some people in our society who use them."

Unless U.S. customs agents can prevent increasing importation of hashish and hashish oil (concentrated marijuana derivatives), Dr. Jones said he fears this country may face an epidemic of heavy-dosage use not unlike that in his laboratory.

About 40 miles south of San Francisco, at the Veterans Administration Research Hospital in Palo Alto, Dr. Leo Hollister, a pharmacologist, began some of the first U.S. government-sponsored marijuana research on human test subjects almost seven years ago.

Today he and psychiatrist Jared Tinklenberg are comparing the effects of single, normal doses of marijuana with similar doses of other drugs.

"The social aspects of this drug have been described ad nauseum," Dr. Hollister remarked. "When it comes to short-term effects, I don't think we've learned anything really significant in the last couple years.

"Now the issue that remains to be settled is how the drug achieves its effects."

The two men observed that marijuana seems to disrupt the transfer of information in the brain from short-term to long-term memory so that information acquired while under its influence is forgotten more easily than if it were acquired sober.

"It's possible that marijuana allows the brain to be flooded with irrelevant information," Dr. Tinkleberg speculates. "The subject then fails to distinguish between important and unimportant facts.

"Now we're trying to see if marijuana shares this quality with alcohol."

SOUTH KOREA

Mr. KENNEDY. Mr. President, for some time, overseas observers of South Korea have become increasingly concerned by events taking place there. The record is one which raises serious questions.

In 1972, democratic processes were suspended for an indefinite period, and martial law was declared. A new constitution was written, which restricted the right of dissent.

In January 1974, President Park announced two emergency measures which prohibited the denial, opposition to, misrepresentation of or defamation of the Constitution and any effort to revise or repeal it; advocacy of any action prohibited by the emergency measure, or communication about such action by any means; and, finally, criticisms of the emergency action itself.

A military court martial, presided over by Korean generals, was established to try cases arising out of the emergency measures, and the Korean CIA was empowered to investigate the cases.

Last April, a further directive, known as "Emergency Decree No. 4," was announced. Under this measure, all political dissent was effectively outlawed, including "individual, or collective activities such as assembly, demonstration, protest or sitdown in or around academic institutions."

In its most sweeping provision, it forbids, "any person to advocate, broadcast, report, publish, or otherwise communicate to others such act or acts as are prohibited by the present emergency decree." The penalties for violation of these measures: death, life imprisonment, or imprisonment for not less than 5 years.

On July 11, the military court-martial found 21 persons guilty of organizing student protests, which the Government alleged were aimed at the overthrow of President Park. The sentences decreed: Kim Chi Ha, one of Korea's best known contemporary poets, convicted of encouraging anti-Government demonstrations and financing student protests—sentenced to death, along with six others, all students at Seoul National University. Eight students were sentenced to life imprisonment, and six others to 20 years in jail.

South Korean spokesmen for President Park explain the necessity for these actions in this way:

They (the students) cannot differentiate legal, healthy criticism of the government from communist tactics, so we have to teach them this lesson.

Last week, the lawyer who defended these students, a graduate of George Washington University, himself was arrested as a result of remarks he made critical of the government, in his summation before the court. And over the weekend, it was reported that Kim Chi Ha and five other students who had received death penalties had, as a result of international pressure, had their sentences reduced to life imprisonment.

Now a new trial is underway in which the defendent is a former President of South Korea, Mr. Kim Dae Jung. Jung, opposition candidate to President Park in the 1971 election, in which he captured 46 percent of the popular vote, left Korea in 1972 after the imposition of martial law. Last August he was forcibly removed from his Tokyo hotel by agents of the South Korean Government, and returned to Seoul, where he was detained for 76 days and then placed under house arrest.

At his trial, before the military tribunal, he stands accused of violating election campaign rules under the old Constitution, for asserting during the 1971 campaign that President Park intended to make himself President for life. Mr. Jung does not deny the charge and maintains that, in fact, his prediction has come true.

In a conversation with foreign correspondents, he explained:

In 1971, I told my people that if we failed to change the government this time, we will lose the separation of powers, and we will lose the direct election system, and our freedoms will be severely restricted.

Mr. President, it is this progressive denial of civil liberties that is a matter of deep concern, in terms of both basic human rights, and of political stability on the Korean peninsula, 21 years after the end of the Korean war.

I ask unanimous consent that several articles on this subject be printed in the RECORD.

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

[From the New York Times, May 28, 1974]

SOUTH KOREA: "IT'S TIME TO BLOW THE WHISTLE"

To the Editor:

South Korean President Park's April 3 Emergency Decree and subsequent detentions of some 240 students, Christians and intellectuals remove the last prop from our Korean policy.

A Korean student's "refusal to attend classes and examinations without plausible reasons" and student "assemblies, demonstrations, discussions, rallies and other individual and collective activities in and out of school except normal classes and research activities under the direction and supervision of school authorities" can bring the "death penalty, life imprisonment or more than five years' imprisonment." Class nonattendance or casual student remarks at college or at home can bring "the closing [for good] of any schools to which such measures-violating students belong."

Americans have been told for nearly thirty years by our highest authorities that the

purpose of American aid to Korea (now over $12 billion) was to defend democracy there. Yet South Korea today is not only no democratic state; its decrees mark it as more ferociously antidemocratic and intolerant of its citizens than is even the Soviet Union.

Seoul is an armed camp under a garrison commander. Other Korean troops are under the tactical command of a four-star American general and can be ordered to suppress with American arms the slightest expressions of Korean democracy. Even if defense and security alone were our aim, present R.O.K. decrees radically undermine that objective.

Our influence on Seoul is gone: We could not even obtain the release of the moderate democratic opposition leader invited to Harvard whom the Park Government abducted in an outrageous flouting of international law. Nor could we impede in any visible way the 29-month-long descent into totalitarianism of Seoul's authorities. Nevertheless, the Administration is increasing its military aid request for Seoul to $252.8 million.

It is time to blow the whistle before we are mired in a serious blow-up in the world's most dangerous 85,000 square miles. We and the U.S.S.R. should cease treating the two Koreas as client states and should now accelerate the crucial process of reducing our military aid to the rival regimes. Moreover, the Senate Foreign Relations Committee and the House Foreign Affairs Committee should hold public hearings on Korea to ventilate thoroughly the many complex problems that have been too long ignored by the American people.

JEROME A. COHEN,
Director, East Asian Legal Studies.
GREGORY HENDERSON,
Fletcher School of Law and Diplomacy.

[From the Christian Science Monitor, July 15, 1974]

A PLEA FOR REASON IN KOREA

The Government of South Korea has pushed to its ultimate the policy of labeling political dissidents as "enemies" who endanger "national security."

A three-man military tribunal set up under emergency decrees has sentenced 14 South Korean citizens to death, and 39 others to long prison terms, some for life. Another 200 are under court martial and face similar treatment.

Among the 14 receiving death sentences are five students from Seoul National University and the poet Kim Chi Ha who has been called the Solzhenitsyn of Korea.

The severity of the sentences seems obviously intended to frighten away any further political opposition to the rule of Park Chung Hee.

That opposition, suppressed under martial law since 1972, finally boiled to the surface in the spring of last year with student protest demonstrations involving thousands of students in almost every major university.

President Park yielded momentarily, pulling back somewhat the Korean CIA's domestic surveillance operations and replacing its unpopular chief. But that temporary tactic was soon followed by the extraordinary decrees that made virtually any whisper of dissent punishable in the extreme.

Mr. Park's excuse is the need for vigilance against the North. But South Korea has never been stronger economically and militarily. There is less reason now for authoritarianism than ever and, indeed, every condition exists for the country to adopt more democratic practices.

Kim Chi Ha's "crime" was that he gave some money (about $450) to one group of student protesters.

Previously, the well-known poet has been jailed a number of times and once committed to a sanatorium—in a move similar to the Soviet Union's treatment of prominent dissidents—because of poetry satirical of government policies.

Inevitably, one compares the Soviets' final disposition of Mr. Solzhenitsyn with the Park regime's "solution" to Kim Chi Ha.

To the extent that world protest helped to obtain the release of Solzhenitsyn to exile, might it now obtain more lenient and reasonable treatment for Kim Chi Ha and his fellow South Korean dissenters?

It is possible, and there is time.

Here is one such protest.

[From the Washington Star-News, July 15, 1974]

TYRANNY IN KOREA

The seemingly inexorable advance of presidential despotism and repression in South Korea is reaching intolerable limits. It now calls for a most serious review of American policy toward a country for which the United States, in the name of preserving "democracy," has paid dearly in blood and treasure.

The series of outrageous acts of repression is growing. Most recently, 14 persons accused of fomenting student activities against the regime of President Chung Hee Park were sentenced to death by a military court in Seoul. Dozens of others were given prison sentences ranging from 15 years to life. In all, some 253 people have been arrested for violating the president's decree of April 3 which makes any antigovernment demonstration a crime punishable by death. The round-up of intellectuals, politicians and student leaders by the ubiquitous Korean secret police includes one of the country's most renowned poets, Kim Chi Ha, who is one of those sentenced to death.

Political reaction in this country to the increasingly tyrannical nature of the Park regime is entirely predictable. Already there have been loud calls from politicians and other public figures for an immediate end to all American aid to South Korea and the withdrawal of our remaining forces there. The familiar charge that the United States is supporting yet another malevolent dictatorship among its clients will be heard with increasing frequency.

There are, however, two problems with this argument as it appears to us. The first is that cutting off American aid and withdrawing American troops from South Korea will eliminate whatever leverage we now are able to exert on the government in Seoul. Indeed, an argument can be made that President Park dissolved the Korean Assembly, declared martial law and assumed distatorial powers in 1972 precisely because he perceived in the proclamation of the "Nixon Doctrine" the probability of an eventual withdrawal of American support.

The second problem is equally obvious: The withdrawal of American aid would inflict the greatest injury, not on the Park regime, but on millions of innocent South Koreans who are already in quite enough trouble. It is essential that our leverage on the Seoul government should be exerted as strongly as possible to modify its tyrannical tendencies. But the impulse to wash our hands of the whole unhappy situation is not the best answer.

[From the Washington Star-News, July 14, 1974]

ANOTHER SEVEN DOOMED BY KOREA

SEOUL, KOREA.—Seven more persons, including a well-known Korean poet, were sentenced to death yesterday, and former President Yun Po-sun was added to the list of 55 civilian defendants being tried on charges of ploting to overthrow the government.

The seven brought to 14 the number of persons given death penalties last week in connection with an underground student group known as the National Democratic Youth-Student Federation.

Thirty-nine others have been sentenced to prison terms ranging from 15 years to life. The remaining two, who are Japanese residing in Korea, will be sentenced tomorrow.

The seven sentenced to death yesterday included dissident poet Kim Chi-ha, 33, five students from Seoul National University and a 29-year-old unemployed man.

Yun Po-Sun, the 75-year-old former president, said he will go on trial Tuesday on a charge of providing money to the student group. He was not detained although he was interrogated by the military prosecution on May 22.

In pronouncing the sentences yesterday, Lt. Gen. Park Heedong, who headed President Chung Hee Park's special three-man military tribunal, said the court could not consider any extenuating circumstances for the student defendants because national security was involved.

The panel also sentenced seven others to life terms, 12 defendants to 20 years in prison and six more to 15 years on similar charges. The verdicts are subject to review by higher courts.

The court-martial was set up Jan. 8 when Park proclaimed an emergency decree to crack down on antigovernment elements.

The poet was accused of providing $450 to the student group to help finance its alleged antigovernment plot.

Kim became known to foreign readers for a sarcastic poem a few years ago ridiculing alleged corruption among South Korea's top government and business circles.

Yun Po-sun was the ceremonial head of state under the late Premier John M. Chang's government when Park then a general, overthrew Chang's constitutionally-elected government in May 1961.

Yun stayed on as president after the military coup until March the following year. He ran twice unsuccessfully against Park in 1963 and 1967, and retired from active politics in 1971.

He was charged with supplying $1,000 through a Christian minister, who also is charged with helping the alleged student plot.

[From the New York Times, July 17, 1974]

SEOUL COURT BEGINS TRIAL OF EX-PRESIDENT: YUN AND 3 OTHERS FACING POSSIBLE DEATH PENALTY ON SUBVERSION CHARGE

(By Fox Butterfield)

SEOUL, SOUTH KOREA, July 16.—A former President of South Korea went on trial before a military court today on charges of subversion that carry a possible death sentence.

Yun Po Sun, a frail, 77-year-old, was accused of having advocated the overthrow of President Park Chung Hee and having provided the equivalent of $1,000 to anti-Government student demonstrators.

Three other prominent Koreans also went before the special court martial today on the same charges: the Rev. Park Hyong Kyu, an outspoken Presbyterian minister; Kim Dong Gil, a professor of American studies at Yonsei University in Seoul, and the Rev. Kim Chan Kook, dean of the theological seminary at Yonsei.

The two clergymen are both graduates of Union Theological Seminary in New York.

The Government appeared so sensitive to putting a man of Mr. Yun's stature on trial that as late as yesterday the Premier's office had assured the United States Embassy that Mr. Yun would only be a "witness" in the case of the three other men. American officials today were reportedly angry at what they regarded as deception.

LONG SERIES OF TRIALS

The court action today was the latest in a lengthening series of trials that have already resulted in the conviction of South Korea's best-known poet, the former publisher of the country's most respected intellectual magazine and 89 other clergymen, students and opposition party members.

The trials grew out of demonstrations and a petition campaign last winter and spring against President Park's increasingly autocratic rule. Mr. Park responded, first in January and then more sweepingly in April, with a series of emergency decrees that now make virtually any dissent punishable by death.

According to well-informed Western diplomats, more than 100 other Koreans who have been arrested this spring for involvement in the anti-Government dissidence are likely to be brought to trial soon.

In court proceedings already completed, there have been these decisions:

Kim Chi Ha, the country's best-known young poet, was sentenced to death last Saturday. He was alleged to have been connected with an underground group, the National Democratic Youth-Student League, which the court said organized demonstrations against Mr. Park on April 3.

Fifty-two other Koreans and two Japanese were also convicted in the last week in the same trial. Thirteen were sentenced to death, and 15 to life imprisonment. Relatives of some of the defendants, who were largely students, said they had been severely tortured during interrogation.

Chang Jun Ha, the publisher of Sasanggye, once South Korea's leading intellectual journal, was sentenced to 15 years in jail last February for advocating reform of the Constitution. The Constitution was revised in 1972 by Mr. Park to give himself sweeping powers and the means to continue in office as long as he wishes.

In eight other known trials during February and March, 35 other Koreans, including members of the New Democratic party, the leading opposition group, medical school students and students at Ewha Women's University, were given terms ranging from one to 17 years in prison.

In addition, Kim Dae Jung, the opposition political leader kidnapped from his Tokyo hotel room last August by South Korean agents, is now before a civilian court on charges of election law violations in 1967 and 1971. Mr. Kim was the opposition candidate against Mr. Park in the 1971 presidential election.

The disclosure in today's newspapers that former President Yun was on trial brought incredulous responses from many Koreans, though they have grown used to learning of further trials.

Mr. Yun, who walks with the aid of a cane, was accompanied to the trial in the Ministry of Defense today by his wife and two lawyers. Under the strict rules of the special court-martial, each defendant may be accompanied only by his lawyer and one close family member.

Because the court-martial is secret, no account of the proceedings today against Mr. Yun and the three others was available. But yesterday in an interview the fragile-looking Mr. Yun freely acknowledged that he had given money to the students through the Rev. Park Hyong Kyu.

WORK FOR DEMOCRACY CITED

Sitting in an old carved wooden chair in one wing of his sprawling, traditional style villa, Mr. Yun said: "I gave the money because the students are trying to work for democracy. The young people needed the money."

"Do you think $1,000 is enough to overturn the Government," he asked, speaking in the English he learned 50 years ago as a student at the University of Edinburgh.

Mr. Yun, a member of an aristocratic family and a Presbyterian, was elected President in 1960 after the overthrow of President Syngman Rhee. He continued in office for a year after Mr. Park came to power in the military coup of 1961 but finally resigned in protest over the junta's rule. He later ran unsuccessfully against Mr. Park for President in 1963 and 1967.

Kim Dong Gil, the Yonsei University professor who is on trial with him, is an expert on Lincoln and is one of South Korea's leading specialists on American history.

[From the New York Times, July 18, 1974]

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.

LAWYER IN SEOUL HELD AFTER TRIAL: SOUTH KOREAN SAID TO HAVE TERMED CASES A FARCE

(By Fox Butterfield)

SEOUL, SOUTH KOREA, July 18.—A prominent South Korean lawyer who defended the nation's leading poet and 10 students in political trials last week has been arrested, associates disclosed today.

The lawyer, Kang Shin Ok, was taken from his office by plainclothes agents last Monday, apparently because he had denounced in court the military judges who imposed death sentences on several of his clients, including the poet, Kim Chi Ha. Mr. Kang, a leading advocate of civil liberties, holds a graduate degree from George Washington University and also studied at Yale.

Kim Young Sam, vice president of the New Democratic party, the major opposition group, was detained this morning, apparently only for a brief time, for interrogation. He had scheduled a news conference at which, according to aides, he planned to call for suspension of the sweeping emergency decrees proclaimed by President Chung Hee this year.

The arrests are part of a steadily lengthening series of political detentions, trials and convictions designed to suppress all opposition to President Park. In recent months 91 people have been convicted of subversion, with 14 sentenced to death. Over 100 others are awaiting trial, informed diplomats say.

Two other major court actions continued.

In one a former President, Yun Po Sun, two Protestant clergymen and a professor of American history appeared for the second day before a closed court-martial in the Defense Ministry. They are accused of violating emergency decrees by giving money to dissident students and calling for Mr. Park's ouster.

Foreign correspondents have not been allowed to attend, and the strictly controlled press has not reported the proceedings.

In a civilian appellate court another well-known Korean, Kim Dae Jung, argued that the case charging him with election law violations in 1967 and 1971 be thrown out because the judge was prejudiced. Mr. Kim is the opposition leader who was kidnapped from his Tokyo hotel room last August by agents of the South Korean Central Intelligence Agency. His appeal is given little chance of success.

The series of trials has produced a palpable atmosphere of fear, reducing conversations to whispers or shrugs of the shoulders and often leading to outright refusals to receive visitors.

Partners in the law office of Mr. Kang declined to comment on why he had been arrested or what he had said in court that led to his arrest. "Do you think we want to be arrested too?" one of them asked.

BROAD PROHIBITION

Under an emergency decree issued April 3, it is a crime punishable by death for anyone "to advocate, instigate, propagate, broadcast, report, publish or otherwise, communicate to others such act or acts as are prohibited" by the other emergency measures.

Others familiar with Mr. Kang's case said that in his criticism of the three judges he termed the trial a farce and asserted that he was ashamed to be a lawyer in Korea and that if he was a student he would have done just what the students did.

Mr. Kang, who is 39 years old, was arrested outside the courtroom with another defense lawyer. They were held for two days, then released, but Mr. Kang was rearrested.

The Korean Lawyers Association met to discuss Mr. Kang's arrest, believed to be the first instance in which a lawyer has been detained in South Korea for his words in the courtroom.

Mr. Kim Young Sam of the New Democratic party has been one of the more outspoken members of the opposition in the National Assembly. According to his aides, he had intended to call not only for suspension of the emergency decrees but for the end of the courts-martial and freedom for Mr. Kim Dae Jung, who has been under virtual house arrest since his abduction.

[From the New York Times, July 21, 1974]

SEOUL COMMUTES DEATH PENALTY ON POET AND FOUR OTHER DISSIDENTS

SEOUL, SOUTH KOREA, July 20.—The death sentences of the dissident poet Kim Chi Ha and four other men convicted of an anti-Government plot were commuted to life terms today.

Defense Minister Suh Jong Chul reviewed their sentences, imposed by a special military court established to crack down on movements demanding a more liberal democracy in South Korea. He said the sentences had been commuted because the five had shown deep repentance for their offenses, in the course of their trials.

They were among 55 civilians, including two Japanese, who were arrested last April and convicted of plotting to overthrow the Government of President Park Chung Hee.

Most of the 55 were said to be members of a clandestine group known as the National Democratic Youth-Student Federation and were charged with seeking to oust the present Government to set up a Communist regime.

Besides the five whose sentences were commuted today, nine others have drawn death sentences, 15 others life terms and 26 others up to 20 years in prison. There was no indication what the Government planned to do about these sentences.

Those who had the death penalties reduced, in addition to Mr. Kim, are Lee Chul, said to have been head of the dissident group; Yoo Intal, his deputy; Kim Byung Kar, said to have been the group member responsible for organizational activities among college students in Seoul, and Rah Byung Shik, who was said to have been in charge of coordinating Christian students. All four were students at Seoul National University.

The lawyer who defended Mr. Kim Chi Ha and Mr. Rah is reported to be in trouble as a result of the trial. Kang Shin Ok, 39 years old, who studied in the United States at George Washington University, has been arrested and is awaiting military trial because of remarks critical of the Government in his summation before the court July 9, according to informed sources.

Mr. Kang likened the trial to one conducted under the Nazi regime and charged that the court had disregarded fundamental legal procedures by examining evidence without the presence of the defendants, the sources said.

The lawyer, arrested last Tuesday, is charged with violation of an emergency Presidential decree of Jan. 8 that bans any act defaming or criticizing the Government. The maximum penalty is 15 years in prison.

CONSUMER ACTION FOR IMPROVED FOOD AND DRUGS

Mr. HUMPHREY. Mr. President, consumer movements and action groups are a growing phenomena in this country. If we believe in a safe food and drug supply, it is crucial that we encourage groups like Consumer Action for Improved Food and Drugs.

Ms. Cathy Sulzberger, executive director of Consumer Action for Improved Food and Drugs, has been an instrumental leader in a grass roots organization of citizens trying to reform laws dealing with our food and drug supply. Ms. Sulzberger's goal is a Government that is more responsive to consumer problems; her efforts should be applauded.

Ms. Sulzberger was interviewed in the FDA Consumer of June 1974. She brings to this interview a perception which merits attention by the FDA and the Congress. Mr. President, I ask unanimous consent that this interview be printed in the RECORD.

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

A CONSUMER LOOKS AT FDA

The present consumer movement has led to the creation of many groups in Washington that present a "consumer's" view to the Federal Government. As one of the largest regulatory agencies, FDA has its share of consumer advocacy. Cathy Sulzberger, executive director of Consumer Action for Improved Food and Drugs, is a 24-year-old graduate of Tufts University who has spent over a year organizing groups and individuals who have expressed interest in FDA activities. In this interview with the editor of FDA CONSUMER, Ms. Sulzberger discusses the goals of the present consumer movement and how she as a consumer perceives FDA.

Q. Ms. Sulzberger, you serve as executive director of Consumer Action for Improved Food and Drugs. What does this organization do?

A. This is a grass-roots organization that is trying to organize people to have an effect on the food and drug supply in this country. We organize groups to work with both the Government and industry to try to effect basic changes in the food and drug supply.

Q. How many groups has your organization helped thus far?

A. Up to this point, we've been associated with about 15 groups throughout the country. For example, there is one group in the Bronx that is concerned with drugs and pregnancy. That group started its activities by looking at diuretics—drugs used to reduce the amount of fluid in the body—and then became interested in the larger question of drugs and drug labeling.

Another group, in Rochester, New York, is concerned with lead in cookware and the health hazard that results. Through the efforts of that group and others, cookware with lead has now been taken off the market. These are just two examples of the types of groups that we deal with and try to assist.

Q. Do you supply these groups with money?

A. No. Our main help is with information and legal advice, if they need it. We are in Washington and deal constantly with FDA, so if these groups need something from the FDA headquarters' office, we can get it for them more easily than if they try to do it themselves. Or, if they want to deal with industry, they often seek us out for a little advice on what their first meeting should be like.

Q. How do you finance your activities?

A. Right now we're supported by a few individuals who have given us money to sustain ourselves. But we're looking for other sources of support. We're going to start a consumer magazine that will focus totally on the food area. The magazine will report on the activities of consumers, food sellers, and food regulators, and try to generate a dialog among them. Hopefully, this will become a moneymaking venture as well as a good means of communication. We're also looking into other means of support.

I think it's terribly important to point out that industry in this country spends vast sums of money in Washington to present its view before the Government. Their money, of course, comes from the prices that consumers pay for their products. We aren't so fortunate to have such an easy means of financing and have to seek different ways to finance our efforts.

Q. Your group is one of several in Washington that has been established in the past few years to deal with FDA or the food and drug supply. Briefly, what other types of similar organizations exist in Washington?

A. Well, let me first point out that there are basic differences between our group and others in Washington. The other groups generally are concerned with all consumer problems. We are simply dedicated to trying to work in the food and drug area. I believe that for us to have a strong affect, we can't become too diverse. We have to be able to pinpoint what we want to do and have a real target and focus. We are also different because we act as consultants to other consumer groups working on FDA issues.

There are many other groups that are doing good work. For example, an organization called Concern, which is basically an environmental group, is now getting into food questions as they relate to pesticides, additives, hormones, and other potential environmental contaminants. There is also the Cen-

ter for Science in the Public Interest, where Mike Jacobsen is doing a terrific amount of work on nitrites and food additives. The other people in that organization are working on other things, like energy and the environment.

Ralph Nader's Health Research Group does some of the best consumer work in the food and drug area. Also, the Consumer Federation of America has coordinated consumer OTC drug additives, and Consumers Union has a legal staff in its Washington office which is beginning to do a lot more work with FDA, especially by submitting petitions for actions. They recently submitted petitions to FDA on *Salmonella* and drained weight. Another group, headed by Bob Choate, is coordinating a consumer conference in conjunction with FDA.

Those are the consumer groups that come most readily to mind.

Q. How much contact do these groups have with each other? Would you say that the consumer groups in Washington speak with one voice?

A. Definitely not. Each of us has different concerns. But we do communicate with each other. Once a month, representatives of about 15 groups get together and try to hash out the things that happened that month. We brief each other on what we're all up to.

One purpose of this is that when we do deal with an agency like FDA, we do want to have a unified plan. At the very least, we want to know what each of us is doing so we won't be springing anything on each other. But very often we disagree among ourselves on the proper course of action, so it wouldn't be right to say that we speak with only one voice. These meetings are held to plan presentations for monthly meetings which have been held between consumer groups and the FDA Commissioner for the past 2 years.

Q. Virtually all these Washington groups have just come into being in the past few years. Why this interest in FDA?

A. One of the major reasons that people became involved in FDA activities was because of Jim Turner, who is one of the founders of Consumer Action for Improved Foods and Drugs. Jim worked with Ralph Nader back in the late 1960's and earlier in this decade. His job was to focus on FDA. While he was working with Ralph Nader, Jim wrote a book called *The Chemical Feast*, which got a lot of people concerned and interested. Mike Jacobsen then wrote *Eaters Digest*, and numerous studies were done of the quality, safety, and price of the food and drug supply.

I think that before that information was published, many people had taken for granted that FDA was really the consumer's friend and was really watching out for the consumer. Those books and others brought out that this wasn't quite so. After that, a lot of groups began to spring up and become very concerned about the quality and safety of the food and drug supply in this country.

Q. You personally have been involved in the consumer movement for about a year now. How did you get involved?

A. First, I want to say that I think everyone is involved in one way or another for their whole lives. I've only been active for about a year, but I've been involved and concerned much longer than that. When I was in college, I became very interested in the whole question of health care. After college, I worked for Senator Javits and saw much of the consumer legislation that came into the office. I also saw enormous pressure—lobbying—efforts—that was going on against consumer legislation, and I really didn't understand why anyone would lobby, for example, against a consumer product safety commission or consumer protection in general.

Needless to say, experiences on the Hill really stimulated my interest. I couldn't understand why people would be against more protection for the consumer. So I decided to find out more, and to do something about it.

Q. Do you have enough historical perspective to say how the present consumer movement differs from previous ones?

A. I can't really speak about consumer movements that took place before I was born. But I do see differences between the present consumer movement as it existed a few years ago, and as it exists now. A few years ago, consumers were *merely* trying to make the public and industry aware of their concerns and complaints. There was a lot of screaming, a lot of publicity. And I think that was absolutely necessary.

Now, I think, consumers are becoming well educated about the subject areas they're dealing with. They realize that they have to come in with good information when they talk to industry and the Government. They have to try to show these groups that by doing something different it will really be better business.

Q. Ralph Nader is always described in the newspapers as a consumer advocate. Would you consider yourself a consumer advocate?

A. I don't like to think of myself as speaking for anyone except myself. I am a consumer, but I wouldn't say I'm a consumer advocate, except that I believe that what I advocate is in the consumer's interest.

Q. When you convey an opinion to FDA, or to industry, are you speaking only for yourself, or are you trying to convey what you believe to be the concerns of many other consumers?

A. I am speaking for myself, but I'm also speaking with the knowledge that I've gathered from letters we receive from people who are also concerned about these problems, and from information from people I've spoken to about these problems.

Q. Taking this a step further, there is criticism in Washington among Government employees and industry that the people who purport to represent consumers are really representing no one but themselves. Could you comment on that criticism?

A. Let me begin by saying that we get a lot of feedback from what the Government would consider "ordinary" consumers—housewives, men and women who shop in grocery stores, people with children. These people feel they have no access to the Federal Government. They feel that they can't affect any type of policy decision and can't change any policy.

We know this, because we go out to speak to these people. For example, Jim Turner spoke in New York and as a result we got 50 letters. That's a lot of letters from one speaking engagement. That means that 50 people sat down to write to us about their concerns. They're not asking us for information, they're asking what they can do, how they can help. They're expressing concern about the food and drug supply. They're concerned with whether their children are getting bad baby food or whether they are being injured by drugs.

So when we speak in Washington, we have some understanding of what the "ordinary" consumers—if I can use that term—really are concerned about and want to convey to the Government. So while I personally do not claim to speak for anyone but myself, I think it's important for people in Washington to recognize that all of us do have contacts with consumers and do speak with some knowledge about what people are concerned about.

Q. Are the people who are writing letters to you really representative of the way most Americans feel, or are they in a sense a special interest group?

A. I think every mother and father is concerned with the safety and health of their children. I think every person is concerned with his or her own health. I think people are concerned with getting good nutrition from food. I think people are concerned about paying high prices for sugar-coated cereal when they could just as easily pay less and add a teaspoon of sugar.

I think people today are concerned. Not just the well educated, but all people. The recent increase in the price of food caused by inflation is making people even more concerned about the safety and nutritional quality of foods.

I also think that most people think that foods are safe, and that when a physician prescribes a drug, he knows what he's doing. When people learn that the system is not all it's cracked up to be, that people like us have real concerns about the quality and safety of the food in this country and about the way drugs are being used, they do show a great interest.

Let me give you a few specific examples. There was a petition filed concerning the way the contraceptive drug Depo-Provera was being administered and the way people are informed. People were being deceived about what was being done to them and the risks they were taking.

The group in the Bronx I spoke of earlier became concerned about diuretics after a pregnant woman had taken a dosage *four times* as large as she should have. After she had the baby, she didn't lose any weight, and began to think that there was something wrong. It was soon discovered that the pharmacist misread the prescription, and the physician never bothered checking.

Another example involves Label, a group we work very closely with. A few years ago they filed a petition to require full ingredient labeling on foods. This petition generated 7,000 personal letters to FDA in support of the petition, plus many, many others to us directly—and massive press coverage throughout the country.

So, to answer your question, yes, I do think we represent a special interest group. We try to represent special interests of the consumer. This is people expressing concern for things over which they have no control themselves, but over which they would like control, through their Government.

Q. You have indicated that people seem frustrated by their inability to have an impact on Government. To what do you attribute this frustration?

A. I think people are frustrated because whenever they see the news or read a newspaper, they get the feeling that the only people who really have an impact are the politicians or the lawyers who represent special interests. I think many people today really feel impotent. This is especially true of people outside Washington, who want to affect how the Government reacts but who feel that they really can't.

For example, with respect to FDA, a lot of people feel that they really can't have any effect on what FDA is doing. They can't afford to have a high-priced lawyer or Washington representative. They don't have a trade association. And how often can they see their Congressman, and have that Congressman really address himself to an issue?

I think there is real frustration in this country about the Government. One of the things we're trying to do is to show people that they can have an impact. We want to show them that it's not just up to their Congressman or other leaders. They themselves can learn about a subject, and learn there are ways to approach things which can have just as much effect as do the ways of anyone else.

Q. Do you believe that the regulatory system is working?

A. It's not working very well. It works at a very slow rate—and it works for special interests a lot of the time. You know, lobbyists in Washington who represent industries have incredible amounts of money behind them, and they're able to have their voices heard. The consumers in the field don't have

that kind of money. They don't have the chance to come to Washington and be heard. We want to make sure that consumers do have the opportunity to be heard in Washington and have as much influence on what's going on as industry does.

Q. The way the Government is set up, FDA itself is supposed to represent the public interest. Do you believe that it does?

A. I think an organization like FDA has problems built into it. FDA is influenced to a large extent by the industries it regulates. It is natural for an industry regulated by any agency of the Federal Government to try to influence its decisions.

What we're trying to do is to counteract some of that influence by bringing to FDA's attention the views of consumers. We have to try to make FDA understand the kinds of issues consumers think are important. We have to impress upon the people at FDA that the regulated industries are not the only ones who care about what is being decided about foods and drugs. Consumers care, too.

We want FDA to have consumer interpretations of what needs to be done, and also whatever information consumers can supply to FDA which will make its decisions more in the public interest. I think at present some of the available information never reaches FDA. Other information relied on by FDA comes from heavily biased industry sources. We're trying to equalize the balance of power.

There are other ways also that represent the public interest. We can often be an innovative force by giving FDA new ideas about issues that consumers are concerned with. We can give FDA support for extremely hard decisions that may have a strong economic impact against what industry wants. I think that for FDA to work on some issues it needs to have a strong consumer input, and that's what we're trying to give it.

Q. What do you hope to accomplish by your efforts?

A. The goal, of course, is to assure a safe food and drug supply. We're also trying to make the Government more responsive to the needs of the consumer, and to make the consumer voice strong enough so that Government knows what those needs and concerns are.

I think it's important to point out that while we're dealing with FDA on these issues, we're also dealing with industry in the same manner. We want our local groups to work with industry on economic and marketing issues, so that we can convey our views to all sides.

One thing that we do want to do is to establish consumer food and drug groups in all 119 cities where there are FDA offices or resident inspection posts. The purpose of these groups would be to serve as watchdogs over the industries in these areas and to tingle the nerve ends of FDA.

We also want to make sure that every time industry tries to influence FDA, we have a chance to answer it. This is not to say that we are always opposed to what industry wants. In fact, we want to work with industry where possible to ensure the safety and quality of foods and drugs. But we do want the Government to know that the consumer wants a voice in what the Government is doing.

Q. As a result of your activities do you think FDA is more responsive to your needs?

A. Some of FDA's new policies are working. For example, I think it's very helpful that FDA has established an Ad Hoc Consumer Council that meets with the FDA Commissioner once a month to discuss issues that interest us. This gives us a chance to present to the highest FDA officials, including the Commissioner, our concerns and to ask questions. I don't think any vital information is passed or any vital decisions made, but it is important that contact and interaction takes place.

But I still think FDA has to make more of an effort to bring consumers and outside scientific experts into the highest levels of its decision-making.

Another area where FDA needs to improve is in the release of information to the public. FDA now says that 90 percent of the information in its files can be released under the Freedom of Information Act. Unfortunately, FDA has implemented this policy in such a way as to make it very hard for consumers to utilize the information. Some of our requests involve a great expense to us.

I think we'd like to feel that FDA was saying, "Here's the information, we'll try to give you direction if you want it. We'll try to show you where things are." This is what FDA can do if it really wants to open up its decision-making processes to scrutiny by consumers. We've even made a detailed proposal for such an effort and have waited more than a year for an FDA reply.

Q. What else would you do to improve FDA as it relates to the consumer?

A. In a bureaucratic structure like FDA, things tend to be staid and not to move too quickly. They tend to work along existing guidelines and existing patterns. I think that somehow FDA has to break out of its patterns and guidelines and become more flexible.

Also, I think it's extremely important that someone at the highest levels of FDA represent the consumer viewpoint. The tendency for FDA has been to say that it represents the consumer and it needs no further consumer representation. I think that's not so, and I'd like to see someone in high levels at FDA whose sole job is to represent consumers.

I think a lot of the mistrust about FDA stems from the fact that a number of high FDA officials come from industry. They come from the food industry, the drug industry, or are lawyers who have represented the industry and are now coming to FDA and claim to represent the public interest. I think it's very unrealistic for us to accept the fact that people who have worked with one point of view for so long can all of a sudden change their perspective and work effectively on behalf of the public interest.

I'm not suggesting that the people who come from industry to work for FDA are in any way dishonest. Usually, they're not. But I do think that people from industry come to FDA with biases, and then make decisions based on those biases.

Also, these people who once worked for the industries have friends in those industries and tend to be sympathetic toward them. They get a lot of their information from those people because they know and trust them. That results in an imbalance of information and perspective which we're trying to correct by bringing another viewpoint to FDA.

Q. It is a fact that some FDA employees have worked for industry. But you do want people with experience in food and drug production, because they have the best backgrounds to understand the issues confronting FDA. Do you want FDA to hire people who are unfamiliar with the industries regulated by the Agency?

A. Not at all. We do want the best experts in the food and drug area. But it seems to me that someone whose total work experience has been in industry has a bias, and it would be a better alternative to try to hire people who don't have any biases. There are a good many people outside of the food and drug industries who have expertise, skill, and knowledge to deal with these problems. There are State and local food and drug officials, many of whom have excellent qualifications to be Federal regulators. There are research scientists throughout Government—at the National Institutes of Health or at the Agricultural Research Service, for example—who are highly skilled in detailed aspects of food and drug regulation. There are city public health officials who increasingly find themselves working with consumer groups to correct food and drug health problems. There is even a growing number of professionals who have aligned themselves directly with consumer and public interest groups, such as the Environmental Defense Fund, Public Citizen, Inc., and Common Cause.

None of these sources is tapped in any meaningful way for FDA or other regulatory agency employment. Industry is consistently tapped. This raises serious questions about FDA's understanding of its obligation to protect and represent the public interest.

Q. Are there any specific issues that you're dealing with now on which you think FDA is wrong?

A. Let me just mention two. One is the whole issue of food labeling. I believe the law should require full ingredient labeling for all foods, including a listing of the type of colors, flavors, and spices, both artificial and natural, in the product. There are many people who are allergic to certain kinds of foods, and many other people who want to avoid some kinds of ingredients.

If FDA feels that it needs more legislative authority to carry out its food labeling authority more responsibly, then I think FDA should ask Congress for that authority.

The second is the issue of food additives. Many of these additives may cause cancer. I believe strongly that the public should know it is being exposed to a potential cancer risk. It seems to me that anyone should have a choice of the kinds of food they want to eat, but at the same time, they should be aware of the potential dangers of those foods.

People don't know about nitrites and nitrates. They don't know of the possible problems of certain artificial colors and flavors. They don't even know what foods they're in. FDA just doesn't seem to be as concerned about this whole issue as we are.

Q. You've spoken about how you perceive FDA and its reaction to consumer needs. How well does industry respond to your positions?

A. I think industry does perceive the need of consumers for certain things, but very often is afraid of what's going on because of what might happen to its economic position or security. This is why industry often thwarts good regulations.

I think that industry has to recognize quite simply that positive reaction to consumer needs is really good business, and that the companies that are going to make the most profits are those that respond most progressively to what consumers want. This is true also in the area of regulation. A company that favors industry-wide regulation favorable to consumers will in the long run do better than a company that opposes every attempt at regulation. Surprisingly, in some instances we've found industry to be more responsive than FDA.

Now, there are specific cases where I think industry is still backwards. For example, in the whole area of prescription drugs, the public is clamoring for information about prescription drugs. Even FDA is talking about having patient package inserts so that consumers will know about prescription drugs. But the industry reaction is to increase the warnings on the labeling that goes to doctors and to ignore the fact that this isn't helping the patient, because doctors just don't have enough time anymore to talk to patients about prescription drugs.

Another example: There was an enormous argument by the food industry when nutrition labeling was being developed on how the labels should be written. The food industry was scared of saying on the label that a

particular food has no vitamin A or vitamin C or another nutrient. What we were fighting for was a standardized label that would tell the consumer exactly what was, and what wasn't, in the food product, and industry fought very hard against that kind of honest and forthright labeling.

I think it's very important for consumers to realize that if we really want to effect change we have to develop enough of a relationship with industry so that we can sit down with them and discuss our concerns. We're doing fairly well in the food area, and have had many constructive meetings with certain trade associations. We're also talking with a number of individual firms, and they're beginning to understand what our concerns are. They may even be beginning to respond.

Q. The history of consumer movements in this country has been one of cycles. The consumer movement in the early 1900's, for example, led to the passage of many laws, but then died out. So too with the movement of the 1930's. What future do you see for the present consumer movement?

A. The movements in the early 1900's were really small business movements. The gains the consumers made in the 1930's did not die out because of lack of interest, but because the Supreme Court challenged the legality of certain economic issues that had very little to do with real consumer issues. I think that if the present movement is to survive, we have to combine our focus on Government with a focus on industry. Industry is going to have to develop the types of programs and policies that favor the consumer.

I'm not going to predict that every group now active in the consumer movement is going to survive. But I haven't seen any die out yet. And I think the movement is getting stronger, because people are becoming more educated about their rights in the marketplace, and are demanding that Government and industry respond to their needs.

I think a lot more needs to be done, but a lot has been done, and what I've seen thus far has been encouraging from both industry and Government.

WAYNE LYMAN MORSE

Mr. SPARKMAN. Mr. President, I want to join my colleagues of the Senate in expressing sorrow at the death of former Senator Wayne Morse with whom many of us served. It was my pleasure to know Wayne Morse and to serve with him in the Senate and on the Foreign Relations Committee. One thought I have always had regarding him is that he was in every sense of the word his own man. He was a man of integrity and of deep sincerity. It meant little to him whether his views were shared by others. He found himself often in a small minority but he knew what a brilliant mind and a pure heart told him was the right course for him to take.

I remember him first as a Republican, then as an Independent, and later as a Democrat. It was not party or politics that gave him direction but it was that inner feeling as to what his stand should be.

Both Mrs. Sparkman and I extend our deepest sympathy to Mrs. Morse, a wonderful lady and a wonderful companion throughout the years to Senator Morse.

Mr. President, the Washington Post carried a very fine editorial in this morning's issue regarding Senator Morse. I ask unanimous consent that it be printed in the RECORD as a part of my remarks.

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

WAYNE LYMAN MORSE

It is characteristic of the career of former Sen. Wayne Morse of Oregon, who died on Monday, that he should have been in the midst of a political battle right up to the end of his life. At the age of 73, he was doing what he had done through a half century of public service—he was waging vigorous combat. His most celebrated target was the war in Southeast Asia and he was the earliest and most outspoken opponent of that policy in the Senate, taking pride in the fact that he voted against every measure in support of that war that came before the Senate. On several occasions he was joined in that crusade by his friend from Alaska, Sen. Ernest H. Gruening, who died just a few weeks ago. After six terms in the Senate as a Republican, an independent and a Democrat, Sen. Morse was defeated in 1968 by a 3,000-vote margin.

He was in the midst of his second attempt at a comeback when his kidneys and heart failed him. Descriptive adjectives such as "maverick" and "combatative" were easy to apply to Wayne Morse. But the man did not lend himself that easily to labels. Born on a farm near Madison, Wis., Mr. Morse attended the University of Wisconsin for his undergraduate training, received a law degree from the University of Minnesota and went on to Columbia University for a doctorate in law. He made a major study of the grand jury system and it attracted the attention of officials of the University of Oregon. He was brought there as a professor and soon was made the dean, bypassing several older men to become the youngest law school dean in the nation at the age of 30.

His first national attention, typically, came as the result of a fight within the National War Labor Board, to which he had been appointed by President Roosevelt. Mr. Morse resigned from the Board after two years, in the midst of a loud policy disagreement. His loss to that body can be measured by the fact that he wrote more than half the board's opinions in the two years in which he served.

Although he had been a lifelong Republican, in 1952 he broke with his party and its leader, Dwight Eisenhower, and ran as an independent. He lost his committee assignments and languished in a no-man's land until he finally became a Democrat. One of his first contributions to his new-found party was to assist Richard Neuberger in becoming the first Democrat elected to the Senate from Oregon in 40 years. But soon, he and Neuberger were at war with each other in one of the Senate's most celebrated feuds.

He was cut from a mold that seems to fit few of our contemporary political leaders. It didn't bother him which way the wind was blowing. He would more likely go out and try to change its direction, unafraid to be the first to take a stand that might not be popular. He was prepared to disagree with his party or his President if he thought either to be wrong. He knew some of his positions would cost him votes, but he cared more about what he thought was right. Many a man who loses his office at 67 could be expected to retire to his farm. Wayne Morse was different. He loved the feel of movement and action, combat and discourse, and he set a standard of integrity and independence that will be difficult to match.

GREECE AND CYPRUS

Mr. KENNEDY. Mr. President, I am encouraged by reports of political changes in both Greece and Cyprus. The generals' junta in Athens has announced that it has requested a former Prime Minister Mr. Constantine Karamanlis, to form a civilian government, for the first time since the coup of April 21, 1967. In Cyprus, meanwhile, the fragile and tentative ceasefire has been accompanied by the resignation of Mr. Nikos Giorgiades Sampson, and his replacement by Mr. Glafkos Clerides, President of the House of Representatives and a man with long experience at mediating between the Greek and Turkish communities on that troubled island.

There is now greater reason to hope for an end to fighting on Cyprus, and the transfer of this dispute from the battlefield to the conference table. I am sure that the efforts of Great Britain to mediate will have the firm support of the U.S. Government. And I hope that Mr. Clerides and other leaders in Cyprus will be able to continue the efforts of President Makarios, in securing the independence of Cyprus and protecting the rights of all its citizens.

Events in Greece, while still unclear, offer the hope for an end to repression in that country. For the past 7 years, the nation that gave us the idea and the word "democracy" has systematically denied it to its citizens. Greece has been an outcast in Europe, and among all civilized nations. It has been threatened with instability stemming from political repression and, as a result, it has been the weak link in NATO's southern defenses. And because of these facts, many of us here in the Senate have been increasingly concerned about the viability of U.S. policy toward Southern Europe and the Balkans, and increasingly disturbed by the administration's support for the junta.

If, indeed, Greece is returning to effective civilian rule, there is a chance that that nation will again return to the practice of democracy. There is a chance for greater political stability—stability based on the expressed consent of a free people. And there is a chance to resolve the fundamental contradictions in U.S. policy towards Greece and Southern Europe. This is in the interests of Greece, of its neighbors, of the Western Alliance, and of free men everywhere. As further reports come in, I am hopeful that the decision to return Greece to civilian rule will hold up, and that this is only the first step in a new direction for that country.

YOUTH INTERNSHIPS PROMOTE FAITH IN OUR GOVERNMENTAL SYSTEM

Mr. HUMPHREY. Mr. President, an article appeared in the Washington Post on July 22, describing the "Interns Who Didn't Stay Away." The article reveals a response of some interns to the negative attitude that we sometimes hear from young people when they are questioned about their Government and the possibility of their involvement in Government. It is a positive reply to the cynical effect of Watergate which is capsulated by Gordon Strachan's precarious advice that young people should stay away from a career in Government.

With the attitudes expressed by the interns in this article and the work that I have seen accomplished by the interns

in my own office, I can see that the discouraging effect of Watergate is not as pervasive among young people as many think. In fact, I want to commend Cathy Gorlin of Wesleyan University, Barbara Heine of Indiana University, Jonathan Adams of Carleton College, John Brennan of the John Marshall Law School, and Mark Fishman of Williams College for their efforts as current interns on my staff.

We must continue to encourage potential public servants to become involved in Government. Without the involvement of young people we will lose them as a source of new ideas and ability to perform vitally important hard work in helping to provide services to constituents.

The Senate clearly recognized the importance of these considerations in adopting an amendment I had submitted to the Education Amendments of 1974, H.R. 69. My amendment, entitled the "Political Leadership Program Act of 1974," would have helped to give young people an opportunity and encouragement to become involved in the workings of Government during this critical time.

We desperately need the input of educated and enthusiastic young people into a system that constantly needs regeneration and revival. And this input must be initiated by the Government itself to insure that it will continue to grow more responsive to the concerns of our citizens in the midst of rapid change and complex developments that have a profound impact upon our society.

My amendment would have established internship stipend programs through grants made by the Commissioner of Education to authorized colleges and universities. Under these grants, students would have received credit while working closely with elected officials in State and local governments.

The "resources" are there—as evidenced by the statements in the Washington Post article and the energy generated by the interns working throughout the Government. Programs such as the one that I have proposed would serve to foster a new and continuing involvement of these young people. They would also give the impetus of encouragement to these fine young minds to consider careers of public service. The funds requested for the implementation of this program would be an investment in the future of our Nation.

I deeply regret that my amendment was not retained in the conference report on H.R. 69. I strongly oppose this decision which amounts to a failure to address a demonstrated urgent need and to seize an important opportunity to develop a broad involvement of youth in public service. While I must reluctantly concur in Senate adoption of the conference report, because of the vital necessity to enact authorizations for programs of education assistance across the Nation, I serve notice of my intention to continue pressing for enactment of the Political Leadership Program Act.

Mr. President, I ask unanimous consent that the Washington Post article on interns 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 22, 1974]

THE INTERNS WHO DIDN'T STAY AWAY

(By William Gildea)

Before the Watergate committee one day last summer, former White House aide Gordon Strachan was asked by Sen. Joseph Montoya (D-N.M.) what advice he might have for other young men like himself considering a career in government.

"Well, it may not be the type of advice you could look back and want to give," Strachan said, "but my advice would be to stay away."

The college students and teen-agers spending the summer in Washington as interns in government don't take Gordon Strachan seriously. They say Watergate proves all the more that young people, with new ideas, are desperately needed and that Strachan must not have been thinking carefully about what he said.

"My reaction to Gordon Strachan was that I came to school here in Washington last fall," said Joel Bergsma, a George Washington University student working in Vice President Ford's office this summer. He hopes to continue there after school reopens.

Like Bergsma, hundreds of young persons have come to Washington this summer undaunted by Watergate revelations and determined to explore ways of making some kind of contribution to government. Summer intern programs are flourishing as never before.

At the White House, 350 applications for summer internships were received and the program was expanded to 37—19 women and 18 men. College students earn $125 a week, graduate students $150. On Capitol Hill, more than 1,800 interns are working, including up to 15 and 20 in the offices of some senators.

The interns on the Hill are fairly outspoken. Many, like 16-year-old Martin Luther King III, want action fast and express dismay over the sluggish, impersonal ways of government. Some cite self-interest by legislators and say they aren't at all impressed by very many of them. Some say in no uncertain terms that President Nixon should be removed from office. They agree on one thing: that young people are needed.

At the White House, the interns are heavily Republican and generally support Mr. Nixon. They sometimes take a good deal of kidding when people find out where they're working.

"I've been told I signed up on the S.S. Titanic," said Linda Smith, a 22-year-old Wheaton College graduate from Ardmore, Pa. working for Mrs. Nixon's press secretary, Helen Smith (no relation). "But," Linda Smith adds, "no one can deny the fact that this is an incredible experience."

"People joke and say things like, 'Are you being taped?'" said John Unland of Pekin, Ill., a Colgate senior working in the office of special assistant to the President William J. Baroody. The White House mood is "rather studious, neither gay nor depressed," Unland said, but "not a jocular attitude at all . . . a low-keyed, hard-working type of operation."

"I've been questioned by my college friends, 'How can you work for this administration?'" said Philip Pulizzi of Williamsport, Pa., a 1973 Rutgers graduate working toward a master's degree in legislative affairs at G.W. Having interned previously on the Hill, his answer is that this summer's job is "part of a total learning experience."

Carla Chenette, a University of Connecticut junior and president of the Connecticut Association of Future Farmers of America, said, "I thought before I came that the White House would be quite a bit overshadowed by Watergate, but that's not so."

Miss Chenette, who is working for the domestic council, added however that "Things are getting apprehensive around here this week with the impeachment vote coming up. It's come up more in conversation this week."

Kelly Duncan, a Democrat and Georgetown U. junior from New Orleans, said everybody around the White House "is enthusiastic about his job but the enthusiasm has been moderated to some extent by recent revelations." He said he appreciated the opportunity for "another view, from inside the White House," and has "an open attitude" on possible impeachment proceedings.

To a person, the White House interns appeared happy they're where they are and grateful for the "experience," a feeling expressed as well as any by Linda Smith. "So much is happening. All sorts of fields and options are open. Now is a very decent time to get into politics. If you want to get something done, the only way is go get involved. If you stay away, you're not helping at all."

University of Virginia senior Linda Bartlett, who described herself as "probably the most ardent of the group" in her support of the President, said, "The challenges are greater; Watergate has made them more explicit." For James Spaith of Shawnee Mission, Kans., it is "a young person's duty" to get involved.

On Capitol Hill, the attitude of the interns seemed more anxious. There was more emphasis on "changing the system," and doing it quickly. Several spoke emotionally about the low esteem in which they held many senators and representatives. But they wanted very much to try to do something.

"Our government has to be fixed," said Martin Luther King III, a summer page nominated by Sen. Edward M. Kennedy. The son of the late civil rights leader is a senior at Galloway High School in Atlanta.

"There should be a change now. I don't see how we can let the Nixon administration get away with all that has happened. But enough people don't seem to try to do anything about it.

"We need a change in the government, period. A change in the officials of the executive branch. How can we have someone running the government and setting these kinds of examples, breaking laws? If we do it, we go to jail for a hundred years. It's wrong, even if it's the President."

King said a "lot of time is wasted" in settling the Watergate issue, indicating some congressmen are looking out for themselves. "They're just sitting down and saying, 'I'm all right.'" And he said lesser issues in Congress tend to get in the way of "things that are really important, like poverty."

Another 16-year-old with ties to the Kennedy office is the late President's daughter, Caroline, doing various jobs for three weeks. She declined a brief interview through Kennedy press secretary Dick Drayne, who said a number of interview requests have been turned down.

"I haven't met too many people I admire," said Mike Thomas, a Franklin and Marshall sophomore from Lancaster, Pa., working for Rep. Edwin Eshleman (D-Pa.). He cited Senators Charles Percy and Birch Bayh among the few who do have his respect.

"I'm just beginning to feel emotionally the inefficiency of government," Thomas said. "Congress moves like a dinosaur bumping around. If they do anything right, it's only because they're under great pressure from their constituents.

"Too many people seem wrapped up in furthering their own cause. Congress itself seems to be wrapped up in non-essential activities. If somebody doesn't go exactly by parliamentary procedure, somebody else will argue about it."

Linda Donaldson of Winnemucca, Nev.,

calls the experience of answering mail in the office of Sen. Howard Cannon (D-Nev.) "so impersonal," adding, "I have to realize you can't make everybody happy. You answer in such a general way. When you care about people like I do, it's frustrating."

Tony Chelte of Springfield, Mass., a senior at North Adams State College who works for Rep. Silvio Conte (R-Mass.), finds that "people have a false image of a congressman and what the whole government system is." He believes that "A staff makes the congressman."

He said he has found certain congressmen react to issues "on the recommendations of others, off the top of their heads, and without pursuing the matter themselves."

Chelte added that he believed many significant issues, such as veterans' legislation, were not acted on quickly enough and that he perceived a tendency "in an election year to take no extreme stand." He cited three strip mining bills and said the one he favored, the strictest one that would phase out strip mining, by Rep. Ken Hechler (D-W. Va.), would probably be defeated because not enough congressmen had the courage to support it. The bill was defeated, and overwhelmingly.

Contrary to Strachan's opinion, Chelte said it was important for young people to get into politics—but he didn't always feel that way.

"I was out in the streets screaming and yelling against Vietnam," Chelte recalled. "I experienced all kinds of drugs. But you come to a point when you have to reexamine your thinking. I've come to the decision you have to work within the system to change it.

"If a young person takes a statement of Gordon Strachan's seriously, that's ridiculous. How else is somebody going to change the system?"

CAVE-IN ON MILITARY SERVANTS

Mr. PROXMIRE. Mr. President, the conference on the fiscal year 1975 military procurement authorization bill has ended.

In reviewing the actions of that conference, one item stands out against the backdrop of the compromise positions so frequently the result of such conferences. It is the issue of military servants.

Mr. President, I recognize that there is give and take in the conference approach to resolving differences between the two Houses. This is normal and proper.

But in the case of military servants, there has been all give and no take by the Senate conferees.

I could understand it if the Senate had narrowly accepted an amendment to cut back on the odious military servant program. If the will of the Senate were not strong, then there could be some reason for not pushing hard for the Senate position on this matter.

But that simply is not the case.

On June 3 of this year the Senate overwhelmingly voted to curtail the military servants program from a total of 675 allotted positions to 218. Further restrictions were placed on the use of these private personal servants in uniform. The vote was 73 to 4.

A year before the Senate adopted a similar amendment by a vote of 73 to 9.

What could be clearer than that mandate of the will of the Senate?

But what happened in conference? The conference dropped all reference to a ceiling on military servants. They did not reduce this program by one man. The top brass will continue to receive their personal allotment of 675 enlisted men to serve their every whim. The servant program lives on with Senate sanction and acceptance even though 73 Senators voted to bring this program down to a low level.

Where is the compromise here? There is no compromise. The Senate has caved in to the Pentagon. The brass will have their way. They will retain their Filipino houseboys, their maids, chauffeurs, cooks, errand boys, butlers, gardeners, dishwashers, clotheswashers, and bartenders. And the Senate is in the position of saying to the Pentagon—go ahead we do not care.

That is the way it looks as a result of the conference report.

What we have in place of a ceiling on the number of military servants is the weakest sort of language stating that the Defense Department must make a report in 90 days.

Now what do you think the Defense Department is going to say? That the generals and admirals should not have servants at taxpayers' expense? Not a chance.

They are going to repeat the familiar refrain. Generals and admirals are busy men. They cannot take care of their cars, homes, gardens. They do not have time for cooking or serving drinks. They must have personal servants for that.

And the wives of these important military men also have duties outside the home so that they cannot care for the home and food preparation as other workingwomen. Therefore, the taxpayers should pay for personal servants for these men and their wives.

That is what they will say. This is what they have been saying for 2 years.

So the Pentagon will make a report. And the report will be given to Congress. And Congress may or may not have a hearing on the matter. And the hearing may or may not result in corrective action. And life goes on just as the Pentagon top brass wants it to.

Have we forgotten that the military servants program already has been studied in depth by the General Accounting Office? Have we forgotten what they found? That these men were no more than servants; that they often were required to perform personal duties totally unrelated to any military function; that there were distinct racial overtones in the military servant program. That many men were assigned to be military servants instead of volunteering as required by regulation.

Instead of acting on this comprehensive report by an unbiased arm of Congress, we are asking the fox to tell us if he has been stealing any chickens lately. And as he opens his mouth to say no, chicken feathers float to the ground.

Mr. President, I am deeply, deeply disappointed. I could accept compromise as resulted last year. I agreed to a compromise at the last minute with the Armed Services Committee on this issue on the floor in the hope that the committee would see the problem through.

There seemed every indication that this would happen. The 73 to 4 vote was overwhelming in every sense.

And yet we come up with nothing. And the Pentagon continues to waste the taxpayers money on personal servants.

Such is the unfortunate state of affairs the conferees have left us in. Frankly it is a disgrace to the Nation and to this great deliberative body.

I appeal to the Armed Services Committee to explain why at a minimum there was no compromise and why the resounding Senate vote was overturned.

NATIONAL HEALTH INSURANCE

Mr. KENNEDY. Mr. President, as the discussion and debate concerning a national health insurance program for the United States nears its climax, it becomes increasingly easy to lose sight of the key issues under consideration. The necessary maze of technical considerations which must be addressed in making an equitable and humane Federal policy with respect to national health insurance a reality often obscure those fundamental issues which are, in fact, the only real issues under discussion.

A national health insurance program must, in my view, be a program which distributes the burden of payment among all Americans in such a way as to remove ability to pay as a consideration in the care of the sick. It must provide a uniformly high level of personal health services to all Americans, with respect both to quality and dignity. No American citizen can be expected to ask less.

A second vital characteristic must be a reasonably effective role for the consumer of health services in determining the scope of and conditions under which those services will be provided.

Too often the complexities of medical care and the enormous dollar volumes flowing through our health care system create a set of incentives which work to foster a heavily paternalistic atmosphere, making it difficult or impossible for the consumer of health services to influence the quality, quantity or circumstances surrounding that medical care. Any national health insurance program acceptable to me must provide the average American with a much greater say in those matters than he now has. The consumer must in addition have a greater role in determining how the dollars which flow into the health care system, and which originate in his pocket, are spent.

That issue—the control of the health care dollar and the implications of that control for health policy, is the single most important policy issue yet remaining in the national health insurance debate.

In a review of a recent book, Mr. Jack Geiger, an important force in the development of the neighborhood health center movement, has concisely and articulately stated this important issue. I ask unanimous consent that his article be printed in the RECORD.

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

[From the New York Times, July 17, 1974]

THE POOR GROW SICKER, THE SICK GROW POORER

(By H. Jack Geiger)

(The New York Times Book Review, "Blue Cross: What Went Wrong?" By Sylvia A. Law and the Health Law Project, University

of Pennsylvania. 246 pp. New Haven: Yale University Press. $8.95.)

In the 1960's it was fashionable, for a while, to believe that the American health care system was basically sound but had just neglected the poor and the elderly. We observed that in this most affluent of nations, the poor were likelier to be sick, the sick were likelier to be poor, and the poor grew sicker while the sick grew poorer. We recognized that the middle class could no longer afford to pay for its aging parents' hospital and medical bills.

Secure in our faith that it is always better to tinker with a system than to make fundamental design changes, we threw a few additives in the tank—Medicare, Medicaid and the poverty program's network of neighborhood health centers for the poor—and waited for the wonderful mileage our health care providers assured us the system would then deliver.

A decade, and many millions of dollars, later, our unease is greater. The poor, the ghetto dwellers, the migrant farmworkers and the rural sharecroppers continue to suffer appallingly and to die needlessly, though we seem to care less about it than we did. The middle class has been priced almost out of the health care marketplace. But now, in addition, there is the growing sense in many quarters that something is deeply and gravely wrong, that the health care system just doesn't work—at least for the average consumer it is supposed to serve.

The standard responses to this dissatisfaction are already evident. The health insurance companies, pharmaceutical manufacturers, hospitals and health professionals are dusting off the old Norman Rockwell paintings and running full page ads (which you and I are paying for, as we shall see) to assure us that their only concern is our family's health, to tell us how much we need them and to convince us subtly not just that they work in the public interest but they are the public interest. There is a raft of proposals for national health insurance plans in Congress, and this is the year, at last, when one of them may pass. Once again, we are promised, the system will be fixed.

Sylvia Law knows better. Just in time for the great debate on national health insurance that is now beginning, she and her colleagues at the Health Law Project of the University of Pennsylvania have written a book that is, in the war for control of the health care system, like a small, elegant, beautifully fashioned charge of dynamite.

If it is read—as it should be—by everyone concerned with health care, from Congressmen to consumer, it should explode many of the treasured myths about our current health care system and force us to recognize that our choice of a national health insurance plan is not a choice between competing legislative technicalities in a highly complex area of fiscal and administrative expertise. It is not a matter of tinkering, but an example of the single greatest issue of social policy, which is: who will make the thousands of day-to-day decisions that really comprise social policy—representatives of the public, accountable to the public, or representatives of special interests, accountable to themselves?

Wisely, "Blue Cross: What Went Wrong?" does not address all the issues of health care of the whole of the American health care system—an almost impossible task even for a much longer book. Instead, it examines just one segment—the national network of local "non-profit" hospital insurance plans to which we pay our premiums and which, in turn, pay the hospitals most of the bill when we use them. This is the function of Blue Cross for the private health care consumer.

What is not so widely known is that for the past nine years Blue Cross has had another and even more important function, from the point of view of public policy. In Professor Law's view, Blue Cross has really run and administered our major Federal health programs—not the Department of Health, Education and Welfare, not the Congress, not the state governments, not the taxpayers who supply the Federal and state dollars for Medicare and Medicaid, and certainly not the ordinary citizens who need and use hospital and health services.

Blue Cross is the "fiscal intermediary." The Federal Government does not pay your hospital bill directly under Medicare, for example. Instead, under a huge contract between H.E.W. and the Blue Cross associations, it pays Blue Cross, which pays the hospital.

Along the way, it is Blue Cross that has the delegated—that is, public—responsibility to see to it that the hospital charges are reasonable, that cost controls are exercised, that the services are really needed, that quality standards are maintained, that costs from the private sector are not loaded onto the Medicare bill—in short, that the whole system is accountable to the government which is paying for it and the people who are using it.

The trouble, Professor Law argues, is that Blue Cross, the fiscal intermediary "regulating" the hospitals, is the hospitals. Blue Cross is a creation of our hospitals and the American Hospital Association, dominated by the hospitals. Some 42 per cent of the membership of Blue Cross boards of directors are hospital representatives; another 14 per cent are physicians; most of the rest, including "public" representatives who are rarely publicly chosen, are bankers, business executives (including officers of hospital supply corporations), and the like.

What happens when the fox is not merely in the chicken coop, but is appointed by the government to be its administrator. The predictable happens, not because institutions (or foxes) are necessarily evil, but because they will always look first to their own survival, and only then to the interests of the public (or chickens).

More than 100 pages of appended notes and documentation in "Blue Cross: What Went Wrong?" show that the "reasonable cost" formula for determining hospital charges has nothing to do with what is reasonable by any market or accounting standards. Hospitals can charge off to the Medicare "costs" of the hospital day a portion of their public relations costs, the cost of advertising to present a good public image, the expenses of fighting unionization of underpaid and exploited hospital orderlies and aides, the costs of depreciation—even on buildings and equipment originally bought with public funds—as well as the costs of drugs, medical equipment and supplies bought at hugely inflated prices, all to create an enormous backdoor subsidy of public funds not under public control.

The record in utilization monitoring, quality control and related aspects of hospital performance, it is argued, is just as bad. "The picture that emerges is one of total unaccountability," and with truly staggering understatement, Professor Law later adds, "the interests of even benevolent institutions and the public interest do not necessarily coincide."

All this is important because, if and when we do legislate national health insurance, we will have to decide whether or not the Government will administer its cost and quality control aspects directly through a Federal regulatory agency that is responsive to the people who use health services. If, once again, we appoint a "fiscal intermediary," will it be Blue Cross or some similar representative of hospital and health insurance company interests, or representatives of the public, the powerless consumer?

If we use the present Blue Cross or its equivalent, Professor Law says, national health insurance will be insurance for the hospitals and health providers, not for us. The design of the health care system will not really change in the direction of public accountability. Rather, in the memorable phrase of some radical health workers, national health insurance will simply be a Great Leap Sideways.

The Health Law Project's proposals are modest. Above all, they say, we must have a consumer-responsive health care system, and national health insurance must be administered by an agency that represents, and is accountable to, the public. We will probably have to have fiscal intermediaries, they say, and we will need the special administrative and health care expertise represented by the staffs of organizations like Blue Cross. First, we must, in the best sense of the word, socialize Blue Cross by transforming the boards of directors of all the Blue Cross plans across the nation, eliminating the representatives of health care providers and requiring public election of representative health care consumers. Remarkably, even this proposal is simultaneously free of apocalyptic rhetoric and addressed to the issue at the heart of it all:

"Making health services delivery publicly responsive is certainly an important value in itself. But the underlying value, one that transcends health services, is the need to develop means by which people can control their own lives and the institutions and programs upon which they depend. From an individual perspective, things seem to be out of control, chaotic, random, and at the mercy of some autonomous technology or system. To some extent this perception is accurate, but to an important degree power, money, and knowledge have become more concentrated in the hands of the institutions and professionals who have always had them. . . . There are enormous obstacles involved in creating a means whereby people can participate in the determination of social policy in this highly technological society . . . [but] the consequences of our present course seem so grave, and the stakes so high, that it seems important to articulate democratic alternatives and to struggle to make them happen."

That, in my view, is what changing the health care system is all about. I think we are unlikely to achieve it this year, or even soon, or in a single stroke, but we will need this book continually to remind us of the real nature of the issues.

ECONOMIC LEADERSHIP IS THE RESPONSIBILITY OF CONGRESS

Mr. HUMPHREY. Mr. President, it has been clear for some time that the seriousness of our economic situation is such that firm economic leadership by Congress cannot be avoided any longer. The so-called price-bubble is no longer a bubble, as was pointed out in the May consumer price report: Prices were up by 10.7 percent from 1 year ago, and the average consumer must now pay $14.50 for the same basket *of goods* that he bought for $10 in 1968. American consumers spend about one-fifth of their annual budget on food, which is now 16 percent more expensive than a year ago.

As I travel around the country, I have seen how inflation is seriously cutting into our economic fabric. Four and a half million Americans are now jobless, with many more discouraged workers having dropped out of the labor force. Households have been forced to dip into $5.5 billion worth of their personal savings in a struggle to maintain a decent standard

of living. After-tax purchasing power dropped by more than 3 percent last year, imposing severe hardships on the American public and contributing to the business slowdown.

In recent months, many economists have stated that the American people are suffering under the worst inflation since World War II. Why is it that now, when our country is no longer at war, we sit and do nothing as our Nation's standard of living is eroded? I believe that it is high time we take a critical look at the traditional tools of economic management and develop some answers to the current vexing economic questions.

I believe that the major reason for the recent failure of economic policy is the administration's blind and narrow adherence to the myth of the free market. For many years we have known that Government involvement in the economic life of this Nation is essential for prosperity because there are many economic activities, such as protection of the environment, that are essentially public in nature. In addition, we know that competitive markets do not exist in many sectors of the American economy and Government antitrust efforts are essential. In other words, truly competitive markets do not, for the most part, exist in vast areas of the American economy.

This ideological blindspot is evident in the administration's traditional attack on inflation, with the peculiar result that present policies only tend to further aggravate inflation. We now see that tight monetary policy is ineffective, in this time of spiraling prices, in reducing investment demand. In fact, it is clear that this policy only serves to raise credit costs and business expenses, in general. Those who agitate for across-the-board budget cuts must recognize that the current inflation has not been the result of excessive Government spending. The Federal budget, on a national income accounts basis, has been in approximate balance for the last 18 months. Experience with floating exchange rates, which the administration tried as a last resort, has actually worsened domestic inflation and our balance-of-payments deficit. Continued reliance on these limited economic tools will throw this country into a deep recession.

A second deficiency in economic policy stems from the oversimplified view that some economists themselves have of the economy. For better than a generation Keynesian theories have dominated economic policy. But the Keynesians of the 1930's developed their theories about a much simpler economy, and over the following 40 years both the private and the public sectors became many times more complex. Sales and investment volume in the private sector for consumer and capital goods, along with the supportive transactions for these markets, have exploded in recent years. The public sector also grew in size, coverage, and complexity. Federal subsidies, for example, public actions designed to encourage certain kinds of private market behavior, account for $63 billion in Federal resource allocation cost annually.

Insufficient information is a third explanation for the recent economic crisis. At the heart of the failure to anticipate and coordinate economic policy, has been a failure of the Federal Government to develop and use information properly. Most businessmen and academic experts agree that this deficiency is a major problem, and that the Government has a primary responsibility to improve the situation. There has been little effort to develop an understanding of long-range trends in the economy, and, when studies are developed, they are not used for policy by the Federal Government. Data on particular markets is also weak, preventing rational analysis of prices, production, unemployment, and so forth. We need a clearer picture of the world prospects in food and energy markets, for example, because scarcities and high prices abroad now have a greater impact in our Nation than ever before. The microeconomic aspects of our economy's performance cannot be ignored either, if we are to have effective Government action.

Finally, all this basic information must be organized in a systematic, understandable way, picking out the important factors from the irrelevant ones, and fitting them together into a total picture which we can use to identify potential problem areas and what can be done about them. As the distinguished majority leader, the Senator from Montana, MIKE MANSFIELD, pointed out, we must face up to the "question of how to coordinate and apply available knowledge in a manner which permits wise and rational policy choices to surface in a timely fashion and at a sufficiently high level of Government to make them useful."

A fourth deficiency in the Federal Government's management of economic policy is in the institutions we use for this purpose. The Council of Economic Advisers is inadequate in scope and resources to carry out its task of monitoring the economy and recommending new economic policies to the President. We also have excessive duplication and lack of coordination among the other Federal agencies that have some responsibility for economic policy. We badly need reform in the institutional structure of economic affairs. Indeed, President Nixon himself pointed out in 1971 that—

> The capacity to do things—the power to achieve goals and to solve problems is exceedingly fragmented and broadly scattered throughout the Federal Government.

This confusion has grown worse in the last 3 years.

I believe that we in Congress must take on the responsibility and do something about these weaknesses in our approach to economic policy. The time has come to organize our Government in a way that will generate the economic answers which the American people must have. There is a deep-rooted frustration in this country with the delayed reaction to our economic ills, and it is up to Congress to develop preventive policy before the situation deteriorates to a point where the only answer the White House can provide to our people is "tighten your belts."

One method of achieving this goal is with a national planning mechanism, which would be charged with assembling not just aggregate data but also detailed statistics on the markets for goods and services, labor and capital. If scarcities in refined petroleum were anticipated, for example, new refinery construction could be strongly encouraged. If international demand for U.S. foodstuffs were to rise sharply, policies to either expand our food production, or ration the amount of it we can export, could be proposed. In other words, the primary purpose of such a mechanism would be to provide information on how to improve economic policy, rather than to directly control it.

But this is only one general suggestion about what we can do about the current economic crisis. We really need many more creative ideas to overcome the intellectual wasteland that characterizes economic thought today. I would like to commend highly two congressional resolutions proposed by Senator NELSON and Senator PROXMIRE, which represent a first step in this direction.

Senate Concurrent Resolution No. 88, presented by Senator NELSON and myself, suggested an Advisory Board to the Joint Economic Committee composed of leading economists and other experts from a broad spectrum of political backgrounds. This panel could perform an extraordinarily useful function for this Congress, by developing specific legislative recommendations on the basis of broad expertise drawn from the business and academic worlds. The Joint Economic Committee would then report its proposals to both the Senate and House leadership, who would in turn insure that any sound recommendations are reported to Congress, as soon as possible. Senator NELSON's resolution calls for a firm bipartisan commitment by Congress to study all the economic remedies that are within reach, and to take responsible legislative steps toward leading the Nation out of the present economic stagnation. Senator NELSON deserves credit for this initiative.

Senator PROXMIRE has proposed resolution 93 in the same spirit of creative and coordinated leadership by Congress. The Senator states that the Joint Economic Committee should undertake a "crash study of the causes of the Nation's current runaway inflation and of ways to stop it," to be aided in this study by experts from all fields. The committee will direct its attention to the deficiencies of available information, and will also focus on the problems in modern economic theory which concern this Nation. To insure the health of this complex country, it is essential that a bipartisan group concern themselves with these critical issues.

There are of course many other economic issues the Congress should examine in order to develop new policies. But, right now it is urgent that the Congress take a firm position to bring the country out of its economic quagmire. Senator PROXMIRE, with his long experience as vice chairman of the Joint Economic Committee and his valuable service in the Congress, has clearly recognized this responsibility and I fully endorse his resolution, which was unanimously approved by the Senate on July 9, 1974. I now urge the House to act on this resolution, as soon as possible.

A wait-and-see attitude on the part of Congress is simply not possible any longer. Prices are rising astronomically and paychecks continue to shrink in purchasing power. Professor Haberler recently predicted that—

A large country that restrains its inflation can count on many others to follow its lead.

A concentrated American effort to cure inflation and recession at home could improve our international position as well. For these reasons, I hope that we in Congress will move quickly to restore confidence in the American economy.

MORE PAY FOR FEDERAL JUDGES

Mr. McGEE. Mr. President, I ask unanimous consent that an editorial which appeared in the June 11, 1974, editions of the Los Angeles Times relating to the pay of Federal judges be printed in the RECORD.

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

MORE PAY FOR FEDERAL JUDGES

Federal judges haven't had a pay increase since 1969, although the cost of living has gone up 30% in that time. The result is that highly competent jurists have quit the bench, others are on the verge of resigning, and President Nixon has been unable to fill more than 20 vacancies in the district and circuit courts.

If nothing is done, the country is going to have to settle either for a decline in the quality of the federal courts or for the appointment of much older lawyers. Neither alternative is acceptable.

District judges now receive $40,000 a year, and circuit judges $42,500. At first glance, they appear to be handsome salaries, but they average at least 60% below the income that a comparable lawyer could earn in private practice.

Younger lawyers, with excellent qualifications, reject appointments because they are at that stage in life where they are raising families and the demands on their incomes are the greatest.

Older lawyers, who have become financially secure, are more willing to serve. But they become eligible for retirement after comparatively brief service and before they can achieve their full competence in the many and complex civil and criminal issues that they must try in their courts.

Congress had a chance to raise the salaries of federal judges earlier this year. But their increase was tied to simultaneous raises for top executive-branch employes and for senators and representatives.

The senators, understandably, shied away from voting themselves a raise in an election year, and their vote to kill the legislation denied everyone an increase.

But a proposal now before the Senate Post Office and Civil Service Committee would permit the special commission that surveys government salaries to recommend adjustments every two years, instead of every four years as under existing law.

It's still a political year, and no action is likely to be taken until after the November elections. But we believe that the committee should approve the legislation, which would hold forth the hope to present and potential judges that the government may come up with at least a modest raise in two years.

Increases for legislators and executive employes should have to stand on their own merits when the commission convenes. But more money for judges is clearly in order. The alternative—a federal bench of gradually declining competence—would be infinitely more costly.

SPECIAL EMERGENCY U.S. CONTRIBUTION TO UNRWA

Mr. KENNEDY. Mr. President, several weeks ago, on May 29, I wrote to Secretary of State Henry A. Kissinger to express my personal concern over the deteriorating financial situation of the United Nations Relief and Works Agency for Palestine Refugees in the Near East—UNRWA, and to urge his recommending an immediate Presidential determination for a special emergency contribution to this international humanitarian agency.

As I indicated in my letter to the Secretary, official estimates indicate that some $20 million are needed to give the agency minimum financial solvency, and that the deficit for 1974 alone is approximately $10 million. According to officials in UNRWA—and this view has been shared by the Subcommittee on Refugees, which I serve as chairman, and officials in the Department of State—unless additional contributions from the international community were forthcoming within the very near future, UNRWA services, including the distribution of food rations and the education of young refugees, would be sharply curtailed.

I am gratified to report to the Senate today that, as a result of a Presidential determination authorized by the Migration and Refugee Assistance Act of 1962, the United States has committed $4,200,000 toward a special UNRWA account to help finance the agency's education program for young refugees. Coupled with a special contribution of some $8,500,000 from the European Economic Community and smaller contributions from other sources, the American commitment helps to insure that UNRWA's important humanitarian services to Palestine refugees will continue. The administration's action deserves our tribute and support.

CONSUMER PROTECTION

Mr. BROCK. Mr. President, a recent Star-News editorial concisely expresses the crucial faults inherent in the proposed Consumer Protection Agency. The fundamental goal of protection for the consumer is not challenged here; it is the means of achieving this end which deserves careful, thorough consideration. I strongly recommend this article to my colleagues and ask unanimous consent that it be printed in the RECORD in its entirety.

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

BUREAUCRACY THREAT SEEN IN BILL

"Only the highest motivation propels all those people and groups now pleading—with good chance of success, we fear—for creation of a federal Consumer Protection Agency. They want to rid the marketplace of flim-flam and faulty products. They see vast benefits if the consumer becomes really entrenched in government with a watchdog agency of vast power. And, having scored a three-to-one victory for this proposition in the House, they now are knocking on the Senate's door.

"The Senate should be very cautious, we think. Behind the idealistic gloss, there are many nettles in this plan. The House was stampeded into approval by election-year pressures, and the vote does not reflect the grave reservations which many members had about the proposal. But the Senate need be in no such hurry. It can take time to ponder the reforms passed in haste heretofore that have grown into monstrosities, costly beyond anyone's prior imagination.

"This new agency would be stoutly independent, with incomparable authority to take action—legal and otherwise—over a sweeping spectrum of government, industry and business. Its administrator, needless to say, immediately would be one of the most powerful persons in the country—intervening in affairs of other government agencies, as well as the private sector. A good question is whether any single person should have the awesome power to speak for the consumer that's envisioned here. And not only business is troubled by this: Though the AFL-CIO supports the measure generally, it wants all labor affairs exempted from scrutiny by the consumer czardom. Unless this is done, it may oppose the bill. 'We don't regard labor relations as having a consumer interest,' a spokesman said. 'We don't want another government agency intervening in labor-management relations, sticking their noses in our affairs.'

". . . If labor affairs—which even get into the uses of certain prefabricated products—don't affect consumers, what does? No doubt other segments of society also will want to be exempted. The trouble is that about everything is consumer-related; the consumer agency operatives will have to cover an incredible field. They'll be authorized to do it, too, under this bill, often duplicating protective functions of other agencies, as in safety and public health, for examples.

"And the immeasurable scope of this assignment makes one thing inevitable: a ballooning new bureaucracy. An agency that theoretically can be called upon to seek amends for every faulty toaster and premature tire blowout in the country will have thousands of people on the payroll before long, including an army of lawyers. Another good question is whether it will cost more than it saves the consumers.

"Private consumer groups are doing remarkably well in striking terror into cheaters of the public, as are consumer agencies in some states. Neither are the existing federal regulatory agencies impotent. The Senate should, we think, turn this superagency idea aside. If that isn't possible, it must at the very least put some sensible limitations on the proposed agency, which cannot attempt to do everything for everybody without winding up in chaos."

CORPORATE CONCENTRATION

Mr. MUSKIE. Mr. President, over the last 3 months, the Subcommittee on Budgeting, Management, and Expenditures, under the able leadership of Senator METCALF, has been conducting hearings into the concentration of ownership of major U.S. corporations in the hands of a very few large institutional investors. The hearings have been held jointly with the Subcommittee on Intergovernmental Relations, which I chair.

These hearings were sparked by a report of the Subcommittee issued last December, entitled "Disclosure of Corporate Ownership." Among the major findings of this study was that current procedures for disclosing corporate ownership data, and particularly data relating to

voting power, are highly inadequate, and frequently misleading.

The report gives us a singularly thorough look at the ways in which information about corporate ownership is hidden from public view—not illegally or deliberately—but in accord with generally accepted methods of accounting and reporting. The result of such practices—such as the use of street name accounts in place of actual names to identify ownership—is information which too often gives no hint of the patterns of ownership of a particular corporation, or of the degree to which ownership of that corporation is concentrated in a very few hands.

Because of the importance of this report, I am pleased to draw the attention of my colleagues to some well deserved praise for it, from A. A. Sommer, Commissioner of the Securities and Exchange Commission.

In remarks prepared for delivery before a postgraduate course on Federal securities law in California earlier this month, Commissioner Sommer has presented a most thoughtful and persuasive case for the need for more complete disclosure of a number of aspects of corporate activities. With justified compliments for Senator METCALF, Mr. Sommer made the following point:

Senator Metcalf's concern about the concentration of the ownership of major corporations in large financial institutions is strongly reminiscent of concerns that have been expressed in this country for well over a century about concentration of wealth. It may well be that the dangers of this concentration are more pronounced now than ever before, particularly in view of the emergence of huge funds of capital and pension funds, charitable foundations, investment companies and other mechanisms for grouped investments. It seems to me that some of the criticisms which Senator Metcalf and his staff have spoken about concerning present disclosure practices are well justified.

One of the major recommendations of the subcommittees' study was fuller disclosure concerning the business affiliations of officers and directors of public-held companies. Commissioner Sommer proposes a substantial expansion of this recommendation—that "all occupations and directorships of directors, officers and substantial shareholders of an issuer be publicly disclosed in the annual report."

For those concerned with issues of corporate disclosure and accountability, Commissioner Sommer's remarks are important reading. I 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:

REPORT ON ANNUAL REPORTS

(By A. A. Sommer, Jr.,* Commissioner, Securities and Exchange Commission)

By now you have undoutedly been amply reminded that you are attending this course in the midst of the weeks during which the Securities and Exchange Commission began its existence 40 years ago. Any fair rendering of the last 40 years' history of securities regulation would, I think, as did such a rendering by Felix Belair, Jr. in The New York Times a week ago Sunday, give the Securities and Exchange Commission fairly high marks in protecting investors, assuring the integrity of securities markets, and in general advancing the reliability of information available to investors. Like any human organization, the Commission has had times of greatness, times of trouble, times of torpor, and, in the minds of some at least, times of hyper-activism.

However, while engaging in a bit of self-adulation during this memorable period, I find it helpful to reflect upon not only what has been done, but what has been left undone, despite earnest desires and enormous efforts. I have been recently reading the doctoral thesis of Professor Robert Chatov who presently teaches at The New York State University at Buffalo. This thesis, impressive both in length and quality, discusses in considerable detail the accounting profession since its advent on the American economic scene, but more particularly the relationships which have existed since 1933 between that profession and the Securities and Exchange Commission. So much that was said during the early period of the Commission's existence—the mid-30's and shortly thereafter—is remarkably contemporary in the tone and content. There was then, as there is now, a harsh suspicion in many quarters that the Commission wishes to pre-empt the establishment of accounting principles and auditing standards; there was concern that the professionalism of the accounting profession would be diluted unless there was preserved to it the opportunity for "flexibility" and judgment, with the establishment of unitary accounting principles as a foe to the preservation of these characteristics. So many of the issues seem so similar, the rhetoric so familiar. Ah, how slowly do times change.

On a broader scale, the arguments concerning the value of proposed extensions of disclosure continue unabated, the usefulness of disclosure practices continues to be questioned. Contrast, if you will, the statement of Judge Weinstein in *Feit* v. *Leasco* with that of then Chairman of the SEC, James M. Landis, uttered in 1935. Here is Judge Weinstein:

"In at least some instances, what has developed in lieu of the open disclosure envisioned by Congress is a literary art form calculated to communicate as little of the essential information as possible while exuding an air of total candor . . . In the face of such obfuscatory tactics the common or even the moderately well informed investor is almost as much at the mercy of the issuer as was his pre-SEC parent. He cannot by reading the prospectus discern the merit of the offering."

And here is James M. Landis 36 years before:

"Perhaps the most common complaint against the operation of the Securities Act centers about the length and complexity of the prospectus that under the law must precede or accompany the sale of a registered security . . . A different problem presents itself, however, with reference to the mass of investors, some of whom still believe that surplus is cash in the bank and that balance sheet valuations are readily convertible into money. A great question remains of how to simplify for them a thing that is naturally intricate and how to do it without running the danger of misleading them by the very fact of enforced simplicity."

Thirty-nine years later we are still concerned with the problem of conveying the information available to issuers in a meaningful, comprehensive, adequate fashion to the smaller investor. During the 40 years of the Commission's existence ideas to accomplish this have ranged from provisions for simplistic graphs and charts through to total abandonment of the individual investors in favor of the professionals. It has been suggested that, in effect, prospectuses and other documents should be in words little advanced beyond baby talk; on the other hand, Homer Kripke in referring to the "myth of the informed layman" has suggsted that disclosure documents should reflect a realization that only a professional can understand them and they should be frankly designed for his use. It has been suggested that documents be in two or more parts, with one part a simplified version directed to the average investor, and other parts of substantially greater complexity for use by the professionals and sophisticated investors (how ideas do endure: in 1935, precisely what Chairman Landis suggested with respect to prospectuses and in 1969 it was precisely what the Disclosure Study recommended with respect to certain proxy statements and in somewhat attenuated form with respect to prospectuses). Recently the Commission developed the concept of "differential disclosure," a technique which would result in greater details in the financial statements in the Form 10–K filed with the Commission, with only summarization of such additional data included in the financial statements in the annual report to shareholders.

Amid these recurring re-examinations, it is sometimes possible to discern real progress. I would suggest that one area in which this has been accomplished is the approach of the Commission to the annual report to shareholders.

Historically, the Commission, while developing an increasingly sophisticated system of disclosure in connection with distributions and in connection with filings with it, has treated the annual report to shareholders with extreme tentativeness and even deference. It has been unsure of its power to directly affect the contents of the annual report; this misgiving is amply reflected in statements of Professor Louis Loss, the Reporter of the American Law Institute's Federal Securities Code project, where he has said that one of the primary purposes of the codification effort is to give the Commission direct power over the content of annual reports to shareholders. The Commission has been hesitant to churn up the one fertile patch in which a company, and particularly its chief executive officer, can speak uninhibitedly to its shareholders of past triumphs and disappointments, the promise of future glories and the wonders of the present without having his every word passed by a gaggle of lawyers and sliced thin by Washington bureaucrats.

The Commission has, in my estimation, been too sensitive to charges that regulation of the contents of the annual report to shareholders would be an unwarranted intrusion upon freedom of speech for management; to some extent the Commission's hesitancy is probably a reflection of the notion, somewhat naive I think, that the mandated disclosures in filings with the Commission would offset exaggerations or inadequacies in annual reports in the market place.

At one time, namely 1942, the Commission did propose to extend its controls over the annual reports rather directly. Under a proposal then considered by the Commission, the annual report would have had to be filed with the Commission in advance of its use; either it or the proxy statement would have had to include extensive modifications in the Commission's power over proxy statements as a result of intense pressures brought on Congress and the Commission. An examination of the legislative history pertaining to this matter indicates that there was indeed no misgiving expressed on the part of the Congress

*The Securities and Exchange Commission, as a matter of policy, disclaims responsibility for any private publication or speech by any of its members or employees. The views expressed here are my own and do not necessarily reflect the views of the Commission or of my fellow Commissioners.

or the Commission with regard to the assertion of direct power over annual reports; as a matter of fact, it is apparent from examining the dialog between Chairman Purcell and members of the House Committee on Interstate and Foreign Commerce that the Committee members found it very difficult to differentiate between the Form 10–K filed with the Commission and the annual report furnished to shareholders.

To the extent that the Commission has in the past exerted power over the annual report, it has done so in two ways: one, by referring such power from its power to regulate proxy solicitations (Section 14(a) of the 1934 Act), and second, through that ubiquitous creature Rule 10b–5.

All of the present requirements promulgated by the Commission with respect to the annual report are contained in one rule under Section 14(a): Rule 14a–3 (and its correlative, Rule 14c–3). Under this rule, as it is presently constituted, anyone who solicits proxies pursuant to Section 14 of the 1934 Act is required to furnish either before or concurrently with a conforming proxy statement an annual report containing specified information (these provisions also relate to statements required under Section 14(c) when proxies are not solicited). This information must include comparative columnar form financial statements for the last two fiscal years prepared on a consistent basis, including balance sheets and income statements. These financial statements must conform to those that are in the Form 10–K filed by the issuer unless there is set forth in the annual report "any differences . . . from the principles of consolidation or other accounting principles or practices, or methods of applying the accounting principles or practices . . . which have a material effect on the financial position or results of operation of the issuer." There is permitted the omission from the statements in the annual report of some details and the condensation of some information within parameters that are further specified in other rules.

These financial statements, at least for the last fiscal year, must be certified by independent public or certified public accountants, with certain rare exceptions; it is now proposed that the financial statements for both years must be certified.

For a company which is subject to the proxy rules for the first time, the annual report must contain such information about the business done by the issuer and its subsidiaries during the fiscal year as will, in the opinion of the management, indicate the general nature and scope of the business of the issuer and its subsidiaries.

Seven copies of the annual report must be mailed to the Commission "solely for its information," and such reports are not regarded as "filed" for liability purposes under the 1934 Act—but note, this does not remove them from the scope of Rule 10b–5.

The rule very specifically provides that "Subject to the foregoing requirements with respect to financial statements, the annual report to security holders may be in any form deemed suitable by management."

Obviously these requirements are restrained, limited, conservative.

The other means by which the annual report has become subject to federal requirements is through Rule 10b–5. There has been litigation, and causes of action have been found to exist, as a consequence of alleged omissions from or misstatements in annual reports, and I would say without much hesitation at this time that virtually all counsel are fully convinced that, given the broad interpretations by courts of the scope of Rule 10b–5, any material misstatement in an annual report or any omission from it of a material fact necessary to make the statements included in it not misleading may give rise to a Rule 10b–5 cause of action. As you well know, courts have held that a defendant in a Rule 10b–5 action need not be a purchaser or seller of securities to be held liable; the requirement that a violation be "in connection with the purchase or sale of a security" is satisfied by the simple existence of a trading market with public dissemination of information that may be relied upon by those purchasing or selling securities in the market or which may impact the price of securities in that market.

I think the diffidence and hesitancy of the Commission with regard to the annual report are now disappearing and there is considerably more willingness on the part of the staff and the Commission to entertain a broader interpretation of the Commission's powers in this area. In the latter part of 1972, Chairman William J. Casey appointed an Advisory Committee on Industrial Issuers to review the disclosure practices and policies of the Commission and make recommendations with regard to their change and augmentation. I was a member of the committee. Among the members of the committee, consisting not only of laywers, but representatives of the industrial community, the securities business and other government agencies, there was precious little concern with whether the Commission had the power to intrude itself into the contents of the annual report. It was, I think, unanimously recognized that the annual report was perhaps the single most effective medium through which corporate information was disseminated to the investment community and that as such it should be more fully utilized and should be made more reliable. Thus, the committee recommended a number of changes in the annual report, mostly increasing the information contained in it, many of which recommendations have now been incorporated by the Commission in proposed amendments to Rules 14a–3 and 14c–3.

One of the most significant changes suggested by that committee, which has been incorporated in the proposed revision of Rules 14a–3 and 14c–3, would be a requirement that ". . . no chart, schedule, 'financial highlights' section, graph, figure or similar material of a financial nature contained anywhere in the report shall present the results of operations or other material financial information for two or more periods, in a light either less or more favorable than the financial statements included in the report."

This is an effort to eliminate the practice, not uncommon during the financial orgy of the late 60's, when a company's financial statements would be prepared with a relative degree of conservatism and in accordance with generally accepted accounting principles, but other information in the annual report would present the same basic data in a far more favorable light and in many instances blatantly inconsistently with the information in the certified financial statements—and always, I should add, more dramatically and compellingly than the manner of presentation of the financial statements.

The proposed amendments of Rules 14a–3 and 14c–3 would significantly expand the quantum of information contained in the annual report; much of this information now in the Form 10–K would be simply repeated in the annual report. These are the additional items that would be required in the annual report:

1. A summary of operations covering a five-year period substantially in the form required by Item 2 of Form 10–K.

2. Textual information which will, in the opinion of management, indicate the nature and scope of the liquidity and working capital requirements of the issuer. Matters that should be considered include peak seasonal demand for working capital, availability and cost of credit, policies associated with the extension of credit to customers, purchase commitments related to inventories, policies followed as to the magnitude of inventory to be maintained, and future financing requirements and plans. This requirement and others like it are important. They require that management furnish not only raw information and bare facts to shareholders and the investment community, but that in addition management interpret this information in a meaningful way to assist the ordinary investor in understanding it. Too frequently I think management has had the attitude that their sole responsibility to shareholders was to give them raw data concerning the company; if the shareholders were sophisticated enough to understand it, well and good; if they were not, then that was their misfortune unless they sought professional assistance. This provision is intended to create at least a possibility that ordinary shareholders will be able to understand the financial situation of the company, will be able to understand when a company is heading into a liquidity crisis, will be able to understand when a company may be on the threshold of financial need, the satisfaction of which may pose significant peril.

3. Information about the business done by the issuer and its subsidiaries during the fiscal year such as will in the opinion of the management indicate the general nature and scope of the business of the issuer and the subsidiaries. This obviously is found in most annual reports; however, the formalization of it may have the effect of causing management to pay closer attention to the manner in which it renders this vital information. In addition, it would be required that the "line of business" reporting data contained in the Form 10–K be also reported in the annual report to shareholders. This requirement, it should be noted, reflects not only the recommendation of the Advisory Committee referred to earlier, but that of the Financial Executives Institute in 1971 and of the American Institute of Certified Public Accountants at about that time.

4. The name, principal occupation or employment and the name and principal business of any organization in which each director and each executive officer of the corporation is employed. As I will note in a moment, this information, already required in the Form 10–K and proxy statements, is not enough in the eyes of many people and should be expanded further.

5. Information about the principal market in which the securities of any class entitled to vote at the meeting are traded, and the high and low sales prices (or in applicable classes, the range of bid and asked quotations) for each quarterly period within the most recent two years, information about dividends paid on such securities during such two years, and a statement of the issuer's dividend policy with respect to such securities. I think this is extremely important additional information. Granted any shareholder with enough interest would be able to go back and reconstruct these figures, but why should that burden be placed upon him?

Historically, both in terms of time and emphasis, the annual report has been more peculiarly the domain of the stock exchanges, and particularly the New York Stock Exchange, than it has been of the Securities and Exchange Commission. For many years, the New York Stock Exchange has had as a part of its listing agreement a requirement that a company with securities listed on the Exchange furnish to its shareholders an annual statement containing certain specified information. Recently, the Exchange published its "White Paper" entitled "Recommendations and Comments on Financial Reporting to Shareholders and Related Matters." In this, the Exchange, without making it a matter of rule, set forth in fairly strong language the types of information which should properly be included in the annual reports of listed companies. In many instances these proposals also would simply repeat in the annual report information al-

ready required in the Form 10–F; in other instances the proposals go beyond that.

Here is some of the data which the Exchange suggests should be in an annual report:

1. information concerning liquidity;
2. information concerning lines of business;
3. explanation of the differences between book and taxable income;
4. details of the computation of earnings per share;
5. five-year summary of earnings;
6. information with respect to conflicts of interest between the corporation and officers and directors; and
7. a discussion of the reasons for material changes in the factors affecting the results of operations of the current year as compared with the preceding year.

The Exchange suggests that it might be useful for companies to set aside a section of the annual report for supplemental financial data. This is a resurrection of an idea which has been suggested frequently in the past—that perhaps both worlds—the one, consisting of the freely written, uncensored, colorful, lively aspects of the annual report, the other, the structured exactness of filed documents with the Commission—can be served by having an annual report consisting of two parts, each reflecting one world. The Commission has not mandated such a segmentation in annual reports and it has certainly not prohibited it. It has, as a matter of fact, on occasions recognized that companies might wish to follow this course. It may well be that mandated detailed information can be segregated from the more "glamorous" parts of the annual report. However, in the course of doing this issuers should be careful that they do not mislead investors with regard to the importance of information required by the Commission or relegate it by type-size or placements to such an extent that no investor might reasonably be expected to familiarize himself with it.

One of the reasons why the annual report is so attractive a vehicle in the disclosure scheme lies in the belief that people do read it. In the course of using it as a vehicle for the effective communication of important information, it must not become so overburdened, so lengthy, so suffused with detail that it loses the one characteristic which it has above all other corporate documents, namely, readability and readership.

With that caution in mind, I approach suggestions of additional information to be included in the annual report with some diffidence. However, I think there is good evidence that there have emerged additional areas of investor concern about which larger amounts of information should be widely circulated.

One of these is the problem of the independence of the public accountant. I am thoroughly convinced that if hope there be for the restoration of belief in corporate integrity, it lies in the integrity, the independence and the professional capacity of the accounting profession. Consequently, I feel that we should avail ourselves of every means at our disposal to shore up that independence and give the accountants every opportunity to perform their professional work in a manner that is in the public interest. At the present time, Item 12 of Form 8–K requires the disclosure of information concerning changes in a registrant's certifying accountant. The item requires that, in the case of such a change, the registrant must furnish to the Commission a letter stating whether within the 18 months preceding the engagement there were any disagreements between the registrant and the former principal accountant on any matter of accounting principles or practices, financial statement disclosure or auditing procedure, ". . . which disagreements if not resolved to the satisfaction of the former accountant would have caused him to make reference in connection with his opinion to the subject matter of the disagreement." In addition, the registrant must ask the former accountant to furnish a letter to the Commission stating whether he agrees with the statement contained in the letter of the registrant and, if not, the basis for the disagreement. We are in the process of re-examining these provisions. Many have suggested that perhaps they are too loose, that they lend themselves to evasion, that there is a normal human reluctance to hang out dirty linen which prevents the requirement of such disclosure having the effect intended.

Professor Douglas Hawes of the Vanderbilt Law School has recently suggested that information concerning change of accountants should be incorporated in the proxy statement furnished to shareholders. I heartily endorse this proposal (and would suggest, because of its readership, that perhaps the information might be included in the annual report). It seems to me that there is little information which can be made available to shareholders which is more important than information concerning disputes that have developed between the independent auditor and the management. It seems to me that the threat of more widespread dissemination of this information will lead to greater management willingness to prepare financial statements in the manner which will meet auditor approval. If there has been a change of auditors in circumstances in which there was a dispute between management and the auditors, then surely the shareholders should know this when they are called upon to vote for management and for the selection of auditors, a practice which is commonplace now. Beyond that, it seems to me that not only should disagreements eventuating in a change of auditors be disclosed, but when such a change occurs the company should have to disclose whether during, say, the three preceding years the disappearing auditor had qualified its opinion and what the nature of the qualification was. Auditors, as a consequence in some measure of the deluge of litigation to which they are being subjected, are quicker now than before to qualify an opinion and in a significant number of cases a qualification is followed in fairly short order by dismissal. Shareholders should be alerted to this sequence of events through the means best afforded to bringing it to their attention, the annual report.

Senator Metcalf of Montana is the Chairman of the Senate Subcommittee on Budgeting, Management and Expenditures which, together with Senator Muskie's Subcommittee on Intergovernmental Relations, has been conducting extensive hearings following publication of an outstanding report dealing with the problems of disclosure of corporate ownership. Senator Metcalf's concern about the concentration of the ownership of major corporations in large financial institutions is strongly reminiscent of concerns that have been expressed in this country for well over a century about concentration of wealth. It may well be that the dangers of this concentration are more pronounced now than ever before, particularly in view of the emergence of huge funds of capital in pension funds, charitable foundations, investment companies and other mechanisms for grouped investments. It seems to me that some of the criticisms which Senator Metcalf and his staff have spoken about concernng present dsclosure practices are well justified. In the case of the Commission, our statutory mandates relate principally to disclosures pertaining to "beneficial" and "record" ownership—see, for instance, Schedule A to the Securities Act of 1933 and Section 12(b) of the Securities Exchange Act of 1934; totally absent from these disclosure standards in the statutes are requirements with regard to disclosure with regard to "beneficial" (as we presently understand it) and "record" ownership without having any notion whatsoever as to the location of voting power in a corporation.

It is the voting power upon which the Subcommittees have concentrated and with good reason. Because of the statutes under which it works, the Commission is severely handicapped in gaining information concerning voting power, even though many recognize the desirability of more disclosure concerning such matters. At the present time the staff is exploring the extent to which it can mandate disclosure of this information and the extent to which we should require public disclosure of it. It seems to me that to the fullest extent feasible, without creating a body of misleading information, the Commission should require the disclosure in annual reports or in proxy statements of all material information concerning holdings of large amounts of voting power. It may be that legislation will be required to clarify and fill out the power of the Commission to compel this disclosure. Meanwhile, it is heartening that some institutional holders, notably the First National City Bank of New York, are publishing their holdings and the extent to which they have voting rights with respect to them.

It has been suggested that the threshold of disclosure be reduced from the common and conventional ten percent or five percent to a level of one percent. I have some concern as to whether the disclosure of all those who have possession of one percent or more of the voting power of a corporation would really add significantly to the useful fund of knowledge without unduly burdening the annual report or the proxy statement. However, again I think that this is a matter which should be explored. I react similarly to the proposal by the Subcommittees that the 30 largest holders of voting power in all publicly-held corporations be disclosed. In many instances I can conceive that this information would be extremely useful and extremely helpful; however, in others I think it would contribute very little to investors' protection. Again, though, this is a subject that deserves careful study.

The Subcommittees have also proposed fuller disclosure about the business affiliations of officers and directors of publicly-held companies. As indicated, Form 10–K requires that the principal occupation of officers and directors be disclosed and there have been proposals that this information be included in the annual report. However, it seems to me that the requirements with respect to this information might be further extended to require that each officer, director and substantial shareholder disclose the identity of all corporations and other business enterprises in which he has an interest as officer, director or substantial shareholder. Many of the matters which might be disclosed under such a standard are already required to be disclosed under present conflict of interest disclosure provisions; however, in many instances these requirements may not flush out the full extent to which a director may have interests that would be relevant to shareholders of a corporation in assessing his competence, his dedication to the company, and his ability to serve effectively as a director. I would strongly endorse the idea that *all* occupations and directorships of directors, officers and substantial shareholders of an issuer be publicly disclosed in the annual report.

There is the temptation to use the annual report as a means of social control; for instance, the suggestion has been made that the annual report should contain more extensive detailed information with regard to the environmental and employment practices and violations of a corporation. It frequently seems that many look to disclosure less as

a means of assisting an investor in making an intelligent investment decision than as a means of promoting social policies established by other branches of the government. I do not mean to demean the worthwhileness of such other efforts. However, I think it is important that if the annual report is to be the primary means through which the average investor secures useful investment information about an issuer, it should remain as unencumbered, as direct, as simple as we can possibly make it so that it may effectively serve that purpose. If it becomes another prospectus, if it becomes prolix and extended, if it becomes weighted with legalisms, then we will have lost the last opportunity to make information conveyance to average investors a meaningful and useful process.

In this connection, it seems to me that one of the most constructive proposals that has been made during the recent round of suggestions for change is the one contained in the proposed amendments of Rules 14a–3 and 14c–3, as well as in the New York Stock Exchange White Paper, to the effect that provisions be made for any shareholder to secure without cost a copy of the corporation's Form 10–K. The need for this is demonstrated by the fact that there have been too many instances in which the annual report contents vary significantly—and invariably in the direction of less meaningful disclosure—from those in the Form 10–K. Surveys have repeatedly found, for instance, that disclosures with respect to lines of business are often stated less accurately and candidly in the annual report. In a recent issue of *Forbes* a writer compared the disclosures in the Franklin National annual report with those in its 10–K and discovered rather shocking omissions from the annual report.

Of all the proposals contained in the proposed amendments to Rules 14a–3 and 14c–3, I am told by the Division of Corporation Finance that this is the one that has drawn the most objections. Principally, these objections are on the ground that this would burden a corporation with an unwarranted and unnecessary cost. The experience of companies which have made the 10–K available without cost to shareholders has invariably been that the number of shareholders requesting the documents has been very few. Thus, if, say, one percent of the shareholders requested the document, then a corporation with 30,000 shareholders would have to furnish 300 copies. Inasmuch as typically in publicly-held companies Forms 10–K are produced in substantial quantity for circulation internally and to lenders and investment bankers and others anyway, it would seem to me that the additioal cost of reproducing a relatively small number of copies would be insignificant and that the only significant additional charges would be mailing and personnel to respond to the requests. It may well be that the Commission should permit the omission of certain financial schedules unless they are paid for by the requesting party. If that is done, it seems to me unlikely that the cost of mailing 10–K's to requesting shareholders would be more than $1 to $2 a copy. If the experience of other companies is truly indicative, and if that cost estimate is a realistic one, then it seems to me that that is a very small price to pay to more fully inform shareholders and other members of the investing community.

Should we take another step to give the annual report integrity by requiring that it be filed prior to use? I do not think so. I can readily appreciate and sympathize with the concern that has been expressed by issuers that such a requirement would lead to all the frustration, delays, prolixity, verbal obtuseness that attend 1933 Act prospectuses. The very reason why the annual report is a better medium for informing shareholders than the proxy statement derives, frankly, from those characteristics which it has acquired as a consequence of the public relations arts. People are far more likely to spend time with a document that has a fetching cover, is printed on glossy paper, is replete with multi-color illustrations, is punctuated with easily understood charts and graphs, and is written in good English style with colorful adjectives and compelling verbs. If these qualities are lost, then the annual report will lose much of that which gives it its potential as a vehicle for fuller and better communication. I must candidly confess the Commission's staff has not historically appeared to have much tolerance of the P.R. arts and I would fear for the annual report's vitality if it came under our scalpel.

In addition to changes that relate specifically to the contents of annual reports there are other changes pending or made which will impact those contents, particularly in the accounting area. The Commission is steadily expanding the information which must be in financial statements filed as part of Form 10–K. These changes have required or will require more information concerning compensating balance arrangements, costs of borrowing, deferred taxes, accounting policies and the like. While this additional information must be set forth *in extenso* in the financial statements of the Form 10–K, the Commission does expect that it will be summarized adequately in the financials in the annual report.

This incidentally is the "differential disclosure" concept about which there has been some controversy. This is an effort by the Commission to avoid deluging the ordinary investor with a mass of unmanageable information and detail while making it available to the professional and the sophisticated investor who can use it intelligently. The thought is that the detail is *available* to everyone but that actually putting it in documents such as annual reports which are intended for widespread distribution may really result in poorer rather than better disclosure. Nonetheless, the combination of adequate summarization in connection with the financial statements contained in the annual report and the availability of the Form 10–K upon request of a shareholder should assure that no one is being discriminated against as a consequence of "differential disclosure."

In one area it is impossible to effectively legislate—and that is in candor. When the Commission and the New York Stock Exchange are finished writing their new prescriptions for the contents of annual reports, they still can be misleading—in some cases culpably so, in others not so culpably—if management does not choose to level with its shareholders and with the investment community. If the hard facts mandated for inclusion in the annual report are inundated in fluffy meringue, then the annual report will serve its purpose little better than it has done historically. There must, above everything else, be a realization on the part of management that candor, forthrightness, honesty and directness with the investment community are essential to public acceptance of a corporation's securities. When suspicion exists that a corporaiton has not been forthright, has not been honest, has not been candid, then the price paid in the market place, not only by it, but by its shareholders as well, can be simply devastating.

The annual report and the requirements for informational content cannot be static; rather it must constantly reflect what is important to investors. In other days, environmental problems were of little consequence to investors; now to many they are a meaningful measure of a corporation and its management. Thus the contents of the report must constantly adapt to the necessities of the time. Unfortunately, we know precious little of the information which actually goes into an investor's decision, hence many of our conclusions about what should be in an annual report must reflect conjecture and surmise. This limitation of knowledge however, should not prevent intelligent judgments about what investors need to know, and when we make that judgment, we must then determine how they can best be given the information they need.

With its hesitancies now gone, with its legal authority better recognized, the Commission is now moving toward making the annual report a more effective means of informing the markets about issuers. This need not be done at the cost of that which is good in the annual report; it need not be done at the expense of the opportunity of corporate officials to comment on the past and the future; it need not be done at the expense of all the public relations techniques which enliven most annual reports. But the annual report must become a more reliable, a fuller, a more candid statement of information important to the average investor—and along with it it will also become more useful to the professional and the sophisticated investor.

I think fairness demands that we recognize the extent to which annual reports are doing a better job than before. In examining them through the years it is apparent that many issuers are striving more conscientiously to make them fair, accurate, meaningful, useful and even candid, and certainly if one contrasts them with the practices of a generation ago the change is immense. But I think there *is* room for improvement. The continuation of greater Commission attention, greater recognition by management of the financial as well as legal penalties for fudging and the demands of investors are going to result in that improvement.

LAOS REFUGEES STILL WAIT TO GO HOME

Mr. KENNEDY. Mr. President, a decade of war in Laos has turned that small country into a nation of refugees—with nearly half the population forced to move once, and often many times, because of the shifting tides of war.

Hardest hit have been the highland peoples of Laos—the Meo—who bore the brunt of the conflict and who have been pushed from their highland homes to the crowded plains along the Mekong. There they remain dependent refugees today, because there is no land and no way for them to become self-sufficient again.

Recent field reports indicate that some 800,000 refugees are still settled along the narrow strip of land controlled by the Vientiane—former Royal Lao—Government, and that almost 80 percent want to return to their homelands. Small numbers of refugees have already made their way back to their homes since the cease-fire took effect. But for the vast majority returning home is still a long way off—both in distance and in the assurance of security. Going home is something they cannot do without help—help in moving, in housing, and in food, for a period until their first crop.

But most important, they need the security of peace—and that peace can only come when the new coalition Provisional Government of National Union begins to function throughout all of Laos. And it is to this goal that our Government must devote our every resource.

Mr. President, I fully appreciate the difficult problems in bringing normalization and peace to the people of Laos, and the added problems in bringing a unified administration to all areas of the coun-

try after many years of civil war. We must surely recognize the need for a time of transition—but we must not lose sight of our obligation to give the new Government a chance to work. We must continue to support and help the refugees while they wait, but we must guard against using our aid program to perpetuate old relationships and the division of the country.

Our true remaining obligations in Laos, and all of Indochina, are to the people in need of relief and rehabilitation. We can meet that obligation without further involving ourselves in the remaining political conflicts in the area, if we provide humanitarian assistance and channel it through international organizations and voluntary agencies, and if we end our old master-client relationship with the governments of the area.

As the Congress considers this fiscal year's Indochina aid program, the refugees of Laos should be given the priority they deserve. Their situation, and the history of their problem, has been stated most clearly in a recent essay by John Burgess for the Washington Post.

Mr. President, I would like to draw to the attention of Senators this excellent article on the plight of the refugees of Laos, and I ask unanimous consent that it be printed in the RECORD.

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

[From the Washington Post, June 30, 1974]

LAOS REFUGEES STILL WAIT TO GO HOME

(By John Burger)

VIENTIANE, LAOS.—On the Vientiane Plain, they live in crowded settlements and farm upland rice on fields they have hacked from the forests. In the mountains of Xieng Khouang province to the north, some grow crops on rocky hillsides and others live on supplies delivered by American airplanes.

They are refugees, some of the estimated 800,000 people forced from their homes by the war that ravaged Laos until shortly after the ceasefire of Feb. 22, 1973. Though the battlefields of Laos have been still for 16 months and the Vientiane government and the leftist Pathet Lao have been working together in a coalition for two, the refugees still are waiting to go home.

When one asks a refugee in Laos if he will go home, the answer is almost invariably, "Yes," but with a qualifier: "When the big people send us back, we'll go back. If they don't, we'll stay here." So far the "big people" on both sides of the coalition have been preoccupied with other things. So these refugees stay where they are and wait.

A recent survey of 392,567 refugees conducted by the Laotian Social Welfare Department in Vientiane found that about 80 per cent said they wanted to return to their native villages. (The survey found that there were a total of over 769,000 persons displaced by the war living in the Vientiane government zone. The total population of Laos is thought to be something under 3 million.)

Few seem to be wary of returning to areas controlled by the other side if peace is guaranteed. In general it was not the Pathet Lao's presence that made them flee their homes, but the fighting and American bombing that inevitably followed. Though exact figures are not known, the Pathet Lao zone also was saddled with hundreds of thousands of refugees—people who escaped into the zone when ground fighting reached their homes and those who relocated their villages in forests and caves because of the bombing. But most people faced with the need to move chose the Vientiane government zone, where there was some guarantee of physical safety and ample supplies of rice from the Americans.

Small numbers of people already have made their own ways back home to Pathet Lao-controlled territory. Laotian officials estimate that about 3,600 people have returned to homes in the Pathet Lao zone around the royal capital of Luang Prabang.

But for these people home was just a day or two's walk into the next valley. For the great majority of displaced Laotians, moving back is something they cannot and will not do on their own. They need rice for at least a year, old people and children would find the journey difficult, houses must be built from scratch and fields cleared anew. And there is the agonizing, but ever-present possibility of more war.

FORCED EVACUATIONS

There are, of course, political questions too. During the war the Vientiane faction and the United States strove to depopulate the Pathet Lao zone through forced evacuations and day and night bombing of civilian targets. At the close of the fighting it was estimated that about two-thirds of Lao's people lived in the Vientiane government zone, even though that government controlled less than a quarter of the country.

Many rightist politicians in Vientiane are not anxious for large numbers of people to return to the Pathet Lao zone, where they would help rebuild that part of the country and no doubt vote for Pathet Lao candidates when elections ultimately are held to reunify the country. But for the same reasons the Pathet Lao are determined to regain the people they lost during the war. So far the Pathet Lao have emerged as the dominant force in the coalition and it seems likely that they will get their way in the end.

Politics aside, the realities of the situation are that the Vientiane zone does not have the resources to support the people who live in it. Either the refugees must go home or there must be a continuing long-term commitment from a foreign agency to support them. For the past 4 years, that foreign agency has been the United States Agency for International Development (USAID) which as of May 31 was still supporting 164,336 people in Laos at a cost of about $15 million yearly.

A year ago USAID was supporting 357,000 people. Since 1960 USAID in Laos has been on hand to give rice, cooking utensils and medical aid to anyone leaving the Pathet Lao zone. USAID supplies also kept alive tens of thousands of military dependents during the war. But since the ceasefire, USAID has cut its rolls by over 50 per cent and forced many refugees to support themselves.

USAID's head office in Vientiane has issued a directive that any refugee wishing to return to the Pathet Lao zone is to be given one month's food rations and a few other supplies. U.S. officials say that in Luang Prabang many of the 3,600 people who migrated home carried USAID rations with them.

REDUCING THE ROLLS

The protocols to the Laotian peace agreement state that "the people who had to flee during the war have the right to choose whether they wish to stay where they are or to freely return to their old villages . . . Both sides will use every means . . . to help them remain where they are or return to their old villages."

The refugee question is the responsibility of the Joint Commission to Implement the Agreement, a body in which Vientiane and the Pathet Lao are equally represented. At present the commission is still working out details of the neutralization of Vientiane and Luang Prabang and the separation and demarcation of opposing forces in the field.

In answer to a question, the Pathet Lao spokesman for the joint commission said that "we haven't discussed the refugee problem yet." He said that it would be on the agenda as soon as the other problems were cleared up. The commission functions slowly and it could be many months before this question comes before it.

On the Vientiane Plain, where USAID once fed about 46,000 people, most of them lowland Lao from northern Laos' Plain of Jars and environs, USAID has cut the rolls to about 2,500 people. On paper USAID's rules of assistance are that if refugees are put on resettlement sites where it is judged that there is sufficient farmland so they can support themselves, the people will be fed until their first rice harvest.

But it rarely has worked that way. The inhabitants of the Plain of Jars were resettled in areas where USAID thought they could support themselves, but for three years supplies were cut after the rice harvest and then resumed because of poor yields, pestilence and political pressure to keep the people happy. But this year the support finally ended. Last year's harvest was one of the best in recent history and USAID seems anxious to cut spending in Laos as much as possible.

One USAID official estimated that this year about 70 per cent of the Plain of Jars refugees would have sufficient rice to make it through to the next harvest in November; another 20 per cent could make ends meet by working as day laborers and operating stalls, and that the remaining 10 per cent would make it through by borrowing from friends and neighbors. A Laotian researcher attached to the Social Welfare Department put it this way: "Most have enough to eat, but with the land they have they'll never be well off."

But at the settlements themselves, one hears a different story—that upland rice fields are unproductive; that there is not enough to eat; that animals die before reaching maturity; that USAID should resume rice supplies.

It is difficult to ascertain independently how much of the complaining is genuine and how much is an attempt to get something for nothing. But it is immediately apparent to the visitors that these villages are a cut below the permanent villages on the Plain of Vientiane. The houses are made of bamboo, the roofs of thatch and there are far fewer chickens and pigs wandering around.

One USAID worker commented that he had originally thought that the people were lazy and unwilling to develop the land they had, but "after three years of surveying I think the people are tremendously energetic." In general, he thought, they have as much to eat as other farmers on the plain. But the Americans generally concede that the refugees have received the worst land on the plain (the best being already taken) and that they are not willing to work it as hard as they would their own land on the Plain of Jars.

STRONG TIES TO LAND

I have yet to talk to a Plain of Jars refugee who did not say he wanted to go home. Ties to ancestral land are extremely strong among the Lao. These people were forcibly evacuated from the Plain of Jars in early 1970 after living for five years with the Pathet Lao and enduring some of the heaviest bombing in history.

The refugees talk of the pre-war Plain of Jars in almost idyllic terms, of how the air was cool, water was plentiful, there was enough paddy land for everyone and life was good. Then came the bombing in 1964 and by 1968 every village had been destroyed and the people were forced to live in the forests and farm at night.

"My old house had seven rooms—but the airplanes destroyed the whole thing," said a 47-year-old farmer with a laugh. Despite the trauma that the people experienced with the

American air war, they direct no visible hostility toward foreigners.

The farmer's house at Phan village, about 25 miles north of Vientiane, was a single-room structure. He said that some of their farmland was periodically flooded by the nearby Nam Ngum River and that there had been land disputes with old villages in the area. "If we stay here, we'll stay poor," he said. "The good land is all taken."

Everyone says he wants to go home, but some USAID officials predict that once given the chance, not so many actually will. The younger people have been exposed—in however limited a way—to the bright lights and luxuries of Vientiane. Educational opportunities are better on the Vientiane Plain and in 4½ years they have invested considerable labor in their present homes and fields.

But for the time being the move is unthinkable for all of them without assistance and assurance from the "big people." The move back would be as disruptive as was the move down to the Vientiane Plain. They would need rice, transportation (in 1970 they were flown out of the Plain of Jars on American airplanes), medical assistance and new tools and building materials.

TOO MANY PEOPLE

For the most part the refugees have no fears of living under the Pathet Lao. From 1964 until they left in 1970, the Plain of Jars was Pathet Lao territory, and, among people whom they trust, most refugees speak well of life under their administration. And if all of the North Vietnamese combat troops in the Pathet Lao zone were to leave, the situation would be even more attractive for the refugees.

In Military Region II, the situation is more complex. Region II was the scene of the heaviest fighting of the war. According to Phil J. Buechler, head of USAID operations in the region, there are now about 135,000 people living in the bit of mountainous Region II that the Vientiane government held at the time of the ceasefire, about 1,000 square miles. American surveys have concluded that the area can support only 55,000 people.

It is in Region II that USAID's refugee support activities are concentrated. At present the Americans feed just under 90,000 people there, down from a high of about 156,000 last November before the post-harvest relief cuts. But as people's rice stores run out, the flow of American rice is being resumed and some officials expect that about 130,000 people will be back on support by November.

Relief operations are centered at Ban Xon, a large airstrip, hospital and market complex about 70 miles north of Vientiane. Every day American planes fly from Vientiane to deliver rice, high protein noodles, medical supplies and passengers to about 100 refugee supply sites scattered around the mountains and valleys. About another 75 sites are supplied by truck.

Here most of the refugees are not lowland Lao, but ethnically separate Meo tribesmen and Hill Lao. All around the Ban Xon area the mountains are bare of trees where people have cut and burned the forests to clear fields. The valley is only about 1,000 feet above sea level and it is full of malaria-carrying mosquitoes. At this time of the year the 250-bed hospital that USAID runs is full; about 70 per cent of the patients have malaria.

Refugee support in Region II is handled exclusively by USAID. USAID also funds agricultural assistance and loan associations in an effort to get as many people as possible up to subsistence levels. But given the number of people and the area of land, there must be fundamental changes in the situation. "They have to move," said Buechler.

Though as elsewhere in Laos there is virtually no fighting in Region II, the military situation remains tense, with both sides manning the lines with their best troops. American officials say that to their knowledge in Region II no one has made the move back into the Pathet Lao zone.

"Most of the people would like to go back, but it's not going to happen overnight," Buechler commented. Among the hill people of Region II there is probably more apprehension about living with the Pathet Lao than elsewhere. The Meo and Hill Lao people were the mainstay of the U.S. Central Intelligence Agency's clandestine army which bore the brunt of the fighting with the Pathet Lao and North Vietnamese.

CLEARING FORESTS

In the far south of Laos, around the town of Pakse, most of the approximately 50,000 people who were on USAID support at the time of the ceasefire are now on their own, either living in their old villages which were in the fringe areas of the Vientiane government zone or working rice fields at "permanent" resettlement areas. As of May 31, USAID was feeding 7,956 people around Pakse.

Last December, I accompanied some of 350 families who were being moved from a temporary site to a permanent site outside Pakse. Carrying everything they owned, the refugees boarded trucks and were deposited along a rough dirt road newly built through heavily forested hills.

With assistance from USAID, the people were to cut wood and build houses, clear upland rice fields from the forests and support themselves within a year. Those with whom I spoke said they did not want to make the move but wanted to go back to Saravane, their old home now controlled by the Pathet Lao and North Vietnamese.

American officials last December said that about 800 people had moved back into the Pathet Lao zone on their own, but in general people were reluctant to go because of the continued presence of North Vietnamese and forced porterage duty on the nearby Ho Chi Minh Trail.

But for the great majority going alone is unthinkable. They will wait until Vientiane and the Pathet Lao have settled the country's security questions and can give them material assistance in the move. There remains the possibility that in the event of a major migration USAID might continue assistance to the people after they entered the Pathet Lao zone.

The rapid influx of thousands of dependent persons would strain the Pathet Lao's resources. Reports in Luang Prabang indicate that the leftists are discouraging further migrations into their zone until after the rice harvest late this year.

In material terms the refugees of Laos are among the best cared for in the world. Compared to refugees in South Vietnam, the Mideast and Bangladesh, many of Laos' refugees live in relative luxury. But for them the psychological jolt of living in a strange and unfriendly environment is as painful as the physical hardships themselves.

Like peasant people all over world, Laotians take great satisfaction in working the land that they and their forebears grew up on. Few will be happy until they can return there.

ENVIRO-ELITIST

Mr. MUSKIE. Mr. President, recently the National Observer printed an article by Mr. Ray Kudukis, director of public utilities for the city of Cleveland, and member of the National Commission on Water Quality, entitled "In Response to an 'Enviro-Elitist.'"

The article is a strong and lucid reply to an earlier article by Dr. Frank Schaumburg which criticized the Clean Water Act of 1972 for which I was the principal sponsor; the National Commission on Water Quality of which I am a vice chairman; and, indeed, our representative system of government which I serve as a U.S. Senator.

Dr. Schaumburg's article was distressing not just because he misinterprets the purpose and intent of the 1972 clean water law and not just because he misapprehends the purpose and intent of the National Water Quality Commission. The article suggests a basic lack of understanding of a system composed of elected representatives who reflect the views, aspirations and goals of all the people—not just who are technicians, academicians, and professionals.

Mr. President, Mr. Kudukis has written an excellent reply. I commend it to the Senate and ask unanimous consent that Dr. Schaumburg's original article and Mr. Kudukis' response be printed in full in the RECORD.

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

[From the National Observer, May 4, 1974]

"ENVIROPOLITICS" IS A POLLUTANT, TOO

(By Frank D. Schaumburg)

In the fall of 1972 Congress passed by a near-unanimous vote a very crucial piece of environmental legislation, the 1972 amendments to the Water Pollution Control Act. It is not surprising that the act received such strong congressional support, since a "nay" vote on any environmental measure could constitute political suicide.

Americans most often look to their political leaders in Washington, D.C., for remedies or solutions to technological and all other domestic problems. But why? Is it because politicians are considered omniscient, or because they possess the authority to legislate? Throughout recent history Americans have been lulled into the belief that laws and large appropriations can serve as a panacea for all ills. The public will soon come to the realization, however, that laws cannot create energy nor can they magically cleanse the environment. Yet Congress proceeds undauntedly in its efforts to legislate away all ills.

This article will explore the interrelationship among politics, laws, and the environment. This will enable the reader to better understand why some of our nation's problems are being intensified rather than attenuated by political involvement.

The 1972 Water Pollution Control Act is based upon many elements of unsound scientific reasoning and fact. For example, it elucidates a national goal of "zero water pollution" by 1985, a goal that is thermodynamically, technologically, and economically unrealistic and in fact impossible to achieve. If interpreted literally, this act might be viewed as an attempt by Congress to amend the basic laws of science and nature.

Another serious shortcoming of this act is the obvious lack of concern for its many negative impacts on the air and land phases of the environment. Should the act continue to be implemented as the Environmental Protection Agency (EPA) administrator is currently directing, the sparkling waters achieved will be masked by polluted air and debris-laden land. Of course, laws could be passed to deal with these problems once they become manifested in critical propor-

tions. This issue of concern for the *total* environment has been addressed in my paper, "Nature—An Important Factor in Management of the Total Environment," which will be presented at the seventh annual conference of the International Association on Water Pollution Research in Paris next fall.

ADVICE WITHOUT EXPERTISE

While preparing this technical paper I carefully reviewed the content and early consequences of the 1972 act. Several perplexing questions surfaced. For instance, how could such a technically unsound piece of legislation be promulgated? And why has this act resulted in an implementation program based upon adversary procedures wherein dischargers are dealt with like criminals and given only the guilty or not-guilty alternatives?

Answers to these and related questions become readily apparent when the political fabric and framework of our legislative processes is examined. Of particular interest is the expertise (or lack of expertise) of the President, our senators and representatives, and members of the commissions, committees, and boards appointed by the President or Congress. The remarks and explanations that follow should be referenced with the adjoining diagram, which illustrates the political maneuvering involved with implementing the 1972 act.

Consider first the composition of our Government's legislative branch. Of the 100 U.S. senators, 98 have nontechnical backgrounds; 60 are lawyers. Only 10 of 435 representatives have technical backgrounds; 208 are lawyers. Little improvement is found in the executive branch. Not only is the President a lawyer, but he leans almost exclusively on lawyers for advice and counsel, even on technical matters.

Though constrained by a deficiency in technical experience and expertise, the 92nd Congress created the highly technical—and in my view politically expedient—1972 Water Pollution Control Act. The act did, however, clearly reveal Congress' concern that its rigorous provisions and goals might have a serious impact upon technology, ecology, economics, and society. To quell this concern, Congress created through the act the National Commission on Water Quality (also known as the Rockefeller Commission) to evaluate the act's impacts. The commission is to report its findings back to Congress by 1975.

A rational person might logically assume that appointments to this 15-member advisory commission would include representation from industry, ecology, engineering, economics, and perhaps even a politician or two. Though rational, such an assumption demonstrates political naivete. After all, why should Congress permit its publicly popular environmental act to be open for criticism by a knowledgeable segment of society?

As a consequence, the *act specifies* that five commission members shall be appointed from the Senate, five from the House, and five shall be selected by the President. Twelve of the 15 commissioners have nontechnical backgrounds, including its chairman, former New York Gov. Nelson Rockefeller. It becomes all too apparent that Congress assigned a segment of itself to advise itself on matters beyond its intrinsic expertise. This provision of the act clearly illustrates the political game that is being played at the expense of the environment.

From a citizen's perspective, the needs and concerns for environmental quality should transcend partisan politics. But then consider the aspirations of some of the commissioners. Chairman Rockefeller, a likely Republican Presidential contender, is matched against vice chairman Edmund Muskie, a Democratic Presidential hopeful. Since Senator Muskie introduced this legislation, he is committed to defend it before Congress and the public. It is very likely that he will attempt to divert the commission, its staff, and its consultants from any consideration of the act's highly unrealistic 1983 and 1985 goals. On the other side of the political fence, it might be politically expedient for Nelson Rockfeller to discredit the act and with it a political opponent, Senator Muskie.

Congress provided the commission with a $15 million budget to undertake its important mission. One of the major expenditures to date has been the assembling of a large, predominantly nontechnical staff to assist and advise the commission.

The act stipulates that the commission can retain as consultants such eminent technical groups as the National Academy of Sciences, the National Academy of Engineering, and the National Institute of Ecology. I have been an adviser to the Institute of Ecology relative to its assignment with the commission.

INSULATED BY POLITICS

It can be noted on the diagram that the technical groups have been relegated to the periphery of the decision-making process. Their reports will be routed to the commission staff, which will report to the commissioners, who will report to the public-works committees of the House and Senate, which will make the final report to Congress. The amount of technical input that can pass or filter through these many layers of nontechnical, political insulation will very likely be minimal.

The act provides a conceptual blueprint for the development of an implementation and enforcement program by the EPA. It is not surprising that President Nixon entrusted this tremendous environmental assignment as EPA administrator to a fellow lawyer, Russell Train. Before Train, fellow lawyer William Ruckelshaus was our nation's environmental leader.

Recognizing that professional, technical input should be made available during implementation, Congress provided in the act for two committees to advise the EPA administrator. One committee, the Effluent Standards and Water Quality Advisory Committee, was required by law to be comprised entirely of technical experts—which it is. Unfortunately, Congress failed to provide *any* budget for this committee to meet and function. Consequently, its effectiveness has nearly paralleled its budget level.

The second committee, the Water Pollution Control Advisory Board, is also nearly defunct, but for another reason: Its chairman, as specified by the act, is the EPA administrator. The administrator rarely, if ever, calls the board together for a meeting. It is doubtful that the board could provide much counsel, since eight of its nine Presidentially appointed members have nontechnical backgrounds.

AN UNREALIZED INTENT

After the EPA has developed specific standards for municipal and industrial waste discharges, the task for enforcement is delegated through its regional offices to the 50 states. Even though the act purports to increase state control on environmental matters, the reverse situation has actually resulted. As a consequence of this act and the implementation programs specified by the EPA, many previously effective state programs have been destroyed or seriously weakened. State regulatory agencies now serve only as puppets and policemen for the EPA and are buried in a bureaucratic quagmire of forms and paper work.

The predominance of lawyers in all phases of our political framework has resulted in adversary procedures and problem oversimplification. It must be remembered that laws alone cannot solve technical problems; they can only provide avenues to seek solutions. Voters all too often equate laws, lawyers, and politics. They must recognize that a law consists of basically two elements, substance and form. Lawyers are skilled primarily in the latter.

As a consequence, many of our laws, especially technical laws, may sound appealing but frequently are shallow and ineffective. For example, the obvious intent of the 1972 act's sponsor was a cleaner environment. However, that intent was not transformed into a substantive and workable law, owing in part to the obvious lack of reliable technical input.

The tenor of my remarks might suggest opposition to nontechnical persons, especially lawyers, being entrusted with lawmaking, law implementation, and law enforcement. This is certainly not my intent. I am confident that many of the engineers, scientists, physicians, and others in the technical segment of society would fail miserably in the political arena. My thesis is simply that politicians and their appointees must recognize their technical limitations and seek counsel from those who are knowledgeable rather than from those who will say what the politician wishes to hear. Our environment will not be effectively managed until our politicians become more technically sensitive and our technologists more politically sensitive.

IN RESPONSE TO AN "ENVIRO-ELITIST"

(By Raymond Kudukis)

This Nation's recent environmental movement brought significant new public awareness, strict new antipollution legislation, and new everyday words, such as ecology, to the language. It also has brought an emerging form of elitism—which I call "enviro-elitism," replete with technological breast-beating and political naivete.

A good example of such elitism was displayed recently by Frank Schaumburg in his article "Enviropolitics is a Pollutant Too," which appeared in The National Observer on May 4. In the article he criticizes the Federal Water Pollution Control Act Amendments of 1972 and the National Commission on Water Quality, set up by the act to study its various impacts. Dr. Schaumburg, head of the Department of Civil Engineering at Oregon State University, asserts that the act is "based upon many elements of unsound scientific reasoning and fact," and cites as an example the ambitious goal of the elimination of discharge of pollutants by 1985. He states the well-known cliche that the American people "have been lulled into the belief that laws and large appropriations can serve as a panacea for all ills."

Many people certainly could have said that President Kennedy's goal of putting a man on the moon within 10 years also was based on unsound scientific reasoning and fact, and that in the early 1960s that goal was excessively ambitious. But this nation went ahead anyway—and succeeded.

Of course, laws by themselves cannot create nor magically cleanse the envrionment. But they do indeed lead to action that will create and cleanse the environment. How else but through strong laws can we compel huge, powerful concerns to fulfill their responsibilities in cleaning up the environment? The 1972 law was passed precisely because the technocrats, the industrialists and others, never had the power, nor the inclination, to do it. Now it is time for public action. I submit that the overwhelming vote for the 1972 law was not a fear of political suicide, as Schaumburg contends, but a simple response to, and agreement with, the public will. This law is vastly complex and far-reaching. It is certainly not a perfect law. Few are. But it is the law!

I can allow Schaumburg the freedom of his theories and beliefs, but I question his familiarity with the 1972 law and the task of the National Commission on Water Quality, which he contends was created to quell a

concern that somehow Congress created a monster in passing the 1972 act. Besides arguing paradoxically that it is at the same time a "technically unsound piece of legislation" and a "highly technical" piece of legislation, he apparently missed one of its tenets. Asserting that the law demonstrates "a lack of concern for . . . negative impacts on the land and air phases of the environment," he goes on to say that he, himself, will address the total environment aspects in a technical paper to be delivered in Paris this fall.

A short quote on the charge in the 1972 act to the commission should alleviate any doubts as to the commission's specific tasks: The commission "shall make a full and complete investigation and study of all the technological aspects of the total economic, social, and environmental effects of achieving or not achieving, the effluent limitations and goals set forth . . . in this act."

REFINING THE LAW

The commission is unique in at least two ways. First, unlike so many others that look primarily into the past to see what went wrong, this commission is concerned primarily with the present and future capacity of this country to clean up its waters. Also, it is the first time to my knowledge that Congress has passed a law—and with enlightened forethought—has set up a body to evaluate the possible impact of that law. The commission will go back to Congress with its findings, which may be used as to tool to refine the law, if necessary.

From his elitist perspective Schaumburg bemoans the fact that "12 of the 15 commissioners have nontechnical backgrounds." It is surprising that he did not take his quest for pedigree a step further. He might have investigated how many congressmen are doctors to be able to pass relevant medical legislation, or how many are farmers to pass farm legislation, or laborers to pass laws concerning workers. Let us consider the logic of a commission of 15 experts, each an authority in his field. It is easy to see that if we had a noted environmentalist, a noted naturalist, a dean of law, a top sociologist, etc., we soon would come to an impossible situation. If any agreement were reached, it would be based on the expertise of only one man. It would be an elitist policy-making situation. If the question dealt with environment, who on the commission would argue with the foremost environmentalist? If it dealt with the law, who would argue with the foremost lawyer? If it dealt with a social question, who would argue with the top sociologist?

ADOPTION AND APPLICATION

No commission within our system should be made up of elitists who by themselves possess all necessary information for a decision. Rather it should be made up of persons who know where to seek information and, after receiving it, know how to adopt and apply it.

We must remember in the quest for technological truth that laws are passed for the benefit of the people and the laws must reflect a sensitivity to the public's proclivities and needs. This can be done only by balancing humanism and technology, with neither dominating the other. After all, it is not only the technology aspects of water-pollution control that are important, but social, economic, environmental, and political aspects as well. Lest we forget—it is the average citizen who elects the lawmakers. It is the citizen who has the right to understand the law and its implications, for it is he who will eventually have to pay the bill.

This balance of humanism and technology can best be achieved by ensuring that any lawmaking body or commission that advises it be representative of the people. A close look at the makeup of the National Commission on Water Quality shows that the members do represent a cross-section of the people.

DECADES OF SERVICE

First let me make it clear that as one of three technical members of the commission, I am not speaking for the commission but as an individual.

Ten of the commissioners are from the House and Senate public works committees. This is of great importance because the commission thereby has a direct link with the Congress and committees dealing every day with questions of environment. Although all members of those committees may not have the degrees Schaumburg would like to see, their decades of service gives them a background that can easily match those of Ph. D.s. The remaining members—those appointed by the President—reflect not only technical expertise in the public and private sectors ,but an equitable geographic distribution as well. This gives the commission a necessary cosmopolitanism that enviroelitists might find difficult to accept.

Moreover, the commission's staff is well-balanced. About 25 of the 40 professional staff members have technical backgrounds.

There would be great danger in having commission members with technical backgrounds who are able to look at the 1972 law and state 11 years in advance that the 1985 goal is "thermodynamically, technologically, and economically unrealistic and in fact impossible to achieve," as Schaumburg does. We could also end up with one environmental expert making, political predictions two years before an election, while political observers who spend their lives in the field scratch their heads and furrow their brows, wondering who the political candidates might be. Not only does Schaumburg know that former Gov. Nelson Rockefeller and Sen. Edmund Muskie, two commission members, will be the Presidential candidates in 1976, but he also knows their motives for participating in the National Commission on Water Quality. He just cannot concede to them a genuine interest in the problems of water pollution.

We are well aware of the dangers of "isms." Elitism is particularly dangerous because of its subtlety and beguilling surface logic. Certainly our laws are not perfect, but God help us if we see the day when they are promulgated or even evaluated by a class of elitists.

Mr. RANDOLPH. Mr. President, I join with Senator MUSKIE in commending to the Senate's attention an article by Raymond Kudukis, entitled "In Response to an 'Enviro-Elitist.'" The article, which appeared in the June 15, 1974, issue of the National Observer, is in response to an earlier article by Dr. Frank Schaumburg, "Enviropolitics is a Pollutant, Too," which also appeared in the National Observer.

Dr. Schaumburg criticized the 1972 Federal Water Pollution Control Act Amendments and the National Commission on Water Quality, on which I serve. He asserted that the act is "based upon many elements of unsound scientific reasoning and fact," and that the Commission, established by an amendment to the 1972 act which I sponsored, was set up to quell any concern that Congress had created a monster.

Mr. Kudukis, one of five public members of the Commission, states in response to Dr. Schaumburg:

How else but through strong laws can we compel huge, powerful concerns to fulfill their responsibilities in cleaning up the environment? The 1972 law was passed precisely because the technicians, the industrialists and others never had the power, nor the inclination to do it. Now is the time for public action.

The Commission's legislative mandate is to fully and completely investigate and study "all of the technological aspects of achieving, and all aspects of the total economic, social, and environmental effects of achieving or not achieving the effluent limitations and goals" set forth in the act. Mr. Kudukis points out that the Commission is unique in two ways. The first is that the Commission's interest is in the future, not the past; and the second is that "Congress has passed a law and—with enlightened forethought—has set up a body to evaluate the possible impact of the law." The findings of the Commission, to be reported to the Congress in October 1975, can be used as a tool to refine the legislation, if necessary.

The Commission membership is made up of a representative cross section of the people across the Nation and the technical fields demanded for such a study. Mr. Kudukis, a civil engineer and director of public utilities for the city of Cleveland, and other public members reflect the technical expertise necessary to complete the Commission's task. The other public members are: Gov. Nelson A. Rockefeller, who serves as Chairman; William R. Gianelli, a consulting civil engineer and former director of the California Department of Water Resources; and Edwin A. Gee, senior vice president of the DuPont Corp.

There are five members each from the Senate and House, as well. Representing the Senate, besides myself, are Senators MUSKIE, BENTSEN, BAKER, and BUCKLEY. The House Members are Representatives ROBERT JONES, JAMES WRIGHT, JOHN BLATNIK, WILLIAM HARSHA, and JAMES GROVER.

The Commission is staffed by professionals with expertise in all disciplines of technology, social sciences, economics, the environment, and political institutions.

The Commission's charge is a compelling one: to investigate and evaluate the implications of one of the most far-reaching and technical pieces of legislation ever passed by the Congress. Mr. Kudukis' dedication to cleaning up our water sets an example for us all. Through the insight that he and other members bring to the Commission, and under the able leadership of our Chairman—Governor Rockefeller—and Vice Chairmen—Senators MUSKIE and BAKER, Representatives JONES and HARSHA, and Dr. Gee—I am confident that we can make a significant contribution to solving one of the most pressing problems facing our Nation today.

NO-KNOCK

Mr. NELSON. Mr. President, on July 11, the Senate, by an overwhelming vote of 64 to 31, repealed the no-knock provisions of the Federal drug law and the District of Columbia criminal code. These provisions authorized Federal narcotics agents and D.C. law enforcement officials to forcibly break into a citizen's

home without first knocking and identifying themselves or their purposes.

The Senate's action represents a dramatic shift in opinion from 1970, when the no-knock provisions were enacted. In great part, the shift was motivated by a clear recognition that the no-knock authority is dangerous to everyone concerned—numerous reports documented how use of no-knock authority resulted in serious injury and even death to police officers and innocent citizens. The Senate's action was also motivated by a clear understanding that the no-knock authority violated the individual's right to privacy, a right guaranteed to everyone under the fourth amendment. If Federal officials could burst into a citizen's home without warning, the constitutional protection of privacy was rendered meaningless.

Public support for the Senate's action has been expressed all over the country. People everywhere recognize that the individual's right to privacy is the cornerstone of our democratic system of self-government. I am therefore hopeful that the House will decide to concur in the Senate's judgment on this issue.

Mr. President, I ask unanimous consent that editorials on the Senate repeal of the no-knock provisions from the Milwaukee Journal, the Sheboygan, Wis. Press, the Houston Chronicle, and Indianapolis News be printed in the RECORD.

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

[From the Milwaukee Journal, July 17, 1974]

NO TO "NO-KNOCK"

The nightmare of armed strangers breaking through the door and ransacking the house is etched into the memories of a number of American families. Held at gun point, they watched helplessly before unidentified narcotics agents came to realize they had raided the wrong house.

More clearly that the warnings of civil libertarians, these errant no-knock drug raids have demonstrated the flaw in relinquishing certain constitutional rights in the war on crime.

Sen. Ervin (D-N.C.), the most articulate critic of this 1970 legislation at the time, and Sen. Nelson (D-Wis.), have finally convinced Senate colleagues to repeal no-knock because it violates "the privacy of the individual and the sanctity of his home." The House should not delay in concurring.

[From the Sheboygan (Wis.) Press, July 13, 1974]

"NO-KNOCK" KNOCKED

Good judgment reigned in the U.S. Senate when Sen. Gaylord Nelson's amendment to legislation continuing the Federal Drug Enforcement Administration was accepted by a 64 to 31 vote.

The surprising thing is that 31 senators favored continuing the controversial "no-knock" provision of the 1970 District of Columbia Crime Control bill.

Provisions of that legislation permitted law officers in the district to enter dwellings without knocking. They were allowed forced entry. The rationale was that such entry was needed to collect evidence during investigations of drug law violations. Without the provision, proponents argued, evidence could be flushed down toilets. One opponent of the measure quipped during the 1970 debate that it would be better to preserve the provisions of the Fourth Amendment in the District of Columbia than the toilets. His motion to outlaw toilets in the district, however, failed.

In a more serious tone, but with his inevitably colorful language, Sen. Sam Ervin decried the legislation: "This . . . is as full of unconstitutional, unjust and unwise provisions as a mangy hound dog is full of fleas . . . a garbage pail of some of the most repressive, near-sighted, intolerant, unfair and vindictive legislation that the Senate has ever been presented . . . an affront to the constitutional principles and to the intelligence of the people of the United States."

When proposing elimination of the "no-knock" provision Nelson noted repeated abuses of it, citing instances beyond Washington, D.C. where it was used. Two Collinsville, Ill., families, for example were terrorized by federal agents who had somehow barged into the wrong homes.

Another reason that the law lost its former support was the very practical consideration that too many officers were shot while making their forced entries.

More than two-thirds of the senators voting on the "no-knock" amendment saw the wisdom of abandoning the forced entry procedure. Surely there will be a similar proportion of representatives when the bill arrives in the House.

[From the Houston Chronicle, July 15, 1974]

KNOCK OUT NO-KNOCK

The vote of the Senate to repeal the law that permitted federal narcotics agents and District of Columbia police to make no-knock raids on suspected drug dealers was good news, and it's to be hoped that when the repealer gets to the House it will get the same favorable reception.

The law authorizing no-knock raids (entry into a private residence without warning and often forcibly) was passed four years ago when the government was trying almost every way possible to make a dent in the drug traffic.

But as Sen. Sam Ervin, the sponsor of the legislation eliminating the no-knock authority, put it: No knock violates "the privacy of the individual and the sanctity of the home," and the effect of it had been "to sanction the methods of a common burglar.'

The senator's remarks were certainly no overstatement, as was demonstrated in many cases throughout the country where narcotics agents had come bursting into the privacy of homes in shocking conduct.

The Senate's passage of the no-knock repealer should not, however, be taken to mean that there is a growing lack of concern with the drug problem. Drug use and the drug traffic still have a very high priority on the country's menace list, but there is also a growing realization that our framework of civil liberties can't be destroyed in the campaign against drugs, that the baby shouldn't be thrown out with the bath water.

[From the Indianapolis News, July 15, 1974]

NO-KNOCK REPEAL

Individual privacy was reinforced Thursday when the Senate voted to repeal the "no-knock" provision of our Federal drug laws. The four-year-old statute allowed Federal narcotics agents to obtain warrants to break forcibly into homes where narcotics were "suspected" to exist.

Although the statute represented an attempt to control illegal drug traffic, it was repeatedly abused by agents who made "mistakes" and stormed the homes of innocent citizens, sometimes terrorizing them for hours before the error was discovered. The victims of these Gestapo-like tactics reported they were manhandled and threatened by the erring agents during these "legal" breakins. One New Jersey housewife even reported that Federal agents refused to allow her to dress as they held a gun to her husband's head during one such midnight raid.

Although the mushrooming sale of dangerous drugs is a very real problem in our society, privacy should be respected. The function of the government is to protect and serve the citizenry, not to terrorize innocent victims of bureaucratic incompetence or to decide whose home is to be invaded.

Recently we have witnessed the all-encompassing Soviet KGB version of a no-knock law and the fear it can instill in a society. Although their goals may differ with our government's, the tactics and the affront to human dignity and personal liberty are the same. Terror tactics and midnight raids have no place in a free society.

EXPLANATION OF VOTE AGAINST H.R. 15472

Mr. DOMENICI. Mr. President, earlier this week I voted against H.R. 15472, the Agriculture-Environmental and Consumer Protection Appropriation Act, 1975. In view of the resolution I also introduced this week calling for a domestic summit to develop a unified plan of action to restore stability and prosperity to the American economy, it would have been grossly inconsistent of me to have supported the final version of this bill.

The bill as reported from committee was already $120,489,200 over the administration's budget request and $2,965,-251,300 more than appropriated for fiscal 1974. Then, Mr. President, approximately $114 million was added on the floor, bringing the final version to approximately $234 million over the budget request or approximately $3.19 billion more than appropriated for fiscal 1974.

However, the final version of this bill passed the Senate and I would like to take this opportunity to address myself to two items included in the bill which I feel are extremely important and justifiable.

The first item is the continued Federal assistance to States to help them run their State pollution control programs. As my colleagues will recall, there was quite a bit of tension and concern generated several months ago when it was announced by the administration that State pollution control agencies ought to become more self-sufficient. I was among those legislators alarmed by the prospect that in their infancy, State programs for the control of air and water pollution would be deprived of the Federal grants which had in many cases breathed them into life and have been their sustaining force. Subsequent to the administration's announcement there was such opposition to that course of action that it appeared that the administration had backed off from that concept.

Feeling as I do that these grants to State agencies are extremely crucial, I am pleased that a significant funding level will be provided for these purposes. I would like to go on record also as indicating that I for one will very carefully examine these appropriations in subsequent years to insure that State air and water pollution control programs have the self-sufficiency to survive as

viable programs before I will agree to eliminate Federal assistance.

The second item, Mr. President, is the provision concerning the rural development programs. The total effect of these programs will be to make the rural areas in our Nation a more desirable place in which to live and earn a decent living. As living conditions and job opportunities improve in our rural areas, they will attract citizens away from our overcrowded and overtaxed urban areas.

These programs will provide for the use and conservation of land, water, wildlife and other natural resources of our rural areas. They will improve recreational facilities and historical sites and at the same time help attract new industry. They will improve markets for crops and livestock and provide credit for those who are unable to obtain it elsewhere. They will allow our rural citizens to improve their present housing, build new housing, and construct new and adequate sewage facilities.

I could go on and on about the benefits of these programs to our rural inhabitants and in the long run to all Americans. I am certainly pleased with the committee's recommendation in this area and their inclusion in the final bill.

CONCLUSION OF MORNING BUSINESS

Mr. MANSFIELD. Mr. President, is there further morning business?

The PRESIDING OFFICER. Is there further morning business?

If not, morning business is closed.

ADDITIONAL CONFEREES ON S. 3066

Mr. SPARKMAN. Mr. President, will the Senator yield so that I can make a unanimous-consent request?

Mr. PELL. I yield.

Mr. SPARKMAN. Mr. President, I ask unanimous consent that the names of Senator McINTYRE and Senator BENNETT be added to the list of conferees on S. 3066, the Housing and Urban Development Act of 1974.

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

Mr. SPARKMAN. I thank the Senator.

EDUCATION AMENDMENTS OF 1974—CONFERENCE REPORT

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of the conference report on H.R. 69. The clerk will report.

The legislative clerk read as follows:

The report of the committee on conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 69) to extend and amend the Elementary and Secondary Education Act of 1965, and for other purposes.

Mr. PELL. Mr. President.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. Mr. President, I ask unanimous consent that Mr. Thomas Hughes of my staff be granted permission of the floor during this discussion.

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

Mr. GRIFFIN. Mr. President, may I ask that Mr. David Clanton, a staff member of the Commerce Committee, be allowed on the floor during the debate on this report.

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

Mr. PELL. 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. PELL. 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. PELL. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is consideration of the conference report on H.R. 69.

Mr. PELL. Mr. President, this bill is really a major educational bill, covering a great portion of the educational system of our country, making a new formula for title I of the Elementary and Secondary Education Act; having an effect on impact aid; going along with the administration to a degree in its consolidation program; and involving a great deal of funds, $24 billion.

Also included in this bill are busing provisions which I have always felt should be appended to civil rights bills, not educational bills. But, be that as it may, both the House and the Senate did attach civil rights provisions to this bill.

Mr. President, on the busing portion, which is the part of the bill which always seem to acquire the national focus rather than the educational portions, as I believe should be the case, the conference language that we agreed to sought to do what any conference should do, and that is to work out a compromise between the House and the Senate language.

A portion of the conference language was not very acceptable to some of the Senate conferees. I remember there was a 7-to-6 vote in one case. So it was not acceptable to those who were very probusing, nor was it very acceptable who were opposed to busing.

It reminds me a little bit of the higher education bill of about 3 years ago which was opposed by the elements of the Senate who are on both extremes. That would indicate to me that when the bill is opposed by the two differing viewpoints on each wing, then the bill must be in the middle, and that is a pretty good place to be as a compromise.

In this case, what it basically provides—and I do not agree with this because I think busing is a necessary tool, it should not have too many restrictions on it—is that no youngster may be bused beyond the second nearest school to him unless it is in accordance with the 5th and 14th amendments to the Constitution of the United States.

Even then we sought—and this some people say is extralegal or illegal—to say a court order would not apply if it harmed the health of the child or the child was going to an inferior school. I would hope that this conference report would be accepted.

I yield to the Senator from New York.

Mr. JAVITS. Mr. President, the conference report, as Senator PELL so properly said, is a very comprehensive document making landmark changes in respect to the law.

Unfortunately for all of us, emphasis and public consideration of the matter has been so heavily on the controversy surrounding busing as to omit the critically important nature of the bill itself. Senator PELL has already dealt with that both today and yesterday in his own statement as I have.

I merely wish to call attention, however, to the fact that we have, first the consolidations that make this in some respects a special revenue-sharing bill. Second, we have a very gifted concept in this measure in order to determine whether there are programs which are useful in respect of new approaches to education, at the same time, not committing curselves irrevocably to such programs until we have tried them out and determined whether they really can work. This is contained in this whole approach in what has been called the "basket of experimental programs" in the Special Projects Act, wherein, after a seasoning period of 3 years the programs cease to be categorical and are consolidated into the Special Projects Act group of programs.

We consider this one of the most gifted aspects of the bill. It is very interesting that it was one which the conferees looked at with the most favor in their own deliberations. It was one of the provisions in the bill which seemed to be immediately accepted as an original concept and idea.

The other aspect of the bill which I think deserves very close attention is the fact that we have revised the impact aid so that it becomes more equitable in terms of the broad impact which results therefrom, without, however, charging any of the existing beneficiaries in an adverse way, or prejudicial way, by the revision of the concept of what is the Federal impact, to be much more fair to public housing children in the districts where they do impact the school system.

Finally, on this particular matter I believe that the educational excellence provisions of the bill must commend themselves very highly to those Senators who have a very strong feeling about the ultimate effect of the legislation—what it really means in terms of the cost-benefit ratio, delivery at the point of performance in terms of educating the child.

Also, Mr. President, the conference report dealt very wisely and very providentially with the amendments to which Senator BUCKLEY was a sponsor, relating both to confidentiality of certain information about the child and parental access to records.

We consider that it was a particularly felicitous and constructive exercise of the conference opportunity.

Finally, respecting the much debated busing problem, which in the final analysis boils down to the question of what, if any, confrontation should be invited

between the courts and the Congress—I really believe, Mr. President, that that confrontation is the real issue. The issue is no longer whether desegregation shall be inhibited. It cannot be, and should not be, and I think we have crossed that bridge some years ago.

The issue is no longer whether anybody is trying to establish racial balance by busing, or by desegregation orders, as we have made it clear and the courts have made it clear, and, as ardent civil rights advocates, Senators like myself, have made clear, that is not within the purview of the Constitution, and that is not what the Constitution or the laws of the States direct themselves to.

That is a matter of pedagogy in each individual State, and that is the way it should be left. I think that is a very different attitude on this subject. But as long as it is kept within the confines of the Constitution in being colorblind as to the opportunities for education, we can have no argument about them.

The Constitution gives the right not to be discriminated against. It did not seek to determine what the pedagogical advantages of racial balance in particular school systems would be. I think that is critically important, to mark out the area in which we can operate, because the sole Federal area then relates to how this Congress should determine what shall be the action of the country, when the courts are seeking to assure constitutional rights to the individual citizen, because we must remember he is both a citizen of his State and a citizen of the Nation in terms of the provisions of the Constitution which are here involved.

I believe therefore, that the issue really was one of to what extent by law can we regulate remedies which are available under our authority to regulate the remedies which are available to the local Federal courts, which have their origin in the Judiciary Act of 1789, as distinguished from the Supreme Court.

And second, to what extent should we invite a confrontation between the Congress and the Supreme Court—the Congress digging its heels in on its construction of the Constitution, and the Supreme Court already having made clear in many, many cases its construction of the Constitution.

I believe, Mr. President, that we have very carefully and very successfully navigated this channel in terms of the conference report.

I would like to point out, Mr. President, that I did not hesitate to vote against the conference report on the last education bill because I thought that the provisions in the bill respecting this much vexed question of busing were unconstitutional. I said at the time I was confident the Court would strike them down as, in effect, it did, but nonetheless it was my duty to vote as a Senator against what I considered to be an unconstitutional measure, even though I was confident the Court would not go along with what we had provided. Nonetheless, I voted against it because it was unconstitutional.

It is my intention to vote for this conference report because I believe that while the Senate has given up a great deal of its position—and I shall point that out in a moment—we have successfully, and probably by a hairsbreadth, navigated this constitutional question in the provision we have made.

Now, I wish to call to the attention of Senators what I consider to be a considerably key concession to the House point of view; I would say the determining concession to the House point of view, in respect of these so-called antibusing provisions. We have given them authority in the court which it would not have as a rule of equity. In other words, these are equity courts entering desegregation orders. The court would not have authority to terminate a desegregation order except by a chance of circumstances.

In other words, if an order were on the books and a particular educational district or a proper party would come in and sue and say, "Terminate this order because we are in compliance with the order," they could not get any such termination because under the rules of equity the court will not vocate such an order or injunction or a comparable equity decree simply because the parties are complying with it, to keep it in effect into the indefinite future, unless there is some change of circumstances in basic fact which dictates there should be a change in the order.

But we have agreed to such a reopening in the case of the Senate definition; that is, adopting the Senate reopener provision; and even beyond that we have agreed to a power in the court to terminate for reasons other than the normal equity ground. That is found at page 38 of the conference report, and I would like to read those words into the record.

SEC. 219. Any court order requiring, directly or indirectly, the transportation of students for the purpose of remedying a denial of the equal protection of the laws may to the extent of such transportation, be terminated if the court finds the defendant educational agency has satisfied the requirements of the fifth or fourteenth amendments to the Constitution, whichever is applicable.

And here are the key words:

and will continue to be in compliance with the requirements thereof.

Mr. President, as I understand it, the purpose of the conferees respecting that particular set of words was that the court should have the power to terminate orders, and if this becomes law will have to the power to terminate orders substituting for what they would normally imply as their rule of equity, the ability to look at all the circumstances and, as the circumstances indicated, look down the corridor of time and determine that as far as the court could see that the constitutional protections would continue to be afforded.

Now, Mr. President, that is a very good concession. Undoubtedly it will bring on a good many applications for termination. It should go far to satisfy the feeling in a good many areas, I am sure, that there should not be an outstanding order where there is actually no constitutional denial and where there does not seem to be any likelihood of constitutional denial.

Now, Mr. President, I am sure I will be seriously criticized by many in the civil rights field for proceeding in this way, as will others. But Mr. President, much as I am sad about that—because I feel I am as vigilant and active a devotee of the civil rights of Americans as anyone in this Chamber—I feel, as we all know, that the art of legislation is the art of compromise; that you had literally a complete confrontation between the House and the Senate, that it went on for more than 6 weeks. In some cases, we sat into the small hours of the morning. Finally it was this formula which I have referred to which broke the deadlock. Considering the urgency of this bill to all Americans, I feel that it was not only a reasonable compromise, but an understanding effort to satisfy the essential feelings and claims of each House.

Mr. President, I have just described what we did respecting the views of the House of Representatives. What we did respecting the views of the Senate was to include, as the basis for all provisions respecting busing, the Scott-Mansfield language, which enabled us to agree before on this issue, and which enabled us to agree on this issue this time.

So, Mr. President, I believe that we have done our utmost to accommodate the mandate of each House in respect of this matter, and that we have successfully done so. For all these reasons, Mr. President, I hope very much that the Senate will see fit to approve this conference report, a product of a mountain of labor and devotion by men and women who really felt the cause of education of the American child commanded of them efforts far beyond the call of duty which they expended in this effort to come to an agreement which is now before the Senate for approval.

Mr. President, I yield the floor.

Mr. PELL. Mr. President, I am prepared to vote on this conference report.

Mr. ALLEN. Mr. President, I call for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is not a sufficient second.

Mr. ALLEN. 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. ALLEN. 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. ALLEN. I call for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. DOMINICK. Mr. President——

The PRESIDING OFFICER. The Senator from Colorado.

Mr. DOMINICK. Mr. President, I rise to urge my colleagues to support the conference report on H.R. 69, the Education Amendments of 1974. As you may know, this bill is the result of a tremendous effort on the part of the Labor and Public Welfare Committee conferees as well as our colleagues in the other body.

I want to take this opportunity to congratulate both my colleague from New York (Mr. JAVITS) and also my colleague from Rhode Island (Mr. PELL) for the tremendous work which they put in on this particular bill.

Just talking off the cuff for a moment, Senator PELL said originally that he thought we could get this over reasonably quick. I said if we got a bill at all, it would take at least 2 months. I think it has taken 2 months. I am really quite amazed that we have gotten any kind of bill at all. What we do have, in my opinion, is pretty good.

I must say that on balance, I am pleased with this bill, which I consider to be the most comprehensive piece of elementary education legislation ever considered by the Congress. It includes also some higher education, so it may just be the most comprehensive piece of educational legislation, regardless of what level.

I do have some reservations about certain provisions of the bill, but on balance, it is a good bill and I urge my colleagues to support it.

One of the most important features of this legislation is the new title I formula, which in my estimation distributes the funds in a more equitable manner to educationally disadvantaged children.

Incidentally, I was pleased to see the continuation within title I of the special incentive grants to the States, the so-called part B program, which rewards those States who tax themselves at a rate above the national average in their effort to finance elementary and secondary education.

We started this part B program years ago, and when it was eliminated in the House, it looked for a while like the program would be ended. But the conferees agreed to continue it, and I think it will prove to be very worthwhile.

Mr. President, this bill contains a number of provisions which focus attention on those thousands of children who require bilingual education programs. I was particularly pleased with the conferees' acceptance of my amendment with respect to bilingual vocational training, which authorizes $17.5 million during this fiscal year for programs to help those who suffer from limited English-speaking ability, and thus cannot benefit from conventional vocational training.

With respect to the Federal impact aid program, I still would disagree with the inclusion of public housing children in this program, and I also had hoped that out-of-country "B" children would be phased out over a period of years. However, in general, I applaud the impact aid reforms approved by the conferees.

One of the most important new sections of the bill is title IV, which provides for the phasing in of the consolidation of certain education programs. This provision is similar to one I proposed during Senate deliberation of S. 1539, and is, I feel, a major step forward in giving the decision-making power to local school districts. It will also simplify the paperwork and administration of the various consolidated categorical programs. Incidentally, I would like to single out for special attention the conferees retention of the Special Projects Act within title IV, authored by Senator JAVITS, which will serve as an incubator for innovative ideas in education to be tested over the next few years. This is an extremely imaginative program and very well conceived. I congratulate Senator JAVITS on his approach to this problem.

I would also like to point out the "Protection of the Rights and Privacy of Parents of Students" provision, section 513, of this bill. After much consideration in conference, this provision was adopted, and should serve to help guarantee the rights and privacy of all parents of schoolchildren. This section requires the written consent of a parent before any personally identifiable data about a school child can be released. It also provides for the right of a parent to have access to his child's student record files.

Mr. President, the one title in this bill which I feel has the potential to help our educationally disadvantaged children more than any other is title VII, the National Reading Improvement Program which I cosponsored with Senator BEALL. It nas long been my view that reading is the key to education. Without the ability to read well, how can any child be expected to perform adequately in any of his classes? The National Reading Improvement program authorizes over $300 million during a 4-year period for demonstration projects, special emphasis projects, training of reading teachers by public television, and reading academies. All of these projects are to be focused on helping the below-average reader to achieve reading proficiency in the elementary grades.

All of us in the Senate, I would suspect, have received letters from people who unfortunately have gone through school and have not learned either to spell or to write. If they cannot spell or write, it follows that they probably cannot read well obviously.

Mr. President, the most controversial title in this bill concerns the busing of school children to achieve racial integration. Frankly, I believe the busing compromise adopted by the House-Senate conference does not go far enough. It does not, for example, provide any relief for school districts such as those in Denver which are experiencing difficulty in complying with court-ordered busing plans.

During the conference, it became evident that the reopener provision in the House bill, which would allow school districts to request a judicial review of their court orders that were not in conformity with the antibusing language as set forth in the House bill, was the key issue.

I was very adamant in trying to maintain intact the reopening provisions, but I encountered overwhelming opposition from the other conferees—not only on the Senate side but also on the House side.

As a result, two of the three reopening provisions were entirely eliminated, and section 219, which provides for the termination of court orders requiring the transportation of students upon satisfactory evidence that school districts are not effectively excluding students on the basis of race, has been so modified as to make it ineffective in most instances.

The modification takes away the imperative that courts shall terminate such cases and mandates only a discretionary phrase that the courts may terminate such cases. In addition, the court has to make a finding that the school district is in compliance with the 5th and 14th amendments and will continue to be in compliance with those amendments in the future. How the courts are going to be able to make such a finding about the future, I do not have any idea.

Finally, all court orders to terminate busing would be stayed pending the appeals process. This means that even after making a finding that a local school district is not, and in the future will not be, in violation of the 5th and 14th amendments, an order to terminate busing cannot be carried out until all appeals in connection with that order have been exhausted.

But this again supposes that a court can look into the future, like a soothsayer, and decide what somebody is going to do, either educationally or housing-wise or on the education board, when they have not even announced for election to the board or been appointed to it.

Mr. President, despite my strong opposition to the relatively weak antibusing language which was finally adopted by the conferees, I would urge my colleagues to support the conference report because of the many fine education programs which it authorizes. These federally funded programs are a vital part of our Nation's educational process, and it would be unfortunate if we deprive our Nation's children of this Federal assistance.

I might also add that the antibusing language, although it is not nearly as strong as I and others would like, nevertheless is an improvement on the law we now have. We have taken, at least the first step forward before we start to run. It is my feeling that, on balance, therefore, we should support this bill.

Mr. BEALL addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland is recognized.

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

Mr. BEALL. I yield.

Mr. JAVITS. Mr. President, I should like to express my appreciation to Senator DOMINICK for the nice things he has said about me and my work in connection with this bill, and to return the compliment, which he very richly deserves, in respect of part B, a very gifted concept, to reward States which do more than their share in respect of educational excellence and educational opportunity.

This is not only something that he authored but also something for which he has continually fought, and obviously with considerable success. It is a great benefit to his State and to many other States.

Also, let me say, somewhat wryly, that Senator DOMINICK's satisfaction with the formula on title I distribution, which is the big ticket item, as they call it, in this

matter, does not fill me with happiness or satisfaction. It is entirely, in my judgment, at the expense of the great industrial States which have the highest tax rates and are really sweating it out in terms of the educational level they are giving, which they cannot afford. I think it was a disaster to them for the formula to have been adopted as urged by Senator McCLELLAN.

But, again, I say that wryly; because, for Senator DOMINICK I hope it will be understood in his State, as it should be, that it is a really great success for them, as they do extremely well, as do a number of other States, and I think quite unfairly at the expense of States like my own.

Finally, Mr. President, I have worked with Senator DOMINICK for a long time in these matters, as he is the ranking member of the Education Subcommittee. He has conservative views—we all know that—but I wish all Senators, conservative or liberal, were as honest and straightforward as he is. When he is with you, he is with you all the way—no holds barred. If he is against you, he fights you with every appropriate weapon in his arsenal. I respect that. I try to live that way myself, and I recognize it in him. I commend him most highly for it.

Mr. TAFT addressed the Chair.

The PRESIDING OFFICER (Mr. HARRY F. BYRD, JR.). The Senator from Maryland has the floor.

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

Mr. BEALL. I yield.

Mr. TAFT. Mr. President, I ask unanimous consent that Eleanor Parker, a member of my staff and John Hunting, a member of the staff of Senator JAVITS, may have the privilege of the floor during the debate on the conference report on the education bill.

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

Mr. BEALL. Mr. President, I ask unanimous consent that Joseph Carter, a member of my staff, may have the privilege of the floor.

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

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

Mr. BEALL. I yield.

Mr. PELL. Mr. President, I should like to pay tribute to Senator JAVITS, the ranking member of the Committee on Labor and Public Welfare, and to Senator DOMINICK, the ranking minority member of the subcommittee, for their contributions and all they have done to move this measure along. It was moved along, as always in our committee, with nonpartisanship. I just want to express this publicly.

I should also like to express publicly the debt we in the Senate owe to Chairman PERKINS, on the House side, who kept our noses to the grindstone and pressed us ahead when many times it appeared that the conference might dissolve.

Mr. BEALL. Mr. President.

The PRESIDING OFFICER (Mr. STEVENSON). The Senator from Maryland.

Mr. BEALL. Mr. President, I rise in support of the conference report. I do so, even though I am disappointed in the conference committee's action with respect to the busing issue.

As my colleagues know, I strongly supported and voted for the stronger antibusing provisions during the Senate floor debate. In view of the fact that the House busing provisions were defeated by the narrowest of margin on the Senate floor, and were overwhelmingly adopted by the House, I felt that the final compromise should have been closer to the stronger House position. However, Mr. President, we simply did not have the votes on the conference committee, and thus we have this before us now.

The antibusing provisions, of course, reflect the overwhelming opposition to busing to achieve racial balances that exists in the country. This opposition includes almost half of the black community.

Each year I receive in my office the annual poll taken of the National Merit Scholars who are the brightest high school students in the Nation. This poll attempts to gage the students' feelings on numerous issues.

In response to a question, "Would you move into an integrated neighborhood," the response was 90 percent of the students would be willing to live in an integrated community, and 7 percent would not. However, when asked, "Do you favor busing of children to achieve integrated school systems," 68 percent said no and 26 percent said yes.

Now, Mr. President, young people generally are among the most idealistic of our society and probably harbor less prejudice. But the point is that they oppose as adamantly as society as a whole, busing to achieve racial balances. Given this feeling among all ages and segments of our society and the findings depicting little, if any, educational achievement gains attributable to busing, we should be questioning this approach.

Mr. President, I do not believe that the overwhelming opposition to busing to achieve racial balances results from racial prejudices. A recent article from Public Opinion Quarterly said that—

> Recent data from a large national sample strongly suggests that the subjective motivations for opposing busing are not racism . . . and . . . that among the public at large, busing is not perceived as a racial issue, and widespread opposition to it does not foreshadow a reversal in the long term decline in prejudice . . . teaching black and white children in the same school is not the key issue. Opposition to school integration is not closely correlated with opposition to busing. A large majority supports school integration but does not believe that busing is the best means to attain it.

I ask unanimous consent that the full article be printed at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. BEALL. Mr. President, I might add that the Conference Committee did retain my amendment that would at least ban busing ordered during the school year. While this will not prevent busing, it would prevent the order from interrupting the continuity of the educational process during the school year.

Mr. President, if the measure before us dealt with the busing issue alone, I would not support the bill. However, this is basically an education bill and aside from the busing provisions, it represents a constructive measure which should improve the quality of education of our children.

H.R. 69 would continue a number of vital existing education programs such as impacted aid, adult education, aid to disadvantaged students, Indian education, and bilingual education, to name a few. In addition, the bill provides for some consolidation of existing programs so as to give local and State educators more discretion with respect to the spending of Federal funds.

And more importantly, the legislation authorizes a number of new and important initiatives such as:

First, the national reading improvement program, which I authorized along with Senator EAGLETON. This bill authorized $413.5 million for an accelerated attack on the problem which I have labeled the "Achilles' heel" of American education: namely, the large numbers of students who cannot read or who are reading below the appropriate level. I ask unanimous consent that this title of the bill, the conference report's language discussing our action on the reading title, and my floor remarks of May 8 when the bill passed the Senate, be printed following my remarks.

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

(See exhibit 2.)

Mr. BEALL. Mr. President, second, the new and needed assistance for handicapped children authored by my colleague, Senator MATHIAS, and cosponsored by me. Maryland and other States are under court orders to face up to their responsibilities with respect to the handicapped children. The State realizes its obligations and it is desirous of responding to the needs but financial assistance is needed. This emergency aid will be of utmost importance in helping the State to respond to that need and more importantly begin redressing the neglect of handicapped children that has often occurred in the past.

Third, a new program of aid to the gifted and talented. Certainly our Nation depends on the encouragement and utilization of the talents of our brightest students and they are often neglected.

Fourth, a community school section to encourage maximum utilization by the community of educational facilities is included in the legislation.

I have only touched on some of the highlights of the bill. Time does not permit me to address each of the sections, as important as each may be.

The important point is that this is a very important piece of legislation that deserves to be passed so that the schools of this Nation may get about the business of providing expanded educational opportunities for all children of our country.

Mr. President, I therefore urge the adoption of the conference report.

EXHIBIT 1

THE POLITICS OF SCHOOL BUSING*

(By Jonathan Kelley)

"Although rejecting school busing has the objective consequence of perpetuating racial segregation and educational inequality, data from a large national sample indicate that the subjective motivations involved are not merely racism. In contrast to the position among the mass public, opposition is closely linked to racial prejudice among college graduates." The author is Assistant Professor of Sociology at Yale University and Senior Research Associate at the Center for Policy Research.

Busing school children in order to achieve racial balance is a political issue whose time seems to have come. Political issues have a characteristic life history.[1] Typically, they are taken up first by a small minority on the far left and then, if successful, they move slowly across the political spectrum, gaining support from increasingly conservative segments of the population.[2] Somewhere in this process, the issue may become a matter of partisan dispute—although that is more frequent among the political elite than among the mass public.[3]

A number of race relations issues seem to have gone through this cycle since the 1940s. Opposition to discrimination in schools, housing, and employment was originally a minority stance common only on the left and in educated circles. By the mid sixties, it had become a majority view [4] and a matter of sharp partisan dispute,[5] with segregationist views held only by a small minority on the right. This seems not to have changed appreciably even since the race riots of 1965–68,[6] about which time a series of controversies arose over busing school children.

Busing appeared to be just another race relations issue and one on which racist [7] attitudes were remarkably widespread and clearly a matter of partisan dispute.[8] An old and widely accepted practice in other contexts, it became controversial only when school integration, an archetypical racism issue,[9] was its manifest purpose and objective consequence. The much-touted white backlash seemed to have arrived.

However, recent data from a large national sample strongly suggest that the subjective motivations for opposing busing are not racism even though opposition has the objective consequence of perpetuating racial segregation and educational inequality. Opposition is not closely correlated with racism and is quite differently related to background and social status. Unlike racism, opposition to busing is not closely linked to conservative views on most other social and political issues. Among the public at large, busing is not perceived as a racial issue and widespread opposition to it does not foreshadow a reversal in the long-term decline in prejudice. Only among the educational elite, a small but crucial minority, are they closely related.

DATA

The data are from the National Opinion Research Center's 1972 General Social Survey, a national sample of the non-institutionalized population of the United States, 18 years or older, conducted in the spring of 1972. It is a multi-stage area probability sample to the block level with quotas based on sex and age within blocks.[10] The sampling variability is somewhat higher than in a simple random sample, so cases were weighted downward to make statistical tests approximately correct.[11] Analysis is confined to the 1352 actual (838 weighted) non-Negro respondents since Negro respondents were not asked the bulk of the race relations items. The data are available for reanalysis from the Roper Public Opinion Research Center, William College.

BUSING AND RACIAL ATTITUDES

Attitudes toward busing were measured by a single item, used previously in a number of AIPO surveys with marginals almost identical to those reported here (see footnote 8). Racial attitudes were measured by eight items taken from several previous national surveys.[12] The items, with the proportion of white population giving more prejudiced answers shown in parentheses, are:

1. In general, do you favor or oppose the busing of Negro and white school children from one school district to another? (83% oppose, 4% don't know, 13% favor)

2. Do you think white students and Negro students should go to the same schools or to separate schools? (14% separate, 2% don't know, 84% same)

3. Would you yourself have any objection to sending your children to a school where a few (half, more than half) of the children are Negroes? (7% would object to few, 16% to half, 35% to more than half, 42% would not object)

4. How strongly would you object if a member of your family wanted to bring a Negro friend home to dinner? (13% object strongly, 18% mildly or don't know, 67% not at all)

5. Do you think there should be laws against marriages between Negroes and whites? (38% yes, 3% don't know, 59% no)

6. White people have a right to keep Negroes out of their neighborhoods if they want to, and Negroes should respect that right. (21% agree strongly, 17% agree slightly, 7% don't know, 23% disagree slightly, 33% disagree strongly)

7. If a Negro with the same income and education as you have, moved into your block, would it make any difference to you? (14% would not like it, 85% no difference or don't know, 1% would like it)

8. Negroes shouldn't push themselves where they're not wanted. (42% agree strongly, 29% agree slightly, 7% don't know, 13% disagree slightly, 10% disagree strongly)

9. If your party nominated a Negro for president, would you vote for him if he were qualified for the job? (25% no, 6% don't know, 69% yes)

All race relations items are included except for one with utterly useless marginals.[13] The items are quite diverse and seem to cover the more salient topics reasonably well.

The racism items are highly correlated with one another and seem to be part of a single attitude syndrome, but attitudes toward busing are not closely correlated with any of them. Details are given in Table 1. Correlations between racism items average fully .38 while those with busing average only .12. Attitudes toward school segregation are as much a part of the general racism syndrome (and as little related to busing) as are Bogardus' classic social distance questions on intermarriage and entertainment in the home.[14] Views on residential segregation and on a Negro president are equally part of the racism syndrome. Only views on busing are distinct; factor analysis confirms this.[15] The first factor explains 88 per cent of the common variance (with communalities estimated iteratively); the racism items all have high factor loadings but busing does not. When the eight racism items are combined into a single summary scale,[16] the correlation between busing and racism is only .18. In sharp contrast, correlations between any one of the racism items and a scale composed of the others average .56; the lowest, involving item 8, is fully .42. *In short, while rejecting school busing has objectively racist consequences, the subjective grounds for opposition are not, it seems, simply racism.*

TABLE 1.—CORRELATIONS AND FACTOR LOADINGS (ABOVE DIAGONAL); PARTIAL CORRELATIONS CONTROLLING MOTHER'S EDUCATION, URBANIZATION, EDUCATION, OCCUPATION, AND INCOME (BELOW DIAGONAL)

[Decimals omitted]

Items	Items									Factor loading
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
(1) Busing		11	14	12	09	12	12	19	10	19
(2) Integrated schools	[1] 08		50	47	36	38	44	23	42	66
(3) Percent Negroes in school	12	45		44	34	45	40	26	46	67
(4) Bring home to dinner	[1] 09	40	39		40	43	46	31	45	69
(5) Law against marriages	[1] 07	23	28	32		42	28	32	35	56
(6) Out of neighborhood	[1] 09	29	41	37	33		41	41	41	67
(7) Same SES, moves in	10	39	36	41	21	36		21	42	61
(8) Push in where unwanted	18	12	20	24	22	35	16		28	51
(9) Negro President	[1] 07	32	42	38	25	34	37	20		64

[1] Not significant at the 0.01 level, one-tailed.

There are several good reasons for suspecting that other variables might mask the true relationship between busing and racism. But, in fact, these suspicions appear to be groundless. First, while high-status individuals are generally less prejudiced, their children might have more to lose by being bused from good middle-class schools into poor neighborhoods where the schools are inferior, the values less middle-class, and the atmosphere "tougher." Lower-status individuals are generally more prejudiced but their children are already in poor schools and have less to lose—and perhaps something to gain—by busing. Also, people in the North and in larger cities are less prejudiced but might find busing harder to support. Their children might be sent to schools that are quite alien, since neighborhoods are racially and economically highly segregated. But in smaller towns and in the South—where prejudice is more common—differences among schools are perhaps smaller and so give less reason to oppose busing.

In spite of these plausible arguments, the relationship between busing and racism is no stronger—if anything, slightly weaker—when these possible masking effects are taken into account. (Details are given below the diagonal in Table 1.) Controlling for status (education, occupation, income, and mother's education), region, and city size,[17] the partial correlations between busing and racism items are uniformly small, averaging only .10; not all are statistically significant. In contrast, the partial correlations between racism items remain large and statistically significant, averaging .32. It seems fairly clear that the true relationship between busing and racism is not masked by other variables but is simply not very strong.

Footnotes at end of article.

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
(1) Busing		09	13	08	07	12	09	16	09
(2) Integrated schools	41		41	34	26	29	34	19	31
(3) Percent Negroes in school	27	74		33	24	28	32	17	34
(4) Bring home to dinner	31	77	59		29	33	35	24	33
(5) Law against marriages	21	76	49	66		32	22	24	28
(6) Out of neighborhood	22	68	51	59	57		32	30	31
(7) Same SES, moves in	50	81	69	78	64	74		18	31
(8) Push in where unwanted	33	54	32	52	48	48	53		22
(9) Negro president	27	76	63	69	61	57	81	47	

The weak association between busing and racism items does not seem to be an artifact produced by the busing item's skewed marginals, by non-linearity, or by differential measurement error. Using Cramer's V and gamma, measures of association that are independent of the marginal distributions and assume only nominal and ordinal measurement respectively, the association between busing and racism is much lower than that between racism items.[18] The average V's are .10 and .29 for busing and racism respectively; gamma's are .31 and .62.

For differential measurement error to account for the low correlations, the reliability of the busing item would have to be only a tenth that of the racism items. The average correlation between busing and the racism items, .12, when corrected for attenuation due to measurement error, would be $(.12/\sqrt{r_{BB}\, r_{RR}})$ where r_{BB} and r_{RR} are the reliabilities of the busing and racism measures respectively.[19] The corresponding figure for correlations between racism items is $(.38/\sqrt{r_{RR}\, r_{RR}})$. If these are equal, then $r_{BB}=.10$ r_{RR}. (While this is approximate, more precise calculations for each racism item separately give virtually identical results.)

But it seems highly unlikely that the busing item is that unreliable. Its test-retest reliability is .49, about 75 per cent of the average of .66 for racism items.[20] Opinions should be relatively well formed since busing is an unusually salient issue—95 per cent of the population have heard of it.[21] And the question wording appears to be adequate; some of the evidently successful racism items seem more obscurely worded. So it seems reasonably clear that measurement error cannot explain the low correlation. Subjectively, opposition to busing is just not very closely tied to racism.

CORRELATES OF BUSING AND RACISM

Busing and racism are related to background, to social status, and to other attitudinal variables in quite different ways. This is strong evidence that they are subjectively distinct; technically, the evidence is particularly persuasive since busing's skewed marginals cannot account for the different patterns.

Correlations with background variables differ appreciably.[22] The simple correlations (columns 1 and 2 in Table 2) show that racism is more prevalent in rural areas, among older people, and in the South. In contrast, opposition to busing is much more evenly spread throughout society; it is equally widespread in urban and in rural areas and is only a little more common among older people and in the South. Neither the respondent's sex nor, surprisingly, the number of the respondent's school-age children are related to either racism or opposition to busing.

Although it makes little practical difference, there is a problem in interpreting these figures: correlations involving busing will be more heavily attenuated by measurement error since the racism scale is more reliable than the single item on busing. The well-known correction for attenuation adjusts for this.[23] The test-retest reliability of the busing item is .49. That of the racism scale can be estimated either by Cronbach's alpha (giving .82) or by correcting the individual items' correlations using test-retest reliabilities and estimating the scale's reliability with the Spearman-Brown formula (giving .85); correlations in columns 3 and 4 are corrected using the more conservative .85. Since unreliability in other variables attenuates correlations with busing and racism equally, I have not corrected for it. In any event, measurement error makes little difference. Busing and racism still have very different correlations and most of the differences are statistically significant.

TABLE 2.—CORRELATES OF RACISM AND OF OPPOSITION TO SCHOOL BUSING, DECIMALS OMITTED

	Simple correlations		Corrected correlations [1]		Standardized partial regression coefficients (paths) [2]				
	Racism	Busing	Racism	Busing	Racism	Busing	Racism	Busing	Voting
Independent variables	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Background:									
Rural residence	27	[3] 03	29	[3] 04	[4] 04	00	[4] 09	−01	04
Southern origin	34	[3] 11	37	[3] 15	[4] 26	[4] 10	[4] 20	[4] 09	07
Age	29	[3] 09	31	[3] 31	[4] 18	[4] 09	[4] 08	03	[4] −18
Number of school children	−03	01	−03	02	00	03	00	01	−02
Sex (female)	04	−02	04	−02	−01	−01	00	01	−05
Status:									
Occupation	−20	[3] 05	−22	[3] 07	−06	08	−03	09	01
Family income	−23	03	−25	[3] 04	−02	07	−02	05	−01
Education	−36	[3] −06	−39	[3] −09	[4] −16	[4] −11	[4] −10	[4] −13	01
Mother's education	−27	[3] −03	−29	[3] −04	−05	04	−03	05	[4] −08
Father's occupation	−11	[3] 0	−12	[3] 01	−03	00	−01	02	04
Attitudes:									
Political intolerance	47	[3] 04	51	[3] 05			[4] 25	−05	−03
Against woman president	31	[3] 05	33	[3] 07			[4] 18	01	02
Sex not permissive	30	[3] 13	32	[3] 19			05	[4] 11	06
Against abortions	15	[3] 02	17	[3] 02			−04	−02	−01
Against gun control	12	05	13	[3] 08			[4] 06	03	[4] 16
Punitive to criminals	14	20	15	[3] 30			[4] 10	[4] 19	[4] 06
Racially prejudiced		18		[1] 25					[4] 21
Against school busing	18		[2] 19						[4] 08
Politics:									
Party (Republican)	−06	[3] 08	−06	[3] 11					[4] 34
Conservative vote	23	16	25	23					
Variance explained (R^2)					27	03	37	08	25

[1] Col. 3 is corrected for attenuation in racism only and col. 4 for attenuation in busing only; the correlations between busing and racism therefore differ.
[2] Computed from correlations not corrected for attenuation.
[3] Difference between correlations statistically significant ($p < .01$, two-tailed) by the test given in Hubert M. Blalock, Jr., "Social Statistics," New York, McGraw-Hill, 1972, p. 407.
[4] Path coefficient greater than twice its standard error.

The independent effects of background variables (especially rural residence) on racism are different from those on busing. Path coefficients [24] show the influence of each independent variable while statistically controlling for the others; columns 5 and 6 control simultaneously for background and status variables and columns 7 and 8 also control for attitudes. Busing and racism are again distinct.

Racism and opposition to busing are quite differently related to various measures of social status [25] (detailed in Table 2). Lower-status individuals are consistently more prejudiced; this is especially clear for education [26] but is also true for occupation, income, father's occupation, and mother's education. Attitudes toward busing, in contrast, are virtually uncorrelated with status. The small relationships that do exist are not all in the same direction: higher education is associated with support for busing but higher income and occupational status are associated with opposition. These results are equally clear for the simple correlations and for correlations corrected for attenuation; the differences are statistically significant. When other variables are controlled (columns 5 to 8 in Table 2), low status is still consistently associated with racial prejudice although only education has a large independent effect.

The pattern for busing is different and more complex. People with higher income and occupational status are actually more likely to oppose busing—quite the reverse of the pattern for racism—while more educated people are supportive. The independent effects are larger than the simple correlations; it seems that education on the one hand and occupation and income on the other actually mask each other's effects. People who are consistently high (or low) on all three are cross-pressured. In contrast, there is no cross-pressure for racism since high status of any sort is consistently associated with liberal views.

Opposition to busing is spread fairly uniformly throughout society [27] while racial prejudice is much more highly concentrated in particular groups; background and status variables jointly explain only 3 per cent of the variance in busing but fully 27 per cent of the variance in racism. In all, since racism and busing are not related to social status in

Footnotes at end of article.

the same way, they are presumably not part of the same attitude syndrome.

Racism and busing are also quite differently related to various social and political attitudes.[28] This is perhaps the strongest evidence that they are distinct. Racism is closely tied to conservative views on a wide range of social and political issues, while opposition to busing is not. Racism is highly correlated with political intolerance (opposition to free speech for atheists and communists), with opposition to a woman president, and with opposition to sexual permissiveness. It is more modestly correlated with opposition to abortion and gun control. This is equally true for the simple correlations and for those corrected for attenuation; the great majority of the differences between busing and racism are statistically significant.

In spite of considerable multi-colinearity, essentially the same pattern holds when background, status, and other attitude variables are controlled (column 7 in Table 2). Political intolerance and opposition to a woman president have particularly large independent effects.

In sharp contrast, opposition to school busing is not closely related to these variables. The correlations with political intolerance, opposition to a woman president, gun control, and abortion attitudes are all very low. The independent effects are generally negligible, although opposition to sexual permissiveness has a significant effect. The only attitude that is closely correlated is support for more punitive treatment of criminals; this, in fact, has a larger effect on busing than on racism. In sum, racism is closely linked to conservatism on a variety of other social and political issues; busing is not. This is very strong evidence that they are not different aspects of a single underlying syndrome.

Busing and racism also seem to have distinct effects on voting behavior, although the evidence is not unequivocal.[29] While attitudes often have little independent effect on voting in presidential elections, in 1968 both racism and busing had appreciable effects independent of everything else.[30] Details are in column 9, Table 2.[31]

In a race between Wallace, Nixon, and Humphrey, racism was a major source of support conservatives, with the biggest difference between Wallace supporters and the others. Opposition to busing had only a modest, though statistically significant, independent effect, principally on Humphrey's supporters.[32] In contrast, when taken separately, individual racism items had an average effect (independent of a racism scale composed of the remaining items) of only .04 in comparison to busing's .08.

Ignoring Wallace votes altogether, in a two-way race, party was more important and attitudes less—a result also found by Converse.[33] But opposition to busing still had a small independent effect (.06, significant at p. 10). Racism had an independent effect of only .10, so busing was relatively important as attitudes go. (This analysis is not shown in Table 2.) All in all, it seems likely, although not certain, that busing had a modest effect independent of racism.[34] providing additional evidence that racism and busing are subjectively distinct.[35]

EDUCATION, RACISM AND BUSING

While rejecting school busing has objectively racist consequences, among the general public the subjective motivation does not seem to be racism. But this is not true of the educational elite. Among college graduates there is a good deal of truth in the view, widespread in political and academic circles (and among Blacks[36]), that opposition to busing is motivated by racism. This has important practical implications since education, law, politics, and the media are all dominated by college graduates who thus define the terms of public debate. But on busing, the elite and the mass public they address are simply talking past one another.

Among the educational elite, opposition to busing is rather closely correlated with prejudiced views on racial issues. In contrast, people who are not college graduates have well-developed and coherent attitudes on racial questions but these attitudes are not at all closely correlated with their views on busing. The average correlation between busing and the various race relations items is lowest for respondents with eight or fewer years of education, slightly higher for those with nine to twelve years and for those with some college, and clearly highest for college graduates. In contract, the average correlation between different racism items is about the same at all educational levels:

	0 to 8 yrs	9 to 12 yrs	Some college	College graduates
r (busing and racism items)	0.07	0.10	0.10	0.23
r (among racism items)	.34	.36	.31	.35

Less-educated individuals seem to have coherent, well-organized attitudes toward racial questions; the low correlation with busing does not merely reflect a general lack of organized attitudes.[37] For college graduates, when the correlations are corrected for attenuation (assuming that measurement reliability is about the same as in the population at large[38]), the average correlation between busing and racism items, .41, is only a little lower than the average of .53 among racism items.

Factor analyses lead to the same conclusion (see Table 3).[39] For everyone except college graduates, busing has negligible loadings on the principal factor; the racism items all have large loadings. While busing still has the lowest loading among college graduates, it is of the same order of magnitude as some others, notably the school integration items. Since the busing item may be less reliable, on this evidence busing is not clearly distinct from racism.

By way of summary, the correlation between busing and the full eight-item racism scale is only .10 for people who did not go past the eighth grade, .14 for those with nine to twelve years of schooling, .16 for those with some college, and .37 for college graduates. Again, college graduates are quite different from everyone else; differences between them and the two lowest educational groups are statistically significant ($p < .05$, two-tailed). In sum, this evidence strongly suggests that, although opposition to busing is not part of the racism syndrome for the majority of the population, it is at least highly correlated with racism among the educational elite.

Some qualifications are, however, in order. First, these results must be treated with some caution since the sample of college graduates is not large (180 actual, 112 weighted cases). Second, the high correlation between busing and racism may in part reflect a general tendency for all sorts of distinct attitudes to be more highly correlated—organized into more coherent general ideologies—among more educated groups. For example, the correlation between prejudice and political intolerance is .25 for the least educated group, rising to .36, .52, and .50 among successively more educated groups; the corresponding correlations between racism and restrictive attitudes toward pre-marital sex are .18, .21, .36, and .32.

TABLE 3.—FACTOR ANALYSIS OF BUSING AND RACISM ITEMS BY EDUCATION: LOADINGS ON THE FIRST PRINCIPAL FACTOR[1] FOR RESPONDENTS AT DIFFERENT EDUCATIONAL LEVELS, DECIMALS OMITTED

Items	Education			
	0 to 8 yr	9 to 12 yr	Some college	College graduate
(1) Busing	12	16	19	38
(2) Integrated schools	71	65	46	52
(3) Percent Negroes in school	74	69	53	51
(4) Bring home to dinner	72	68	61	70
(5) Law against marriages	46	51	53	54
(6) Out of neighborhood	63	62	70	69
(7) Same SES, moves in	60	64	56	59
(8) Push in where unwanted	31	43	52	53
(9) Negro president	56	62	58	75
Common variance explained (percent)	92	100	86	83
Number of cases	(149)	(433)	(144)	(112)

[1] Principal axis factor analysis with communalities estimated iteratively.

In spite of this evidence, it nonetheless seems that opposition to busing is not simply one aspect of the racism syndrome even among college graduates. While highly correlated, they have rather different relations to background and social status and strikingly different relations to other attitudes (detailed in Table 4).

Background characteristics have more influence on racism than on attitudes toward busing. People who live in rural areas are more prejudiced but only slightly more likely to oppose busing. Southerners are much prejudiced but only somewhat more hostile to busing.

The results for social status are harder to interpret since the direct control for education greatly reduces the effect of all status variables. The small educational differences that remain within each of the four main groups are unrelated to racial prejudice but do have some influence on busing—there is less opposition among those with two or three (rather than one) years of college and among those who went beyond their B.A.'s to graduate or professional schools. And, except for college graduates, people in higher-status occupations are somewhat more opposed to busing but not more prejudiced.

Much of the strongest evidence is found in the quite different correlations with other social attitudes. Political intolerance is very strongly related to racial prejudice, even controlling for everything else, but has only a modest influence on busing. This pattern is especially clear among those with some college and among college graduates. Attitudes toward a woman president show the same distinctive pattern. Finally, among college graduates (but not elsewhere), people with more punitive attitudes toward criminals are much more likely to oppose busing but, in contrast are only somewhat more prejudiced.

Footnotes at end of article.

TABLE 4.—RACISM AND OPPOSITION TO SCHOOL BUSING FOR RESPONDENTS OF DIFFERENT EDUCATIONAL LEVELS; PATH COEFFICIENTS, DECIMALS OMITTED[1]

Independent variables	Education							
	0 to 8 yr		9 to 12 yr		Some college		College graduate	
	Racism	Busing	Racism	Busing	Racism	Busing	Racism	Busing
Background:								
Rural residence	12	−03	14	−03	08	11	09	01
Southern origin	27	22	20	12	20	02	15	05
Status:								
Occupation	−03	12	−03	09	08	25	03	−01
Family income	−07	−06	−01	02	00	05	−02	12
Education[2]	−05	05	−04	02	+01	−17	−04	−17
Mother's education	−17	10	−06	03	06	−03	00	02
Attitudes:								
Political intolerance	22	−10	24	−04	40	09	40	12
Against women president	08	05	19	00	24	01	27	02
Punitive to criminals	06	20	12	11	19	13	22	42
Variance explained (R)	25	11	26	04	42	15	44	25

[1] Partial regression coefficients in standard form, computed from correlations not corrected for attenuation. N's are given in table 3 and variables defined in footnotes 16, 22, 25, and 28.

[2] The variance is greatly reduced and the effect of education (and of correlated variables) is therefore minimized.

In all educational groups, racial prejudice is highly concentrated in particular social and ideological groups while opposition to busing is much more evenly distributed; background, status, and attitudes consistently explain more of the variance in racism. In sum, busing and racism do not seem to be part of the same attitude syndrome even among college graduates.

This evidence is not entirely straightforward. First, since each educational group is treated separately, most of the variation in education and much of the variation in occupation, income, mother's education, and political tolerance is controlled, since they are all correlated about .5 with education. These variables all have substantial correlations with racism (see Table 2), so their effect is reduced disproportionately. That makes busing seem more like racism than it really is. Secondly, standard deviations differ in various educational groups. This affects the paths presented in Table 4 but unstandardized partial regression coefficients (b's), free from this defect, in practice lead to the same conclusions. I have therefore presented the more familiar path coefficients. And lastly, the precise results must be treated with some caution; the samples are sometimes small and measurement error may not be the same in all groups.

Taken together, these results clearly show that the subjective sources of opposition to school busing are only very slightly correlated with racism for the vast majority who have not graduated from college. The factor analysis shows this clearly and the regression analysis provides additional support. For college graduates, a small but crucial elite, the situation is more complex. Subjectively, opposition to busing is probably not simply one aspect of the racism syndrome; the factor analysis is inconclusive but the regression analysis suggests that it is distinct, especially in its relation to attitudinal variables. But busing and racism are rather closely correlated; it seems that racial prejudice is one major source of opposition to school busing among the educational elite.[40]

DISCUSSION

Schoolbusing is not just another in the long series of racial issues that have moved across the political stage in recent years; in spite of objective fact and elite misperception, most people simply do not react to it in that way. The widespread opposition to busing and the success of politicians opposed to it are not evidence of a white backlash, nor do they portend a reversal of the historic trend toward racial equality.

The whole situation is rather schizophrenic. Objectively, the courts ordered busing as a means of integrating schools. Rejecting busing preserves racial segregation and, probably, educational inequality. The subjective reactions of the educational elite are roughly consistent with the objective situation: college graduates' views on busing correspond rather closely with their racial views. And it is precisely this elite that defines the public debate; education, law, politics, and the mass media are overwhelmingly dominated by college graduates. But the subjective reactions of the public they address—the vast majority of the population—are not the same at all. For them, busing is only in small part a racial issue; they judge busing on quite different grounds.

But it is by no means clear why most people oppose busing. In part it may be that busing, like other forms of commuting, can be time-consuming, unpleasant, and expensive. These are common complaints[41] and may have an element of truth as well as rationalization. Also, although the rhetoric of local control can be a mask for other interests, it may reflect some real concerns. Parents may be more familiar with local schools and teachers and feel that they, or their communities, have more influence on them. These considerations may in part explain why about half of all blacks oppose busing.

Teaching black and white children in the same school is not the key issue. Opposition to school integration is not closely correlated with opposition to busing. And a large majority support school integration but do not think that busing is the best means to attain it.[42]

I suspect that the crucial issue for whites is the kind of schools into which their children might be bused. For well-to-do whites, these would usually have inferior educational facilities,[43] a less academic atmosphere, more class and racial tension, and a "tougher" style—more physically violent and less middle class. The children of poor whites may, conversely, actually stand to gain from busing. While I have no direct evidence, Table 2 provides some indirect support.

First, those who are better off economically (and so have more to lose) are slightly more likely to oppose busing. Second, support for more punitive treatment of criminals may to some extent reflect a general anxiety about violence; if so, there is evidence that this increases opposition to busing. But this is all quite problematic. For most people it is clear that opposition to busing is not just racism but it is by no means clear what else is involved. This is a question that richly deserves investigation and not only for the light it throws on recent politics. The status quo strongly favors busing's opponents and some understanding of the motives involved is the first step toward change.

FOOTNOTES

*This article is based on a project supported by the National Institute of Child Health and Human Development (NIH-NICHD–72–2754); the data were collected with the support of the National Science Foundation (GS–31082X) and the Russell Sage Foundation. The author is grateful for comments by John L. Hammond, J. L. Kelly pere, and Donald J. Treiman. The views expressed are entirely his own.

[1] Bernard R. Berelson, Paul F. Lazarsfeld, and William N. McPhee, *Voting: A Study of Opinion Formation in a Presidential Campaign*, Chicago, University of Chicago Press 1954, pp. 206–212.

[2] This presupposes that there are at least moderately well-formed attitudes in the mass public. There is evidence that attitudes are not organized into highly national ideologies: Philip E. Converse, "The Nature of Belief Systems in Mass Publics," in David E. Apter, ed., *Ideology and Discontent*, New York Free Press, 1964, pp. 206–260; and Robert Axelrod, "The Structure of Public Opinion on Policy Issues," *Public Opinion Quaterly*, Vol. 31, 1967. But data from this and other recent studies suggest that well-formed attitudes exist in the mass public: e.g., Angus Campbell, *White Attitudes Toward Black People*, Ann Arbor, Institute for Social Research, 1971, especially Appendix C; John P. Robinson, Jerrold C. Rusk, and Kendra B. Head, *Measures of Political Attitudes*, Ann Arbor, Institute for Social Research, 1968.

[3] Herbert McClosky, Paul J. Hoffman, and Rosemary O'Hara, "Issue Conflict and Consensus Among Party Leaders and Followers," *American Political Science Review*, Vol. 54, 1960, pp. 406–429.. In the public at large, views on race—and most other issues—were not highly politicized in the 1950s and early 1960s; are Angus Campbell, Philip E. Converse, Warren E. Miller, and Donald E. Stokes, *The American Voter*, New York, Wiley, 1960, chaps, 8–10. But the 1964; election seems to mark the beginning of an era in which ideology in general, and racial issues in particular, are strongly politicized; see John Osgood Field and Ronald E. Anderson, "Ideology in the Public's Conceptualization of the 1964 Election," *Public Opinion Quarterly*, Vol. 33, 1969, pp. 380–398; Richard W. Boyd, "Popular Control of Public Policy: A Normal Vote Analysis of the 1968 Election," *American Political Science Review*, Vol. 66, 1972, pp. 429–449; John F. Becker and Eugene E. Heaton, Jr., "The Election of Senator Edward W. Brooke," *Public Opinion Quarterly*, Vol. 31, 1967, pp. 346–358; see also footnote 5.

[4] See Hazel Erskine, "The Polls: Negro Housing," *Public Opinion Quarterly*, Vol. 31, 1967, and "The Polls: Negro Employment,"

Public Opinion Quarterly, Vol. 32, 1968. p. 139; Campbell, *White Attitudes Toward Black People*, op. cit., chap. V, 1940s, see T.W. Adorno *et al.*, *The Authoritarian Personality*, New York, Harper and Row, 1950, chap. 5.

[5] Field and Anderson, *op. cit.*; Boyd, *op. cit.*; Becker and Heaton, *op. cit.*; Everett Carll Ladd, Jr., and Charles D. Hadley, "Party Definition and Party Differentiation," *Public Opinion Quarterly*, Vol. 37, 1973, pp. 21–34; Philip E. Converse, *et al.*, "Continuity and Change in American Politics: Parties and Issues in the 1968 Election," *American Political Science Review*, Vol. 63, 1969, pp. 1083–1105.

[6] Campbell, *op. cit.*, chap. 7.

[7] The term "racism" is used to mean racial prejudice or hostility toward Negroes. The use of this term rather than some other is simply a matter of terminological convenience and has no particular theoretical or conceptual implications.

[8] According to the Harris Poll, opposition to busing is widely believed, especially among blacks, to be a mask for opposition to school integration; see Louis Harris, "Election showed sharp racial division," New York Post, November 24, 1972, p. 8. In several recent national samples, Gallup found opposition to busing among 85 per cent (in 1970), 76 per cent and 80 per cent (in 1971) of the white population; our 1972 data show 83 per cent opposed. Among blacks, 48%, 46% and 47% opposed it in Gallup's data and 43% in the 1972 data. The question wording is given in text below. See George Gallup, *Gallup Opinion Index*, Vol. 58, 1970, pp. 8–9; Vol. 75, 1971, pp. 18–20; and Vol. 77, 1971, pp. 23–24.

[9] See Adorno, *op cit.*, chap. 4 for early data; for more recent data see P. Sheatsley, "White Attitudes toward the Negro," *Daedalus*, Vol. 95, 1966, pp. 217–238.

[10] Details are given in NORC, *Codebook for the Spring 1972 General Social Survey*, Chicago, National Opinion Research Center, 1972, pp. 49-53; and Carol Richards, "An Analysis of NORC National Block Quota and Probability Samples," Chicago, National Opinion Research Center, 1972.

[11] NORC's experience suggests that the sampling variability is about that of a simple random sample of 1000; see NORC *op. cit.* I have therefore weighted the 1613 actual cases by the fraction 1000/1613.

[12] The sources and previous usage of these items is given in NORC, *op. cit.*, pp. 116–118.

[13] "Do you think Negroes should have as good a chance as white people to get any kind of job, or do you think white people should have the first chance at any kind of job?" Only 3% said white people first.

[14] E. S. Bogardus, *Immigration and Race Attitudes*, Boston, Heath, 1928.

[15] Whatever its defects in exploratory contexts, factor analysis provides a very sensitive test of the hypothesis that a group of items all measure a single underlying trait; there is, in particular, no problem about rotation since only one factor is of interest. In my experience, factor analysis provides a more stringent test than Guttman scaling, although the results are generally quite similar. For detailed treatments see Harry H. Harmon, *Modern Factor Analysis*, Chicago, University of Chicago Press, 1967; and Stanley A. Mulaik, *The Foundations of Factor Analysis*, New York, McGraw-Hill, 1972.

[16] This is an additive (Likert) scale with each item weighed equally. Items were first recorded into ranges 1 (least prejudiced) to 3 (most prejudiced). The scale is quite reliable—Cronbach's alpha is .82. Many of these items, together with some others, are known to make a good Guttman scale with a coefficient of reproducibility of .93; see Donald J. Treiman, "Status Discrepancy and Prejudice," *American Journal of Sociology*, Vol. 61, 1966, pp. 655–656.

[17] These variables are described more completely in footnotes 22 and 25 below.

[18] The details follow. V's are given above the diagonal and gammas below; decimals are omitted.

[19] The well-known correction for attenuation, e.g., David R. Heiss, "Separating Reliability and Stability in Test-Retest Correlation," *American Sociological Review*, Vol. 34, 1969, pp. 94–95.

[20] Unfortunately, this is based on just over 100 cases, the exact number varying slightly from item to item. The lower bound of the 95% confidence interval nonetheless gives a reliability half that of the racism items.

[21] Gallup, *op. cit.*, Vol. 77, p. 23.

[22] Item wording is given in NORC, *op. cit.* "Rural residence" is current residence, coded into four categories: rural county (no town of 10,000); urban county; metropolitan area under 2,000,000; and larger metropolitan area. "Southern origin" is place of residence at age 16 with South coded high. Age is in years. Number of school children is the number of children, aged 6 to 17, in the household.

[23] See, for example, Heiss, *op. cit.*

[24] Partial regression coefficients in standard form; see, for example, John P. Van de Geer, *Introduction to Multivariate Analysis for the Social Sciences*, San Francisco, W. H. Freeman, 1971, chaps. 10–12.

[25] High scores indicate high status. Education is in years. Occupation is in Hodge-Siegel-Rossi occupational prestige scores; see NORC, *op. cit.*, pp. 103–104. Family income is annual income from all earners recoded in twelve categories from "under $2,000" to "$30,000 and over."

[26] A well-known result, e.g., John Harding, *et al.*, "Prejudice and Ethnic Relations," in Gardner Lindzey and Elliot Aronson, eds., *The Handbook of Social Psychology*, Reading, Mass., Addison-Wesley, 2nd ed., Vol. 5, 1969, pp. 28–29.

[27] Except that there is much more support among blacks, about half of whom support busing; see footnote 7.

[28] Conservative answers always get higher scores. Scales were first constructed on conceptual grounds and then refined by factor analyses. Scoring is additive with items weighted equally after being recorded so that the range was the same for each. The precise question wording and marginals are given in NORC, *op. cit. Political intolerance* is: "Now, I should like to ask you some questions about a man who admits he is a Communist. Suppose this Communist wanted to make a speech in your community. Should he be allowed to speak, or not?" The scale includes a similar item on removing the Communist's book from the public library and two parallel items on speeches and books by an atheist; see Samuel A. Stouffer, *Communism, Conformity, and Civil Liberties*, New York, Doubleday, 1955. Factor analysis shows that Stouffer's parallel items on university teaching and tolerance of socialists do not scale with the four items given above, at least not in all segments of the population. *Woman president* is: "If your party nominated a woman for President, would you vote for her if she were qualified for the job?" *Sexual permissiveness* is: ". . . If a man and a woman have sex relations before marriage, do you think it is always wrong, almost always wrong, wrong only sometimes, or not wrong at all?" *Abortion* is a six-item scale, for example: "Please tell we whether or not you think it should be possible for a pregnant woman to obtain of a serious defect in the baby?" Other items involved two further "medical" circumstances—woman's own health endangered, pregnancy resulting from rape—and three "contraceptive" circumstances—the woman does not want or cannot afford more children, or is unmarried. The scale is highly reliable but not entirely unidimensional; the medical and contraceptive items form distinct subcales. *Gun control* is: "Would you favor or oppose a law which would require a person to obtain a police permit before he or she could buy a gun?" *Punitive toward criminals* is: "Are you in favor of the death penalty for persons convicted of murder?" "In general, do you think the courts in this area deal too harshly or not harshly enough with criminals?" This scale is not particularly reliable but is conceptually reasonable and shows quite distinct loadings in a factor analysis with other scales, both here and in other studies. Further details are available on request. Note that single-item indicators are generally more vulnerable to measurement error so that correlations involving them will be lower, other things being equal.

[29] The voting data are on the 1968 election while the attitude data were collected early in 1972 and the results must therefore be treated with caution, but if either an individual's vote or his attitudes reflect reasonably stable predispositions, the distortion should not be extreme. Ignoring this problem is conservative since correcting it would probably make attitudtes appear even more important; see the procedure in David L. Featherman, "Achievement Orientations and Socioeconomic Career Attainments," *American Sociological Review*, Vol. 37, 1972, pps. 137–138 and Appendix.

[30] Other data are the 1968 election also show that issues are important and generally give results very similar to those reported here; see Converse, "Continuity and Change in America Politics," *op. cit.*, especially p. 1097. Also see footnote 3.

[31] Conservatives are coded high. Party is coded "strong Republican," "Republican NEC," "Independent, leaning Republican," "Independent NEC," "Independent, leaning Democratic," "Democrat NEC," "strong Democrat." Vote is actual vote or the individual for whom non-voters would have voted. On a wide range of attitudes, Wallace's supporters were more conservative than Nixon's, who in turn were more conservative than Humphrey's; in the analysis reported in Table 2, (a three-way race) Wallace is therefore coded high, Nixon next, and Humphrey low. For a two-way race, Nixon is scored high, Humphrey low, and Wallace voters are treated as missing data.

[32] Nixon's supporters were fully .43 standard deviations more conservative than Humphrey's; Wallace's were only a modest .18 standard deviations more conservative than that. This pattern seems to have existed also in 1971 when Nixon supporters were .38 standard deviations more conservative than Muskie's with Wallace's only .05 standard deviations more conservative yet; see Gallup, *op. cit.*, Vol. 77. But on racism. Nixon's voters were only a little (.16 standard deviations) more conservative than Humphrey's, while Wallace's were fully .62 standard deviations more conservative yet.

[33] Converse, "Continuity and Change in American Politics," *op. cit.*, pp. 1097-1098.

[34] Busing is an especially dangerous issue for Democrats precisely because it is not just a matter of racism. In presidential elections, Democrats have already lost much of the racist vote. One more racial issue would not add to the damage but busing cost votes that the Democrats might otherwise get. Gun control is, for similar reasons, quite dangerous to Wallace and possibly to Republicans with a similar appeal. Support is almost as widespread as opposition to busing, is equally independent of party, background, and general conservatism, and had an even larger impact on voting. The effect was, however, mainly confined to Wallace vote.

[35] Results on the relationship between busing and other variables are strikingly similar to those found in several Gallup surveys; see Gallup, *op. cit.* Comparable results are available for the relationship between busing and background (rural residence, region, age, re-

ligion, race, and sex), social status (occupation, income, and education), and political party.

[36] Louis Harris, *op. cit.*, p. 8.

[37] Less-educated respondents also have well-organized attitudes toward abortions and political intolerance, the only other attitudes for which we have appropriate data. From low education to high, the average correlations between abortion items are .46, .46, .49, and .50, respectively. The corresponding correlations for political intolerance are .40, .45, .44, and .43.

[38] The number of cases for which test-retest data exist (about 100) is too small to test this point directly. Inter-item correlations for the racism, abortion, and political intolerance scales are more or less the same in all educational groups, which suggests that reliability is about the same.

[39] In general there are difficulties in comparing factor analyses from different subpopulations; see Mulaik, *op. cit.*, pp. 351-360. The present case is sufficiently simple that these complexities can be safely ignored.

[40] There is substantial path between racism and busing even controlling for everything else. The causal influence is, on the whole, probably from racism to busing since racism is a more general attitude, acquired early in life, while busing is a specific and relatively new issue.

[41] Gallup, *op. cit.*, Vols. 75, 77, and 99.

[42] *Ibid.*, Vol. 99, 1973, found that among those favoring integration only 6% of whites and 14% of blacks thought busing the *best* way to achieve it.

[43] See, for example, Patricia Cao Sexton, *The American School*, Englewood Cliffs, New Jersey, Prentice-Hall, 1967, pp. 54-55.

EXHIBIT 2

CONFERENCE REPORT LANGUAGE DISCUSSING COMMITTEE ACTION ON READING TITLE

NATIONAL READING IMPROVEMENT PROGRAM

Purpose of the program.—The Senate amendment, but not the House bill, establishes a new program to:

(1) provide financial assistance to encourage State and local educational agencies to undertake demonstration projects to strengthen reading instruction programs in the elementary grades;

(2) provide financial assistance for the development and enhancement of necessary skills of instructional and other educational staff for reading demonstration programs; and

(3) develop a means by which measurable objectives for reading demonstration programs can be established and progress toward such objectives assessed.

The conference substitute adopts these purposes but the projects and programs are not referred to as demonstration projects and programs.

Reading improvement projects.—Under the provisions of the Senate amendment relating to the national reading improvement program, the Commissioner is authorized to contract with State and local educational agencies for demonstration projects in schools having large numbers or high percentages of children with reading deficiencies, and with such agencies and other nonprofit institutions for demonstration projects for preschool children. Each such contract must fulfill specific requirements, covering testing, types of programs, availability of test results, parental involvement, and coordination between preschool and elementary school programs. Applications may be approved only if the State educational agency has been notified and given an opportunity to comment.

The conference substitute adopts these provisions of the Senate amendment, except that such projects are not referred to as demonstration projects. The conferees intend that the requirement with respect to contracts with nonprofit institutions is a limitation on the Commissioner, and does not apply to State or local educational agencies. The conference substitute also omits language from the Senate amendment which requires that each contract demonstrate an integral relationship between preelementary programs will be carried out as part of a general learning environment. The conference substitute removes the requirement of prior notification of the State educational agencies before approval of an application of a local educational agency and adopts a substitute instead of a provision wherein an advisory council is appointed by a State educational agency in order to receive and designate priorities among applications for grants in that State, and wherein the local educational agency shall notify the State educational agency of its desire to receive a grant. It is the intent of this legislation that both public and nonpublic schools be adequately represented on the State Advisory Councils. No such contract may be entered into without approval of the project by the State educational agency. The conference substitute also provides that not more than 12½ percent of funds expended under this program in any fiscal year may be expended in any one State in that year.

Purchase of books for reading improvement projects.—Under the provisions of the Senate amendment relating to the national reading improvement program, the Commissioner shall reserve up to 3 percent of the demonstration program funds for grants to State and local educational agencies to pay the Federal share (50%–90%) of the cost of program for the purchase of inexpensive books for distribution to elementary students. This provision is omitted from the conference substitute, but it is the intent of the conferees that grant recipients may use such funds to buy such books.

Special emphasis projects.—Under the provisions of the Senate amendment relating to the national reading improvement program, the Commissioner is authorized to contract with local educational agencies for special emphasis projects to determine the effectiveness of intensive instruction by reading specialists and reading teachers (whose qualifications are set out in the law). State educational agencies must approve the projects. A districtwide project is authorized and priority in awarding districtwide project is given to districts making maximum utilization of television programs for teachers of reading. The conference substitute contains this provision.

Reading training on public television.—Under the Senate amendment, the Commissioner is authorized to enter into grants or contracts for preparation, production, evaluation, and distribution for use on public educational television courses for elementary teachers who wish to become reading teachers or specialists. The conference substitute contains this provision.

Grants for institutions of higher education.—Under the Senate amendment, the Commissioner is authorized to make grants to institutions of higher education to assist them in strengthening graduate and undergraduate programs in the teaching of reading, and in planning and implementing cooperative programs with State and local educational agencies. The conference substitute does not contain this provision of the Senate amendment.

Establishment of the Office for the Improvement of Reading Programs.—Under the Senate amendment, there is established an Office for the Improvement of Reading Programs, to supersede the existing Right to Read Office, headed by a Director at the GS–17 level, responsible for administration of this Act and for coordination of the furnishing of services under a number of OE, NIE, and HEW reading-related programs. The conference substitute does not contain this provision of the Senate amendment.

Establishment of the Reading Improvement Laboratory.—Under the Senate amendment, the Director of the National Institute of Education is directed to designate an existing facility or to establish a new facility to be known as the Reading Improvement Laboratory. Through the Institute and the Laboratory, he shall conduct research, demonstrations, and pilot projects in reading. The conference substitute does not contain this provision of the Senate amendment. Although the conference committee dropped this provision, the conferees strongly believe that additional research in reading is needed. This purpose can be accomplished, however, through the regular appropriations for NIE. Also, the conferees urge NIE to explore designating an existing laboratory for reading.

State Certification Agencies.—Under the Senate amendment, the Commissioner is authorized to make grants to State educational agencies to enable them to institute or upgrade reading certification requirements. The conference substitute does not contain this provision of the Senate amendment.

Evaluation.—Under the Senate amendment, the Commissioner must submit an evaluation report to the authorizing Committees of the Congress not later than March 31 annually. The conference substitute contains this provision of the Senate amendment, except that the Commissioner may reserve 1 percent of sums appropriated for the reading program for any fiscal year for evaluation of programs assisted thereunder.

Establishment of the Presidential Award for Reading Achievement.—Under the Senate amendment, to motivate children to read, there is established a Presidential Reading Achievement Award, including an emblem to be presented to elementary school children for reading achievement, and a flag or other appropriate recognition for elementary schools achieving excellence. The conference substitute does not contain this provision of the Senate amendment.

Reading Academies.—Under the Senate amendment the Commissioner is authorized to enter into contracts and grants with nonprofit groups for reading academy programs for youths and adults who do not otherwise receive such assistance. This provision is contained in the conference substitute.

Authorizations.—Under the Senate amendment, authorizations for the reading improvement projects are $82,000,000 for fiscal year 1975, $88,000,000 for fiscal year 1976, and $93,000,000 for each of fiscal years 1977 and 1978. Under the conference substitute, such authorizations are $30,000,000 for fiscal year 1975, $82,000,000 for fiscal year 1976, $88,000,000 for fiscal year 1977, and $93,000,000 for fiscal year 1978. Under the conference substitute, if appropriations for such reading improvement projects exceed $30,000,000, such excess shall be distributed to the States according to their relative school-age population, except that no State is to receive less than $50,000. Such excess funds must be administered through State educational agencies exclusively and those agencies must give priority in funding to already federally-funded reading programs.

Under the conference substitute, the State educational agency has responsibility for oversight administration of local programs assisted with such excess funds, in order to assure compliance with the requirements of the conference substitute which relate to the use of such excess funds, but actual program administration is the responsibility of the grant recipient.

Under the Senate amendment, appropriations for special emphasis projects are authorized as follows: $25,000,000 for fiscal year 1975, $30,000,000 for fiscal year 1976, and $40,-

000,000 for each of fiscal years 1977 and 1978. Under the conference substitute, such authorizations are $15,000,000 for fiscal year 1975, $20,000,000 for fiscal year 1976, and $25,000,000 for each of fiscal years 1977 and 1978.

Under the Senate amendment, $3,000,000 is authorized to be appropriated for reading training on public television for fiscal year 1975, to remain available for obligation and expenditure through the succeeding fiscal year. The conference substitute contains this provision.

The Senate amendment authorizes appropriations for reading academies of $10,000,000 for fiscal year 1975, $15,000,000 for fiscal year 1976, $20,000,000 for fiscal year 1977, and $25,000,000 for fiscal year 1978. The conference substitute authorizes for such academies $5,000,000 for fiscal year 1975, $7,500,000 for fiscal year 1976, and $10,000,000 for each of fiscal years 1977 and 1978.

TITLE VII—NATIONAL READING IMPROVEMENT PROGRAM

STATEMENT OF PURPOSE

SEC. 701. It is the purpose of this title—

(1) to provide financial assistance to encourage State and local educational agencies to undertake projects to strengthen reading instruction programs in elementary grades;

(2) to provide financial assistance for the development and enhancement of necessary skills of instructional and other educational staff for reading programs;

(3) to develop a means by which measurable objectives for reading programs can be established and progress toward such objectives assessed;

(4) to develop the capacity of preelementary school children for reading, and to establish and improve preelementary school programs in language arts and reading; and

(5) to provide financial assistance to promote literacy among youth and adults.

PART A—READING IMPROVEMENT PROJECTS

PROJECTS AUTHORIZED

SEC. 705. (a)(1) The Commissioner is authorized to enter into agreements with either State educational agencies or local educational agencies, or both, for the carrying out by such agencies, in schools having large numbers or a high percentage of children with reading deficiencies, of projects involving the use of innovative methods, systems, materials, or programs which show promise of overcoming such reading deficiencies.

(2) The Commissioner is further authorized to enter into agreements with State educational agencies, local educational agencies, or with nonprofit educational or child care institutions for the carrying out by such agencies and institutions, in areas where such schools are located, of such projects for preelementary school children. Such projects are to be instituted in kindergartens, nursery schools, or other preschool institutions.

(b) No agreement may be entered into under this part, unless upon an application made to the Commissioner at such time, in such manner, and including or accompanied by such information, as he may reasonably require. Each such application shall set forth a reading program which provides for—

(1) diagnostic testing designed to identify preelementary and elementary school children with reading deficiencies, including the identification of conditions which, without appropriate other treatment, can be expected to impede or prevent children from learning to read;

(2) planning for and establishing comprehensive reading programs;

(3) reading instruction for elementary school pupils whose reading achievement is less than that which would normally be expected for pupils of comparable ages and in comparable grades of school;

(4) preservice training programs for teaching personnel including teacher-aides and other ancillary educational personnel, and in-service training and development programs, where feasible, designed to enable such personnel to improve their ability to teach students to read;

(5) participation of the school faculty, school board members, administration, parents, and students in reading-related activities which stimulate an interest in reading and are conducive to the improvement of reading skills;

(6) parent participation in development and implementation of the program for which assistance is sought;

(7) local educational agency school board participation in the development of programs;

(8) periodic testing in programs for elementary school children on a sufficiently freqent basis to measure accurately reading achievement, and for programs for preelementary school children a test of reading proficiency at the conclusion, minimally, of the first-grade program into which the nursery and kindergarten programs are integrated;

(9) publication of test results on reading achievement by grade level, and where appropriate, by school, without identification of achievement of individual children;

(10) availability of test results on reading achievement on an individual basis to parents or guardians of any child being so tested;

(11) participation on an equitable basis by children enrolled in nonprofit private elementary schools in the area to be served (after consultation with the appropriate private school officials) to an extent consistent with the number of such children whose educational needs are of the kind the program is intended to meet;

(12) the use of bilingual education methods and techniques to the extent consistent with the number of elementary school-age children in the area served by a reading program who are of limited English-speaking ability;

(13) appropriate involvement of leaders of the cultural and educational resources of the area to be served, including institutions of higher education, nonprofit private schools, public and private nonprofit agencies such as libraries, museums, educational radio and television, and other cultural and education resources of the community; and

(14) assessment, evaluation, and collection of information on individual children by teachers during each year of the pre-elementary program, to be made available for teachers subsequent year, in order that continuity for the individual not be lost.

(c) Each such applicant, in addition to meeting the requirements of subsection (b), shall provide assurances that—

(1) appropriate measures have been taken by the agency to analyze the reasons why elementary school children are not reading at the appropriate grade level;

(2) the agency will develop a plan setting forth specific objectives which shall include the goals of having the children in project schools reading at the appropriate grade level at the end of grade three; and

(3) whenever appropriate, sufficient measures will be taken to coordinate each preelementary reading program with the reading program of the educational agencies or institutions which such preelementary school children will be next in attendance.

(d) No grant may be made under this part unless the application for such grant provides assurances that the provisions of this subsection are met. Each State educational agency shall—

(1) establish an advisory council on reading appointed by such agency which shall be broadly representative of the education resources of the State and of the general public, including persons representative of—

(A) public and private nonprofit elementary and secondary schools,

(B) institutions of higher education,

(C) parents of elementary and secondary school children, and

(D) areas of professional competence relating to instruction in reading, and

(2) authorize the advisory council established under clause (1) to receive and designate priorities among applications for grants under this section in that State, if—

(i) that State educational agency desires to receive a grant under this part, or

(ii) any local educational agency of the State desires to receive a grant under this part, and notifies the State educational agency concerned, or

(iii) in the case of a preelementary school program any nonprofit educational agency or child care institution in that State desires to receive a grant under this part, and notifies the State educational agency concerned.

(e) No agreement may be entered into under this part unless the application submitted to the Commissioner—

(1) has first been approved by the State educational agency, and

(2) is accompanied by assurances that such agency will supervise compliances by the local educational agency in that State with the requirements set forth in subsection (b) of this section.

(f) The Commissioner may approve any application submitted under this part which meets the requirements of subsections (b), (c), (d), and (e). In approving such applications, the Commissioner may not use any panel (other than employees of the Office of Education) for the purpose of such approval.

(g) In approving applications under this part the Commissioner shall, to the maximum extent feasible, assure an equitable distribution of funds throughout the United States and among urban and rural areas. Not more than 12½ percent of the funds expended under this part in any fiscal year may be expended in any State in that year.

PART B—STATE READING IMPROVEMENT PROGRAMS STATEMENT OF PURPOSE

SEC. 711. It is the purpose of this part to provide financial assistance to the States to enable them—

(1) to provide financial assistance for projects designed to facilitate reaching the objectives of this title;

(2) to develop comprehensive programs to improve reading proficiency and instruction in reading in the elementary schools of the State;

(3) to provide State leadership in the planning, improving, execution, and evaluation of reading programs in elementary schools; and

(4) to arrange for and assist in the training of special reading personnel and specialists needed in programs assisted under this title.

APPLICABILITY AND EFFECTIVE DATE

SEC. 712. (a) The provisions of this part shall become effective only in any fiscal year in which appropriations made pursuant to section 732(a) exceed $30,000,000 and then only with respect to the amount of such excess.

(b) The provisions of this part shall be effective on and after the beginning of fiscal year 1976.

ALLOTMENTS TO STATES

SEC. 713. (a)(1) From the sums appropriated pursuant to section 732(a) for each fiscal year which are available for carrying out this part, the Commissioner shall reserve such amount, but not in excess of 1 per centum of such sums, as he may determine, and shall apportion such amount to Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands according to their respective needs for assistance under this title. Of the remainder of such sums, he shall allot an amount to each State

which bears the same ratio to the amount available for allotment as the number of school age children (aged 5 to 12, inclusive) in each such State bears to the total number of such children in all the States, as determined by the Commissioner on the basis of the most recent satisfactory data available to him. The allotment of a State which would be less than $50,000 under the preceding sentence shall be increased to $50,000, and the total of the increases thereby required shall be derived by proportionately reducing the allotments to the remaining States under the preceding sentence, but with such adjustments as may be necessary to prevent the allotments to any such remaining States from being reduced to less than $50,000.

(2) For the purpose of this section the term "State" includes the District of Columbia and the Commonwealth of Puerto Rico.

(b) The amount allotted to any State under subsection (a) for any fiscal year which the Commissioner determines will not be required for that year shall be available for reallotment from time to time, on such dates during that year as the Commissioner may fix, to other States in proportion to the amounts originally allotted among those States under subsection (a) for that year, but with the proportionate amount for any of the other States being reduced to the extent it exceeds the sum the Commissioner estimates the local educational agencies of such State need and will be able to use for that year; and the total of these reductions shall be similarly reallotted among the States whose proportionte amounts were not so reduced. Any amount reallotted to a State under this subsection from funds appropriated pursuant to section 732 for any fiscal year shall be deemed part of the amount allotted to it under subsection (a) for that year.

AGREEMENTS WITH STATE EDUCATIONAL AGENCIES

SEC. 714. (a) Any State which desires to receive grants under this part shall, through its State educational agency, enter into an agreement with the Commissioner, in such detail as the Commissioner deems necessary, which—

(1) designates the State educational agency as the sole agency for administration of the agreement;

(2) provides for the establishment of a State advisory council on reading, appointed by the State educational agency, which shall be broadly representative of the educational resources of the State and of the general public, including persons representative of—

(A) public and private nonprofit elementary school children, and

(B) institutions of higher education,

(C) parents of elementary school children, and

(D) areas of professional competence relating to instruction in reading,

to advise the State educational agency on the formulation of a standard of excellence for reading programs in the elementary schools and on the preparation of, and policy matters arising in the administration of, the agreement (including the criteria for approval of applications for assistance under such agreement) and in the evaluation of results of the program carried out pursuant to the agreement;

(3) describes the reading programs in elementary schools for which assistance is sought under this part and procedures for giving priority to reading programs which are already receiving Federal financial assistance and show reasonable promise of achieving success;

(4) sets forth procedures for the submission of applications by local educational agencies within that State, including procedures for an adequate description of the reading programs for which assistance is sought under this part;

(5) sets forth criteria for achieving an equitable distribution of that part of the assistance under this part which is made available to local educational agencies pursuant to the second sentence of subsection (b) of this section, which criteria shall—

(A) take into account the size of the population to be served, beginning with preschool, the relative needs of pupils in different population groups within the State for the program authorized by this title, and the financial ability of the local educational agency serving such pupils,

(B) assure that such distribution shall include grants to local educational agencies having high concentrations of children with low reading proficiency, and

(C) assure an equitable distribution of funds among urban and rural areas;

(6) sets forth criteria for the selection or designation and training of personnel (such as reading specialists and administrators of reading programs) engaged in programs assisted under this part, including training for private elementary school personnel, which shall include qualifications acceptable for such personnel;

(7) provides for the coordination and evaluation of programs assisted under this part;

(8) provides for technical assistance and support services for local educational agencies participating in the program;

(9) makes provision for the dissemination to the educational community and the general public of information about the objectives of the program and results achieved in the course of its implementation;

(10) provides for making an annual report and such other reports, in such form and containing such information, as the Commissioner may reasonably require to evaluate the effectiveness of the program and to carry out his other functions under this title;

(11) provides that not more than 5 per centum of the amount allotted to the State under section 713 for any fiscal year may be retained by the State educational agency for purposes of administering the agreement; and

(12) provides that programs assisted under this part shall be of sufficient size, scope, and quality so as to give reasonable promise of substantial progress toward achieving the purposes of this title.

(b) Grants for projects to carry out the purposes of this part may be made to local educational agencies (subject to the provision of subsection (e) relating to the participation of private elementary and secondary school pupils), institutions of higher education, and other public and nonprofit private agencies and institutions. Not less than 60 per centum of the amount allotted to a State under section 713 for any fiscal year shall be made available by the State for grants to local educational agencies within that State.

(c) The Commissioner shall enter into an agreement which complies with the provisions of subsection (a) with any State which desires to enter into such an agreement.

(d) The Commissioner's final action with respect to entering into an agreement under subsection (a) shall be subject to the provisions of section 207 of the Elementary and Secondary Education Act of 1965, relating to judicial review.

(e) The provisions of section 141A of the Elementary and Secondary Education Act of 1965 relating to the participation of children enrolled in private elementary and secondary schools shall apply to programs assisted under this part.

PART C—OTHER READING IMPROVEMENT PROGRAMS

SPECIAL EMPHASIS PROJECTS

SEC. 721. (a) The Commissioner is authorized to contract with local educational agencies for special emphasis projects to determine the effectiveness of intensive instruction by reading specialists and reading teachers. Each such project should provide for—

(1) the teaching of reading by a reading specialist for all children in the first and second grades of an elementary school and the teaching of reading by a reading specialist for elementary school children in grades three through six who have reading problems; and

(2) an intensive vacation reading program for elementary school children who are found to be reading below the appropriate grade level or who are experiencing problems in learning to read.

(b) No contract may be entered into under this section unless upon an application made to the Commissioner at such time, in such manner, and including or accompanied by such information as he may reasonably require. Each such application shall provide assurances that—

(1) the provisions of section 705(b) are met; and

(2) the State educational agency has certified that individuals employed as reading specialists and reading teachers meet the requirements of subsections (e) and (f).

(c) No contract may be entered into under this section unless the project has been approved by the State educational agency.

(d) The Commissioner is authorized to enter into at least one arrangement with a local educational agency for a districtwide project conducted in all schools of such agencies. In selecting the districtwide project, the Commission shall give priority to an application from a local educational agency if the Commissioner finds that—

(1) the local educational agency will give credit for any course to be developed for reading teachers or reading specialists under section 722 and will encourage participation by the teachers of such agency in the training;

(2) the local public educational television station will present or distribute, in the event supplementary noncommercial telecommunication is utilized, any course to be developed under section 722 at an hour convenient for the viewing by elementary school teachers and, if possible, at a time convenient for such teachers to take the course, as a group, at the elementary school where they teach; and

(3) the local educational agency will make arrangements with the appropriate officials of institutions of higher education to obtain academic credit for the completion of such a course.

(e) In any project assisted under this section a reading teacher may be used in lieu of a reading specialist, if the Commissioner finds that the local educational agency participating in a reading emphasis project is unable to secure individuals who meet the requirements of a reading specialist and if such reading teacher is enrolled or will enroll in a program to become a reading specialist. A regular elementary teacher may be used in lieu of a reading teacher if the Commissioner finds that the local educational agency participating in a reading emphasis project is unable to secure individuals who meet the requirements of the reading teacher, and if such regular elementary teacher is enrolled or will enroll in a program to become a reading teacher.

(f) For the purpose of this section and section 722 the term—

(1) "reading specialist" means an individual who has a master's degree, with a major or specialty in reading, from an accredited institution of higher education and has successfully completed three years of teaching experience, which includes reading instruction, and

(2) "reading teacher" means an individual, with a bachelor's degree, who has successfully completed a minimum of twelve credit hours, or its equivalent, in courses of the teaching of reading at an accredited institution of higher education, and has suc-

cessfully completed two years of teaching experience, which includes reading instruction.

READING TRAINING ON PUBLIC TELEVISION

SEC. 722. (a) The Commissioner is authorized, through grants or contracts, to enter into contractual arrangements with institutions of higher education, public or private agencies or organizations, and individuals for—

(1) the preparation, production, evaluation, and distribution for use on public educational television stations of courses for elementary school teachers who are or intend to become reading teachers or reading specialists; and

(2) the preparation and distribution of informational and study course material to be used in conjunction with any such course.

(b) In carrying out the provisions of this section the Commissioner shall consult with recognized authorities in the field of reading, specialists in the use of the communications media for educational purposes, and with the State and local educational agencies participating in projects under this title.

READING ACADEMIES

SEC. 723. (a) The Commissioner is authorized to make grants to and to enter into contracts with State and local educational agencies, institutions of higher education, community organizations and other nonprofit organizations, having the capacity to furnish reading assistance and instruction to youths and adults who do not otherwise receive such assistance and instruction.

(b) Grants made and contracts entered into under this section shall contain provisions to assure that such reading assistance and instruction will be provided in appropriate facilities to be known as "reading academies".

PART D—GENERAL PROVISIONS

EVALUATION

SEC. 731. (a) The Commissioner shall submit an evaluation report to the Committee on Labor and Public Welfare of the Senate and the Committee on Education and Labor of the House of Representatives not later than March 31, in each fiscal year ending prior to fiscal year 1979. Each such report shall—

(1) contain a statement of specific and detailed objectives for the program assisted under the provisions of this title;

(2) include a statement of the effectiveness of the program in meeting the stated objectives, measured through the end of the preceding fiscal year;

(3) make recommendations with respect to any changes or additional legislation deemed necessary or desirable in carrying out the program:

(4) contain a list identifying the principal analyses and studies supporting the major conclusions and recommendations contained in the report; and

(5) contain an annual evaluation plan for the program through the ensuring fiscal year for which the budget was transmitted to Congress by the President, in accordance with section 201(a) of the Budget and Accounting Act, 1921.

(b) From the sums appropriated pursuant to section 732 for any fiscal year, the Commissioner may reserve such amount, not in excess of 1 per centum of such sums, as he deems necessary for evaluation, by the Commissioner or by public or private nonprofit agencies, of programs assisted under this title.

AUTHORIZATION OF APPROPRIATIONS

SEC. 732. (a) There are authorized to be appropriated to carry out the provisions of parts A and B of this title $30,000,000 for the fiscal year ending June 30, 1975, $82,000,000 for the fiscal year ending June 30, 1976, $88,000,000 for the fiscal year ending June 30, 1977, and $93,000,000 for the fiscal year ending June 30, 1978.

(b) There are authorized to be appropriated to carry out the provisions of section 721, relating to special emphasis projects, $15,000,000 for the fiscal year ending June 30, 1975, $20,000,000 for the fiscal year ending June 30, 1976, and $25,000,000 for each of the fiscal years ending June 30, 1977 and 1978.

(c) There are authorized to be appropriated for the purpose of carrying out section 722, relating to reading training on public television, $3,000,000 for the fiscal year ending June 30, 1975. Sums appropriated pursuant to this subsection shall remain available for obligation and expenditure through the succeeding fiscal year.

(d) There are authorized to be appropriated to carry out the provisions of section 723, relating to reading academies, $5,000,000 for the fiscal year ending June 30, 1975, $7,500,000 for the fiscal year ending June 30, 1976, and $10,000,000 for each of the fiscal years ending June 30, 1977 and 1978.

TITLE VIII—MISCELLANEOUS PROVISIONS

PART A—POLICY STATEMENTS AND WHITE HOUSE CONFERENCE ON EDUCATION

NATIONAL POLICY WITH RESPECT TO EQUAL EDUCATIONAL OPPORTUNITY

SEC. 801. Recognizing that the Nation's economic, political, and social security require a well-educated citizenry, the Congress (1) reaffirms, as a matter of high priority, the Nation's goal of equal educational opportunity, and (2) declares it to be the policy of the United States of America that every citizen is entitled to an education to meet his or her full potential without financial barriers.

POLICY WITH RESPECT TO ADVANCE FUNDING OF EDUCATION PROGRAMS

SEC. 802. The Congress declares it to be the policy of the United States to implement immediately and continually section 411 of the General Education Provisions Act, relating to advance funding for education programs, so as to afford responsible State, local, and Federal officers adequate notice of available Federal financial assistance for education authorized under this and other Acts of Congress.

POLICY OF THE UNITED STATES WITH RESPECT TO MUSEUMS AS EDUCATIONAL INSTITUTIONS

SEC. 803. The Congress, recognizing—

(1) that museums serve as sources for schools in providing education for children,

(2) that museums provide educational services of various kinds for educational agencies and institutions and institutions of higher education, and

(3) that the expense of the educational services provided by museums is seldom borne by the educational agencies and institutions taking advantage of the museums' resources,

declares that it is the sense of Congress that museums be considered educational institutions and that the cost of their educational services be more frequently borne by educational agencies and institutions benefiting from those services.

WHITE HOUSE CONFERENCE ON EDUCATION

SEC. 804. (a) The President is authorized to call and conduct a White House Conference on Education in 1977 (hereafter in this section referred to as the "Conference") in order to stimulate a national assessment of the condition, needs, and goals of education and to obtain from a group of citizens broadly representative of all aspects of education, both public and nonpublic, a report of findings and recommendations with respect to such assessment.

SENATOR BEALL'S REMARKS WHEN EDUCATION BILL PASSED SENATE MAY 8, 1974

Mr. BEALL. Mr. President, at this time I want to address myself to title VII, the national reading improvement program.

This title combines S. 1318, which I introduced and S. 2069, which was introduced by Senator Eagleton and would authorize a 4-year, $469 million accelerated attack on what I have labeled the "Achilles' Heel" of American education—the large number or high concentration of children in some schools with severe reading difficulties.

The education-limiting and career-crippling handicap of the inability to read is so big and its solution so important that it demands a concentrated attack, and I believe that the reading improvement program can and will make a substantial difference.

The reading effort authorizes two types of demonstration projects, the reading improvement demonstration projects and the special emphasis projects. Under the former, Federal assistance would be available for projects conceived by States or local education agencies. Under the special emphasis projects, Federal assistance would be available for school districts to carry out a specific demonstration designed to determine the effectiveness of intensive instruction by reading specialists and the reading teachers—the regular classroom teacher with upgraded skills.

Reading emphasis projects must provide for:

First, instruction for all students in grades one and two by a reading specialist for one period daily and similar instruction for students in grades three through six who are experiencing reading difficulties; and

Second, an intensive vacation reading program for elementary children who are having reading problems.

Other provisions of the reading program would:

First, authorize the development of a course and a study guide in reading to be shown over public television for use by teachers and parents;

Second, provide grants to institutes of higher education to strengthen and improve undergraduate and graduate instruction in the teaching of reading;

Third, direct the National Institute of Education to accelerate research in reading and to establish a reading improvement laboratory.

Fourth, provide grants to States for the review and upgrading of State certification requirements;

Fifth, create a Presidential Award for Reading Achievement to motivate elementary pupils to develop better reading skills, and

Sixth, establish an Office of Improvement of Reading in the Office of Education.

Cosponsoring S. 1318 with me were Senators DOMINICK, DOMENICI, MONTANYA, and PASTORE. I am grateful for their help and support on this measure.

The alarming statistics reveal the magnitude of the reading problem. It is estimated:

That some 18½ million adults are functional illiterates;

That some 7 million elementary and secondary children are in severe need of special reading assistance;

That in large urban areas, 40 to 50 percent of its children are reading below grade level;

That 90 percent of the 700,000 students who drop out of school annually are classified as poor readers; and

That massive reading difficulties revealed in those statistics have been confirmed by surveys of teachers and principals alike.

The Office of Education in 1969 surveyed 33,000 title I elementary schools in over 9,200 school districts across the country. Two hundred and sixteen thousand teachers were asked to supply data on approximately 6 million pupils in grades 2, 4, and 6. These teachers judged reading the greatest area of need and they estimated that approximately 2.5 million pupils, or 48 percent of the enrollment in these grades, showed evidence of a critical need for compensatory programs in reading. This data indicated that

22 percent of the urban schools had 70 to 100 percent of their pupils reading 1 year below grade level.

Similarly, a survey of principals representing elementary school populations of approximately 20 million and a secondary school population of 17.8 million was taken seeking their estimate of the reading problem. These responses were analyzed by Carol Ann Dwyer of the Education Testing Services, Berkeley, Calif., and she found that the principals identified some 4.7 million pupils with reading problems in the elementary grades, and 2.7 million in the secondary grades.

Alarmingly, 37 percent of the elementary pupils and 46 percent of the secondary pupils with reading problems were reported to be receiving no special assistance in the instruction of reading.

The Department of Education in my State last year released the results of its survey of 11,000 citizens on the most important goal for Maryland schools. The survey found that "the people of Maryland believe that the mastering of reading skills is the most important education goal for the schools of the State."

Over and over again, parents, the general public, and the press across the Nation have expressed concern with poor student performance in the fundamental reading areas.

After I introduced this measure, an individual from Texas sent me a copy of the Dallas Morning News of June 24, 1973, which did a story on "Illiterate Graduates Face Literate World." I want to read into the RECORD the first two paragraphs from this article:

At commencement exercises throughout the city recently, anywhere from 500 to 1,000 of Dallas' 9,000 graduating seniors, according to official estimates, walked across stages to be handed diplomas they could not read.

Barely able to read, many will wind up with poor jobs or no jobs at all.

Still in school, youngsters who are either unable to read at all or read only at the most elementary level can be found in almost every one of Dallas' 43 secondary schools.

Dallas School Superintendent Nolan Estes has estimated more than 20,000 of the public school system's 70,000 secondary students read at least two or more years below grade level.

On May 4 the Washington Post headline read "Reading Tests Show Widespread Illiteracy." The Post was reporting on a new Government report showing that about 1 million American youths between the ages af 12 and 17 are unable to read as well as the average fourth grader and can thus be called illiterate. Dr. Holloway, director of the right to read program, called this report "alarming and discouraging." I ask unanimous consent that this article be printed at the end of my remarks.

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

READING TESTS SHOW WIDESPREAD ILLITERACY

(By Eric Wentworth)

About one million American youths 12 to 17 cannot read as well as the average fourth grader and can thus be called illiterate, according to a new government report.

Reading test scores were worse among blacks than whites, boys than girls, and youngsters from low-income families with less-educated parents than those from more fortunate backgrounds, the report showed.

The report, released by the National Center for Health Statistics, provided new evidence that the United States has a serious literacy problem despite the more than $40 billion spent yearly on public school operations.

The report's findings were based on brief literacy tests administered to a selected sample of 6,768 youths from 1966 through 1970.

The tests were part of the national center's health examination survey, a major quest for data on Americans' physical and mental health. Later reports will explore links between illiteracy and health problems.

The sampled pupils were asked to read seven short paragraphs of 40 to 50 words and answer three multiple-choice questions on each. They were considered literate if they could give correct answers for four of the paragraphs.

One paragraph read: "It was spring. The young boy breathed the warm air, threw off his shoes, and began to run. His arms swung. His feet hit sharply and evenly against the ground. At last he felt free." The questions concerned the season of the year, what the boy was doing, and how he felt.

The 12-to-17-year-olds whose scores fell below what could be expected from the average child beginning fourth grade were considered illiterate. Fourth-graders are normally 9 years old.

After analyzing the test results, survey officials estimated that 4.8 per cent of the nation's nearly 23 million youths in the 12–17 age bracket extending all the way through high school grade levels, can be termed illiterate. That would amount to about 1 million young Americans.

More specifically, the report showed:

Among black youths as a whole, the illiteracy rate is 15 per cent. For white youths, it is 3.2 per cent.

For males of both races, the rate is 6.7 per cent, while for females it is 2.8 per cent.

For black males alone, the rate is a dramatic 20.5 per cent, or one in five. On the other hand for white females alone, it is 1.7 per cent, or less than one in 50.

The report also showed, as might be expected, that illiteracy rates are highest among youths whose families rank at the poverty level, and decline as income levels rise, still, at least some youths from families with $15,000-plus income flunk the literacy test.

Similarly, young people are most often illiterate when their parents have had little education, according to the report's findings. Among black youths from families headed by someone who had no formal education at all, for example, more than 50 per cent are illiterate.

On the other hand, some illiteracy is also found among the offspring of white college-educated parents.

"Alarming and discouraging" was how Ruth Love Holloway, director of the U.S. Office of Education's "right to read" program, viewed the report.

OE's "Right to read" program, first announced in 1969 by the late James E. Allen, Jr. who was then U.S. education commissioner, has been sponsoring a number of innovative reading programs and disseminates information about those that prove successful.

Mr. BEALL. Mr. President, this kind of frustration, as I pointed out when I introduced the bill last March, resulted in a lawsuit by a teenager in California who is suing the San Francisco school district and the State of California for $1 million for graduating him from high school without learning to read. I ask unanimous consent that articles on this case be printed at the end of my remarks.

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

(See exhibit 1.)

Mr. BEALL. This concern is evidenced by the suggestion of Dr. Kenneth Clark that all subjects be suspended in the ghetto school for a year and that all such time be spent on bringing the children's reading up to grade level.

Mr. President, I am convinced that the disenchantment in our schools, to a large degree, has to do with the inadequate performance in the reading area. This is not to say that schools do not do a good job with the large majority of our young people. They do, but a technological society like our where only 5 pecent of the jobs are unskilled cannot tolerate massive reading problems such as I have just described. Welfare rolls, to mention one social cost, will increase unless we do a better job of teaching such youngsters to read.

The President has recognized the importance of reading by establishing the "right-to-read" program, which is charged with the responsibility of eliminating functional illiteracy by 1980. Under the able direction of Dr. Ruth Holloway, the right-to-read program is doing some extremely interesting and constructive work.

I will now proceed to discuss the special emphasis projects in some detail.

READING PROBLEMS—A PREVENTIVE APPROACH

The primary focus of the entire bill, as well as the special emphasis projects, is preventive. I believe that it is essential that we not only focus on reading problems, but also that we zero-in on the elementary years. I believe that prevention is more effective both in terms of education results and cost effectiveness than subsequent remedial efforts.

The special emphasis projects thus call for the teaching of reading to all elementary children in grades 1 through 2 by reading specialists. This is the real preventive aspect of the program and it is aimed at preventing reading problems from developing. It is designed to get all children off to a good start in reading.

In title I schools we know that reading retardation becomes greater with each successive year. I have talked with many teachers about the reading problem and, almost without exception, they advise me that it becomes increasingly more difficult, some say almost impossible, to remedy reading difficulties the longer we wait.

For grades 3 and above, the reading specialist would only be utilized for those children who are not reading at grade level or who are experiencing reading problems.

Also, an important responsibility of a reading specialist would be to administer or supervise the administering of the necessary diagnostic and screening tests to identify pupils who, for whatever reason, are having problems in reading.

VACATION READING OPTION

At the first sign that a child is falling behind in reading, there would be made available the option of attending a summer or vacation intensified reading program, again employing reading specialists.

Mr. President, the Nation through the Elementary and Secondary Education Act and other programs, has attempted to improve the education of disadvantaged youngsters.

Certainly that act has helped to identify and spotlight the massive education deficiencies of some of our schools. Unfortunately, we have not achieved the results to date that we have hoped for, although we have learned a great deal from our experiences. For example, we have found that we cannot spread the money among all of our schools and expect results; instead, we have found that better results are achieved when we concentrate such resources.

Also, districts that have emphasized academic programs have in general had better results. As a recent title I evaluation noted:

Apparently there has been an over-alocation of supporting services and an under-allocation of academic services in Title I since the program's inception.

Headstart is another program which I strongly support. Interestingly enough, both in title I and the Headstart program "gains" that were produced often disappear. A study by Mr. Donald Hayes, of Cornell University, and Judith Grether, of the Urban Institute, indicate that the reading deficiency of disadvantaged children may be traced in part to the adverse impact of the summer vacation period.

These researchers found:

Much of the difference between white and nonwhite can be traced to differential progress in reading and word knowledge during nonschool periods . . . put another way, the four summers between second and sixth grades produce a reading differential almost equal to the effects of five academic years. Month for month in 1965–66 the ghetto students were progressing at a rate 16 times as great during school as out of school. The upper-middle class student progressed at 3.5–4 times the rate *in* school as *out*. Students in all sets appear to learn while in school—it is when they are out of school that the important differentials appear. While *in* school the relatively rich white school children do barely better than the ghetto schoolchildren (1.3 times as much progress per month in 1965–66) but during the summer the relatively rich whites progress 6 times the rate of nonwhites.

This study, while certainly not conclusive, does add support to the summer school component of my proposal. Perhaps the study may help to explain the "loss" during summer vacation periods of "gains" realized in some of our compensatory education programs.

In the last Congress during hearings on equal educational opportunities, in a response to a question about my reading proposal, Mr. James F. O'Neil, of the State Board of Education for the State of Michigan responded:

I particularly believe that the proposal to provide summer reading programs would be important, for this reason. Again, this latest study indicates that in the opinion of the report, that many children in the low socio-economic areas, lose more than others during the summer months, because of the social and economic advantages and the motivation in the homes. Therefore, it would seem that having funds for the summer program would be particularly important to overcome such a slippage as that and to determine, if this is occurring, whether such programs would prevent it. That particular aspect is something I would wholeheartedly support.

For elementary grades 3 and above, reading would be taught by a specialist only for those children who are not performing at grade level. Also, these children would continue to have available the summer school program.

The special emphasis projects then seek to prevent reading problems from developing, to identify them immediately when they do, and to provide for prompt remediation once such problems are identified.

At this point, I want to strongly emphasize that this proposal is not meant to, nor will it, minimize or downgrade the role of the regular elementary classroom teachers in reading. The reading specialists employed in this program will serve to introduce specialization and intensification of reading instruction to all children in project schools, but the classroom teacher will continue to carry out his or her reading responsibilities, although obviously there would be coordination between the classroom teacher and the reading specialist.

SPECIALIZATION IN READING

Admittedly, specialization in reading for all children at the elementary grade level is new, but specialization itself at the elementary level is not new. At the elementary level, specialists are often employed to teach music, art, and physical education. Unlike in some of these other areas utilizing specialists, the reading specialist will not supplant the classroom teachers' reading role.

All reading instruction would not be the responsibility of the specialist. The regular classroom teacher will continue his or her important responsibilities, but the reading specialist will supplement and intensify that effort.

Indeed, this proposal envisions substantial upgrading of elementary teachers in reading, particularly in grades 1 through 3. That is why I have included the training program to make this possible.

Mr. President, schools in a number of States, such as California, Michigan, Wisconsin and Missouri have been utilizing reading specialists with considerable success. Dr. Kiesling, of the Urban Institution, writing in the November 1972 issue of "Education and Urban Society," examines various hypotheses for effective programs for disadvantaged children. He found that—

Minutes of instruction, especially those by the trained reading specialists, were constructively related to reading gains.

Continuing, he argues that in situations where the present system is failing, such as in many of our core cities:

It might be efficient to substitute specialists's instruction for relatively large amounts of self-contained classroom instruction.

In his concluding comments, Dr. Kiesling says:

It is widely believed, mostly on the basis of the reports of large national surveys, that compensatory education has failed. The findings of this study, which demonstrated modest average success and the possibility of very respectable gains in reading if diagnostic reading specialists are used for instruction, stand in partial contradiction to this.

Dr. Kiesling also cited what he called increasing evidence from research in compensatory education tending to support his findings. In discussing this literature, Dr. Kiesling states:

Guszak (1970) discusses research which he feels gives rise to a reasonable hunch that instruction by diagnostic reading teachers is effective for disadvantaged pupils. Bissell (1970) has shown convincingly, in a careful analysis of the findings of many well-designed compensatory education research projects, that better learning rates are associated with the degree of external organization and sequencing of the child's learning experiences, hierarchical organization of objectives, directive teacher role and the nature and amount of program supervision and personnel training. These attributes are precisely those that are present with instruction by trained specialists especially so when the program is planned such that the regular classroom teacher and paraprofessionals are well coordinated to the specialists' activity.

From the discussion it is clear that the reading specialist's ability and leadership is critical to the success of this program. The reading specialist's role will be both challenging and difficult.

The reading specialist will be introducing specialization in the reading area for all elementary students as he or she provides instruction to all children in grades 1 and 2, and to all children who are reading below the appropriate grade level in grades 3 through 6.

In addition, reading specialists will be teaching those children who participate in the summer intensive reading program.

But, the reading specialist's responsibilities extend beyond the teaching function as important as this is. The reading specialist, as envisioned in this proposal, is expected to provide strong leadership for and coordination of the reading program at his or her school. The reading specialist will also administer or supervise the administering of diagnostic testing and screening.

Further, the reading specialist will be a resource person, helping the elementary classroom teachers grow and improve their instruction of reading in the regular class and will help develop additional reading specialists. For those schools who will participate in the public television reading courses for teachers, authorized by the reading title, the reading specialist is expected to lead followup discussions after the media presentation of the course within the school. Finally, the reading specialist is expected to, in effect, be a salesman for reading, helping to instill in the faculty and students the overriding importance of this subject and a burning desire on the part of the teacher and student alike to improve the reading performance of that school.

I have included a definition of "reading specialist" and "reading teacher" in the bill. Experts with whom I consulted cautioned me that the intent of the program could be frustrated if qualified individuals were not attracted, particularly in view of the importance of the specialist in this program. On the other hand, if I made the requirement too strict, there may not be adequate numbers of reading specialists.

A "reading specialist" is defined as an individual who has a master's degree, with a major or speciality in reading, from an accredited institution of higher education and has successfully completed 3 years of teaching experience which includes reading instruction.

This is essentially the definition of the International Reading Association, a professional organization active in the upgrading of reading instruction.

The term "reading teacher" means an individual with a bachelor degree, who has successfuly completed a minimum of 12 credit hours, or its equivalent, in courses of the teaching of reading at an accredited institution of higher education and has succesfully completed 2 years of teaching experience, which includes reading instruction.

Realizing that there may not be adequate reading teachers or specialists, I have provided sufficient flexibility in the defintions so as to allow a reading teacher to be utilized in lieu of a reading specialist and a regular teacher for a reading teacher, provided such teacher is enrolled or will enroll in classes to meet the higher requirements. I would emphasize, however, that these definitions are only for the purposes of this program.

It is clear that the legislation envisions a major upgrading of professional qualifications in the reading area, particularly in project schools. The bill also will encourage institutions of higher education to give greater emphasis to reading in the preparation of elementary teachers and reading specialists. The goal is to have all elementary teachers in project schools become reading teachers. To accomplish such a goal, it is obvious that a massive retraining effort will be necessary. Some school systems are recognizing this need and an effort is already underway.

For example, the Baltimore city school system found it necessary to give all 8,000 teachers some additional training in the reading area.

As unbelievable as it sounds, it was possible until very recently for teachers to teach reading without a single college course in reading or reading methods. For example, in my State of Maryland, prior to 1972, the only requirement was one single course in language arts. This in general seems to have been the case in most States in the country, for as a study, "The Information Base for Reading" by the Educational Testing Service of Berkeley, Calif., observed:

"In 1960, as in 1970, the most frequent requirement for certification as a regular elementary teacher or secondary teacher was one course in reading and/or language arts."

The Library of Congress at my request, completed a survey of the 50 States to determine their requirements for the regular elementary teacher and the reading specialist. I ask unanimous consent that this chart be included at the end of my remarks.

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

50 STATE SURVEY BY THE LIBRARY OF CONGRESS AT THE REQUEST OF SENATOR J. GLENN BEALL, JR. (R-MD.) ON THE CERTIFICATION REQUIREMENTS IN THE METHODS OF READING INSTRUCTION FOR PUBLIC SCHOOL TEACHERS IN SELECTED STATES

	Regular elementary school teachers				Reading specialists at the elementary school level			
State	Number of course hours (credit)	Type(s) of courses(s)	Percent meeting present requirements	Changes in requirements in the past 5 years	Number of course hours (credit) [1]	Type(s) of course(s)	Percent meeting present requirements	Changes in requirements in the past 5 years
Alabama	0	NA [2]	NA	None	—	NA	NA	None.
Alaska	"3 courses"	Techniques, diagnosis, prescription.	50	1971—no specific requirement in the methods of reading instruction previously.	M.A	Techniques, diagnosis, prescription, materials.	NS [3]	None.
Arizona	3 s.h	Methods	100	None	15 s.h	Methods, remedial, practicum or internship.	100	1971—Course sequence mandated.
Arkansas	3 s.h	NS [3]	NS	1972—none before	M.A	Methods, remedial, laboratory practice.	NS	None.
California	"1 course"	Methods, to include phonics.	100	1971—Inclusion of phonics not previously specified.	NS	Certification based upon recommendation by local educational agency and passage of examination; or observation by a panel appointed by the State educational agency.	100	None.
Colorado	0	NA	NA	None	NS	NA	NA	None.
Connecticut	6 s.h	Methods (3) children's literature (3).	NS	1972—None before	M.A	Methods, remedial, practicum, children's literature.	NS	None.
Delaware	3 s.h	Methods	100	None	15 s.h. (graduate).	Methods, remedial, practicum	100	None.
Florida	2 s.h	Methods	NS	None	21–33 s.h	Foundations, methods, remedial, children's literature.	NS	None.
Georgia	5 q.h. [4]	Methods	90	None	25 q.h	Methods, remedial	100	None.
Hawaii	0	NA	NA	None	—	NA	NA	None.
Idaho	0	NA	NA	None	—	NA	NA	None.
Illinois	2 s.h	Methods	90	None	32 s.h	NS	100	None.
Indiana	6 s.h [4]	Developmental and corrective reading.	NS	1970—none before	30 slh	Foundations, diagnosis, laboratory practicum.	100	None.
Iowa	3 s.h	Methods	80	None	M.A. plus 4 years of experience.	Approved program basis	100	1970.
Kansas	0	NA	NA	None	12 s.h. (graduate).	Foundations, remedial, practicum.	80	1971—requirements specified.
Kentucky	6 s.h	NS	NS	1972—none before	12 s.h. graduate).	do	NS	Do.
Louisiana	3 s.h	NS	25	1971—none before	—	NA	NA	None.
Maine	0	NA [5]	NA	None	12 s.h	Remedial	100	Do.
Maryland	3 s.h	Methods	8–85	1972—none before	12 s.h	Foundations, remedial, practicum.	85	Do.
Massachusetts	0	NA	NA	None	18 s.h	NS	"Most"	Do.
Michigan	0	NA	NA	do	12 s.h. plus 4 years of experience.	Methods, diagnosis, treatment of difficulties.	87	Do.
Minnesota	0	NA	NA	do	"6 courses"	Developmental reading, remedial, practicum.	NS	Do.
Mississippi	6 s.h	Methods	99	do	15 s.h	Developmental reading	99	Do.
Missouri	4–5 s.h	Methods	20	None	NS	Methods, remedial, psychological testing, practicum.	90	1970—Psychological testing requirement added.
Montana	0	NA	NA	None	—	NA	NA	None.
Nebraska	0	NA	NA	None	—	NA	NA	None.
Nevada	2 s.h	Methods	100	None	M.A	NS	100	None.
New Hampshire	0	NA	NA	1970—from specific requirements to approved program basis.	M.A	NS	95	1970—from specific requirements to approved program basis.
New Jersey	"1 course"	Methods	100	None	24 X.h	Methods, practicum psychological testing.	NS	1971—requirement raised from 19 to 24 s.h.
New Mexico	3 s.h	Methods, remedial.	85	None	10 s.h. (for elementary. reading teachers).	Foundations, remedial, practicum.	70	None.
New York	6 s.h	NS	70	1972—none before	—	NA	NA	None.
North Carolina	0	NA	NA	None	18–30 s.h	Methods, remedial, practicum	NS	None.
North Dakota	0	NA	NA	None	"8 courses" (graduate).	Foundations, remedial, practicum.	100	None.
Ohio	3 q.h	Methods	100	None	18 q.h	Foundations, developmental, remedial, practicum.	100	1972—none before.
Oklahoma	3 s.h	Methods and materials.	100	None	12 s.h	Foundations, remedial, practicum.	100	None.
Oregon	6 q.h	Methods	75	1972—minimum specified	15 q.h	Methods, remedial, practicum	90	1972—minimum specified.
Pennsylvania	NS	NA	NA	1969—3 s.h. required previously.	NS	NS	NS	1969—genera guidelines outlined.
Rhode Island	3 s.h	Methods	NS	None	—	NA	NA	None.
South Carolina	3 s.h	Methods	NS	None	12 s.h	Methods, remedial, practicum	NS	None.
South Dakota	0	NA	NA	None	—	NA	NA	None.
Tennessee	3 s.h	Methods	NS	None	—	NA	NA	None.
Texas	"1 course"	Methods	100	None	6 s.h	Methods, diagnosis	100	None.
Utah	0	NA	NA	None	—	NA	NA	None.
Vermont [6]	NA	NA	NA	NA	NA	NA	NA	NA.
Virginia	3 s.h	Methods	NS	None	M.A	Foundations, remedial, practicum.	NS	1972—none before.
Washington	"1 course"	Methods	100	None	20 q.h	NS	100	None.
West Virginia	2–3 s.h	Methods	33	None	27 s.h	Foundations, remedial, clinical experience.	100	None.
Wisconsin	"1 course"	Methods	60	1973—requirement made mandatory.	M.A. or 30 s.h	Advanced methods, measurement, remedial, supervision, internship.	100	1972—none before.
Wyoming	8 s.h. [5]	Methods	95	None	6 s.h. (additional to standard requirement).	Remedial	95	None.

[1] Where this space is left blank (—), no separate certification for specialized reading teachers at the elementary school level exists.
[2] NA—Not applicable.
[3] NS—Not specified (if in a "Number of course Hours" column, a requirement exists but the number of hours is not specific; in other columns, NS indicates that the data is unavailable).
[4] s.h.—semester (credit) hours; q.h.—quarter (credit) hours.
[5] 8 s.h. of courses in the methods of teaching elementary skills, including reading.
[6] Due to staff limitations, the State of Vermont has declined to answer all inquiries related to this study (see attached note).

Mr. BEALL. Mr. President, Professor Roeder, Eller, and Beal of State University College, Fredonia, N.Y., had the following to say with respect to the preparation of teachers to teach reading:

"To the already voluminous number of reasons suggested for Johnny's inability to learn to read, the authors would like to suggest one more—perhaps Johnny is experiencing difficulty in learning to read because many of his teachers have not been adequately prepared to teach reading. In fact, the majority of Johnny's teachers have no doubt spent more time in college gymnasiums learning to play volleyball and similar games than they have spent in college classes learning how to teach reading. . . . Unfortunately, when a neophyte teacher is graduated from an accredited institution and awarded state certification, it is often assumed that he possesses at least a minimal understanding of how to teach reading. Nothing could be more remote from reality! . . . As a matter of fact, one of the authors received his baccalaureate degree in elementary education from an institution which required such courses as: Industrial Arts (3 hrs.), Music Methods (6 hrs.), Arts and Crafts for Classroom Teachers (6 hrs.), Physical Education (2 hrs.), and Marriage and Family Relations (3 hrs.). Consequently, when he embarked upon his professional career, he was prepared to teach his fifth graders how to swim, sing, make puppets, build birdhouses, play volleyball, settle family arguments, and weave baskets. Unfortunately, he was not prepared to teach his students how to analyze words, comprehend printed materials or critically evaluate textbook selections. Somehow, his alma matter had let him down; it had disregarded the most important R—Reading Although he had fulfilled all the requirements for graduation and state certification, he—and his contemporaries—were never required to complete a course in the teaching of reading."

Mr. President, there are three sections of the reading title designed to improve and upgrade the teaching of reading in the country.

First, section 705, "Grants for institutions of higher education." This section authorizes grants to institutions of higher education for the purpose of planning and implementing programs to strengthen and improve graduate and undergraduate instruction in the teaching of reading and the cooperative programs with State and local educational agencies.

Second, section 708 authorizes grants to States to strengthen existing certification requirements. Hopefully, this will result in an increase in the course requirements in reading for future elementary teachers so that such graduates will meet the requirements of a reading teacher.

TELEVISION TEACHER TRAINING

Section 704 authorizes the Commissioner of Education to make arrangements for the preparation and production for viewing on public television of reading courses for elementary teachers and reading specialists. In addition, a study course guide would be prepared for use in conjunction with the television instruction.

The great potential of television for educational purposes has been demonstrated by such shows as Sesame Street and Electric Co. Also, college courses have been successfully offered over television. My State of Maryland is doing some imaginative and innovative work in this area.

One frequent difficulty with many of the television courses is the times at which such courses are offered. Sunrise is obviously not the best hour for our citizens. I have tried to draft this bill, not only to tap the best available talent to produce the courses, but equally important to encourage the offering of such courses at hours that are convenient to the teachers.

This provision envisions the outstanding reading experts in the country combining their talents with experts in the utilization of the communication media for educational purposes to produce first-rate courses that may be used by any interested school system.

While I want to see the courses available to all reading emphasis projects and schools and school systems everywhere, the legislation requires that the Commissioner give priority in selecting the urban districtwide project to applicants which can show—

First, that the State and local educational agencies will give credit for the television courses and encourage participation by the district's teachers;

Second, that the local television station will offer such courses at hours convenient to the teachers. It is hoped that the time of viewing will enable all the elementary teachers to view the program as a group so as to enable follow up discussion led by the reading specialists; and

Third, that the local education agency will make arrangements with the colleges and universities so that academic credit will be given for the completion of such courses.

CENTER FOR READING IMPROVEMENT

Despite the importance of reading, this importance has not been adequately reflected in educational research and development. Accordingly, this part of my proposal would require the Director of the new National Institute of Education to establish a Center for Reading Improvement. $10 million would be authorized for the purposes of this section and these sums would remain available until expended.

The educational centers and labs previously funded under the Cooperative Research Act have been transferred to the National Institute of Education.

The Institute has been evaluating the present educational laboratories and center programs. I have examined some of the programs of the centers and labs and I must say that none of their work, in my judgment, compares with the importance of reading for our society. I believe that reading certainly should at least have one center or lab that is devoting full time to this problem.

Thus, under section 705 of my proposal, the Director of the National Institute of Education, through the Institute and the Center for Reading Improvement, would conduct or support research and demonstration in the field of reading, including, but not limited to the following areas:

First. Basic research in the reading process. The case for accelerated research and development efforts in the reading area is made by the massive reading problems facing the country. We certainly need to learn more about the reading process and how children learn to read. This is an exceedingly complex and difficult area, but its difficulty is exceeded only by its importance. So, I hope that basic research in the reading process will be pursued.

Second. That most effective method or methods for the teaching of reading. The debate on how to teach reading in the country has been going on for over a century with the proponents of the phonetic and look-see approach enjoying popularity at different times. Until educational research resolves this question, it would seem prudent that we make certain that our teachers know the main alterntives and techniques and when and how to employ special techniques of instruction.

Third. Improved methods for the testing of reading ability and achievement. There is a need to improve our techniques for testing reading ability and achievement. There is already some interesting work going on as evidenced by the Education Commission on the States' national assessment of educational processes, and also the work in my State on criterion-reference tests.

Fourth. Development of model college courses in reading for personnel preparing to engage in elementary teaching or for elementary teachers who are or intend to become reading teachers or reading specialists.

Fifth. The development of techniques for the diagnosis and correction of reading disabilities. Throughout the last decade surveys both among those training to become teachers and those in teaching, have indicated that both groups believe that inadequate preparation was given in diagnosing and correcting reading problems of pupils.

The educational literature during this same period also emphasized the need for this approach. But as the Education Testing Service observed:

"In spite of such widespread exhortations, the requirement for teachers' education and certification have shown no subsequent change according to the surveys in 1960 and 1970."

Sixth. The development of model reading programs for elementary school children generally, and special model reading programs for elementary schoolchildren who are educationally disadvantaged, or handicapped.

During 1950's there was considerable concern with respect to teaching of science in high schools. As a result, a study was undertaken by the National Science Foundation and a model textbook for physics was developed. It is my understanding that this was very well accepted and has been credited with substantial upgrading of the instruction of physics in the United States. I believe we should attempt a similar effort with respect to the development of a reading curriculum for pupils in the early elementary grades.

Seventh. The use and evaluation of education technology in reading, and

Eighth. The evaluation of educational materials in reading. P. Kenneth Komoski, president of the Education Product Information Exchange Institute, indicated a conservative estimate of the education material being marketed to the schools is over 200,000 items and that this production has increased twenty-fold in the last two decades. There are also numerous materials specifically on the teaching of reading, providing teachers with many options and alternatives in the selection of teaching materials. Mr. Komoski points out that less than 10 percent of the education materials have been field tested and only approximately 1 percent have been subjected to learner-verification techniques.

PRESIDENTIAL READING AWARDS

Finally, my proposal would establish Presidential awards for reading achievement. There will be two types of awards, one for elementary students and one for elementary schools.

The student award would consist of an emblem to be presented to elementary students for achievement in reading, as defined by the Commissioner of Education.

The school award would be a pennant, or other appropriate recognition, for schools achieving reading excellence, as defined by the Commissioner. The student and school awards will be of such design and material as the President prescribes.

I would hope that the President, before deciding on the design and material for the award, would consult with the education community and provide both the education community and the public with an opportunity to make suggestions for the award. Perhaps, it would be worth considering a national competition for the design of such awards, but I have not specified this in the statute itself.

Mr. President, in 1955 President Eisenhower was presented with evidence regard-

ing the physical fitness of American youth. The President was told that 58 percent of the American children failed on one or more of six basic tests for muscular strength and flexibility as compared to only 9 percent of the Western European children.

As a result, President Eisenhower established what is now the President's Council on Youth Fitness and Sports. School fitness programs were developed for our youth, including a screening test for young children to identify those most in need of help. A seven-part test was devised and standards were set for each item for each age group. The program was adapted by schools all over the country.

The President's Council on Physical Fitness has said that physical fitness of our youth has improved substantially. Since 1961, there has been a 32-percent gain in the proportion of children passing the physical fitness test from 60 to 80 percent.

In general, after 5 years of using the test, the performance of our youth has improved in all fitness areas.

Similarly, competition among schools in athletics fosters competition and excellence in sports. In addition, it tends to elevate the importance of athletics in the minds of students. I believe that the Presidential student awards envisioned will encourage interest and motivate elementary students in reading. Also, the school competition would underscore the importance of academic excellence in this the most important subject area at the elementary level.

This program will follow the successful physical fitness program and the only costs involved are some administrative expanses.

CONCLUSION

Mr. President, the reading proposals recommended to the Senate are the result of considerable study and good hearings. It addresses what I regard as the Achilles' heel of education, the massive reading problem of schools having large numbers or high concentrations of children reading below grade level.

It places a priority on the early elementary years through the use of reading specialists to intensify and supplement the regular classroom reading instruction. In effect, it gives the students a double dose of reading to prevent the educational-limiting and career-crippling handicap of the inability to read.

Mr. William Raspberry, in his column in the February 19 Washington Post, commented on the suggestion that subjects be suspended in ghetto schools for a year to concentrate on raising reading performance, as follows:

"Since you can only play at teaching history to children who can't read, why not stop playing and teach them to read?"

Mr. President, I can assure you that this bill aims at preventing such playing and contemplates a serious and concentrated attack on the reading problem. Its goal is "to teach them to read." In fact, it adopts the ambitious goal of having all children in reading emphasis project schools reading at grade level by the end of the third grade.

While this proposal will not be a panacea for all of the reading problems, I believe there is considerable evidence that this approach can and will make a substantial difference. The reading problem is so big and its solution is so important that I hope my colleagues will join me in enacting the reading improvement title of the pending measure. Its enactment will be a giant step toward preventing or reducing reading problems. A society where technology and education are so important and where only approximately 5 percent of the jobs are unskilled cannot allow the dangerous conditions to continue where massive numbers of children lack the ability to read which affects both their capacity to learn and to earn.

I had the pleasure of serving on the National Commission on the Financing of Postsecondary Education. This Commission has issued its report and recommendations, which, in general were well received. This commission studied the ways and means to provide the opportunity for the financing of higher and technical education for all students. But, it will do us little good to guarantee that financial barriers will not prevent students from postsecondary education and training if the students are not capable because of educational deficiencies, the most important of which is reading, to take advantage of these opportunities.

For, Mr. President, equal opportunities begin early. The reading title's significance may be more important than the report of the Postsecondary Education Commission, as important as that is. This comment is not meant to detract from that report which I believe will be most important in determining future higher education policies in the country; but this proposal, after all, seeks to make the opportunity for higher education or technical education possible by not only reaffirming that children have the right to read, but also helping to assure that they will, in fact, be able to read.

EXHIBIT 1

"Education Daily", May 4, 1973

PETER DOE SEEN AS FORERUNNER OF MORE SCHOOL FRAUD SUITS

The case of Peter Doe, the 18-year-old who is suing the San Francisco public schools for a million dollars for graduating him from high school with only fifth-grade reading ability, won't blaze new trails in the annals of constitutional law, his attorney told a recent conference in Washington on *Fraud in the Schools*.

Unlike most recent educational reform cases which have been based upon broad constitutional principles, the Peter Doe case hinges on "very traditional, very conventional legal theories of negligence, tort liability," explained the plantiff's lawyer, Susanne Martinez of the Youth Law Center in San Francisco.

"What I think is different about the kind of case we are talking about today . . . is that this kind of case offers a unique opportunity to focus on not merely the outside kind of elements which make up the educational system, but the very process of education itself," Martinez told the conference of legal experts, educators and government officials.

"It is not a First Amendment case. It is not an access to education case. It is not a civil rights action. It is an action which looks to the product of education and says that the system has somehow failed and that the system should be held accountable for it."

PETER DOE'S STORY

In a brief summary of *Peter Doe* v. *San Francisco Unified School District*, Martinez explained that the case involves an 18-year-old, white, middle-income young man who graduated from high school in San Francisco in 1972. He attended elementary school junior and senior high school in San Francicso, was never held back a grade, and his grade point average upon graduation was slightly higher than C. He was never a discipline problem and had a regular attendance record. He was given periodic state required tests, and test scores were placed in his records which in almost every case indicated his performance was in the bottom quartile of the school. When his mother—a college graduate—made specific inquiry about the boy's progress in reading, she was assured on several occasions that his performance was average. After graduation, Peter Doe was tested by two reading specialists who concluded independently that he had a fifth-grade reading ability. Thereafter he was placed under a private reading tutor, and gained an estimated two grade levels in reading ability within about seven or eight months.

WHAT IS THE COMPLAINT?

The complaint filed on behalf of Peter Doe boils down to four major counts, Martinez explained. The first is a count of common law negligence, contending that the school district by "various acts and omissions" failed to carry out the duty it owed to the plaintiff, that reasonable care was not exercised and that the plaintiff was damaged as a result.

The second count is a common law action based upon misrepresentation, contending that the school district misrepresented the young man's abilities and progress to his parents, and that they were thus unable to seek help for him.

Other causes of action are lumped under statutory claims. In California, a state agency can be held liable for its failure to carry out a statutory duty. In this case, for example, state law imposes certain duties on the school district to give parents information and to establish certain standards of basic skills to be met before students are given a diploma.

The last cause of action is based upon a constitutional claim that the young man has a constitutional right to education (since struck down by the U.S. Supreme Court in the *Rodriguez* decision) and that he was denied these rights.

THE FIRST OF MANY FOR MANY PETER DOES?

"I think it's very important to look at this case and consider the facts involved . . . (it is) perhaps the first of what would be undoubtedly a series of cases of this type brought on different factual allegations, sometimes brought on different legal theories, sometimes brought for different kinds of relief," Martinez said. "Peter Doe is simply a forerunner of an effort on the part of parents and citizens to bring to focus through the judicial system attention upon the fact that the schools—have failed in some way to provide the Peter Does of this country with the kind of education to which they are entitled.

"I think that we all have to recognize that Peter Doe is certainly not an exceptional case. He is one of thousands and probably hundreds of thousands of children who are in schools in this country who are passed through the school systems from year to year and to whom the state has never provided that kind of education (for) which we would hope . . ."

THE LOYAL OPPOSITION

Probate Judge Haskell J. Freedman of Middlesex County, Mass., assumed the conference role of "loyal opposition" to the theory behind the pending suit. Freedman, former general counsel to the Massachusetts Teacher Association, complimented Miss Martinez and her associates for their "imaginative and creative thinking in drafting a bill of complaint," and conceded that the suit and questions involved are "provocative." On the whole, though, Freedman predicted little chance of success and added "If asked, I would advise against bringing the suit."

NO PENALTY FOR VIOLATIONS?

"I do not question that the references to the California Education Code in the complaint are correct. Obviously, they are. But I did note that the complaint does not allege any pertinent sections of the California Education Code that provide any penalty for violations of the sections quoted," Freedman observed.

POSSIBLE DEFENSE

Freedman suggested several legal defenses which might be used. One is the defense of laches, "a legal doctrine by which one who might otherwise be entitled to relief may be denied relief because the person waited too long before bringing the action." Another

defense would be that the charge is vague. Freeman said, "Does the California Constitution or its Educational Code define education? Does either set forth educational standards of performance by pupils in precise terms that a teacher knows in advance his or her legal responsibility and the penalty for failure?" Another defense would be that the schools alone do not educate. "The parents, the child's playmates, his environment, all bear upon his learning ability and capacity to absorb . . ."

Another defense would be to raise the question about whether or not the schools make a difference, said Freedman, pointing to the writings of Jencks, Coleman, Pettigrew and Armor summarized by Geoffrey Hodgson in a recent issue of *Atlantic Monthly*. Contributory negligence might also be one defense since Peter Doe or his parents might themsleves have contributed to the fact that he cannot read adequately. The doctrines of sovereign immunity and separation of powers were also cited by Freedman as possible defenses against the charge.

"The answer to Peter Doe's situation, in my opinion, is not to be found in the courts, but in the several legislatures of the states," Freedman concluded.

LEGAL ACCOUNTABILITY IS DIFFERENT

"There is always agitation and ferment in the educational world and that is good, and now the principle of accountability is a topic on everyone's tongue, but the discussion has all taken place in the educational world and they are talking about educational accountability, which I suggest is a different concept from legal accountability. I know of no comparable discussion of the legal accountability of the teaching profession in current legal literature . . ."

BUT WHAT WOULD HAPPEN IF—

"Assuming the plaintiffs prevail, then I would anticipate, first, a plethora of similar suits across the nation. If there are about 40 million students that attend the public schools of America and if we conservatively estimate that probably five percent are having an unsatisfactory—which is a euphemistic word—experience, then one might anticipate two million parents bringing suits claiming damages.

"It would require a political revolution in the field of public school education . . . It would cost potentially billions of dollars. It would open Pandora's box and once opened it would not be closed, and it would substantially—very substantially—improve the economic status of the American lawyer."

FINAL RESOLUTION YEARS AWAY

The final outcome of the Peter Doe case, which has roused considerable interest among educational lawyers throughout the country, could be more than two years away, Martinez told one participant. An amended complaint is being prepared, and when that is served the defendants will have 30 days to answer.

"They will probably file what is called a demurrer in California, which challenges our right to bring the action, and I expect that the case will go up on appeal and the outcome of the case, given the time lag in California cases, could be two years or even more," she said.

HOW TO GET IT

The man who arranged the conference was Stuart A. Sandow of Syracuse University's Educational Policy Research Center, who accurately forecast a case of fraud against the schools as early as November, 1970. Co-sponsors with EPRC were George Washington University's Institute for Educational Leadership and the Lawyers Committee for Civil Rights Under Law. Copies of the 130 page publication, *Suing the Schools for Fraud: Issues and Legal Strategies*, including the conference transcript, may be ordered for $2.50 each from EPRC Publications, Educational Policy Research Center, 1206 Harrison Street, Syracuse, New York 13210.

USC OFFERS WORKSHOPS ON EXCEPTIONAL PRESCHOOLERS

The University of Southern California is offering a special two-week workshop for school psychologists and special education consultants June 4–15 on assessment and program planning for preschool handicapped children. For information, write Dr. Elizabeth Neumann, University Affiliated Project, Children's Hospital, 4560 Sunset Boulevard, Los Angeles, California 90027.

"PETER DOE" CANNOT READ—SCHOOL SUED

(By David Holmstrom)

SAN FRANCISCO.—"Peter N. Doe" graduated from a San Francisco high school last year with a B-minus average—but could only read at a fifth-grade level.

When his mother discovered his plight, despite assurances by school officials that he was attaining the proper reading level, she decided to sue the school district for $1 million.

Her unique decision has sent a shock wave of questions across the United States, about educational quality and how much legal responsibility schools and teachers have for instilling in students a skill as basic as reading.

Suzanne Martinez, the San Francisco attorney for "Peter N. Doe" said the national attention on the suit has "led to a lot of different strategies being developed in other states including possible class-action suits and challenges to teacher certification and other procedures of state educational systems."

LEGAL BASIS EXPLAINED

"The case in San. Francisco," said Mrs. Martinez, "derives its legal basis from questions of negligence, misrepresentation, and several statutory claims." Since the suit was filed late last year but not yet served on the San Francisco school district, the school district has voluntarily said it will set goals for students and possibly would not issue diplomas if a student is unable to read at the proper level.

Stephen D. Sugarman, a University of California law professor, said teachers should not take lightly such suits by "individual consumers who have already bought the product and are not happy about it."

Responding to Professor Sugarman at the National Education Association (NEA) conference in Portland, Ore., Judge Haskell C. Freedman from Middlesex, Mass., said such malpractice suits attempt to make "scapegoats" out of teachers and school boards. "Teachers have little voice in financing, equipping, or organizing schools," he said, "there is no constitutional right of literacy, and the child himself might be guilty of contributory negligence."

But in the case of "Peter N. Doe" from a white, middle-class family there was no disciplinary problem, and the young man had a normal attendance record. According to Mrs. Martinez, the young man's college-educated mother has placed the boy under a tutor and within six months his reading ability had jumped nearly two years. His response to tutoring also establishes his ability to learn.

"With the age of accountability," said Mrs. Charleselta Alston, director of the San Francisco Adult Literacy Center, Inc., "teachers can no longer blame parents, the environment, or the socioeconomic status of the family for nonteaching."

FICTITIOUS NAME USED

"Thousands of persons leave school nonreading," she said, "and the schools no longer can afford to take fresh minds, turn them off, and ultimately destroy them, and then become angry and defensive at the public who criticizes them."

The lawsuit was filed under the fictitious "name of "Peter N. Doe" to spare the litigant 'public stigma and humiliation." Mrs. Martinez said the young man is not working now and that within four to six months, the case will reach the courts.

Assessing the possible outcome and the educational ramifications, Mrs. Martinez said, "naturally many parents are thinking if this family can do it [sue] then so can we, and such litigation possibly could bankrupt whole school systems. We are in the process now of scaling down the damages to around $5,000 and asking for recovery of at least the cost of tutoring."

The suit contends that "Peter N. Doe" graduated "unqualified for employment other than the most demeaning unskilled, low-paid, manual labor" and that the law required the educational system to insure that he met certain requirements before receiving a diploma.

Earlier, in May of 1972, the family of "Peter N. Doe" had first filed a claim against the school district which the district denied.

Mr. DOMINICK. Will the Senator yield for a unanimous-consent request?

Mr. BEALL. Yes, I will be happy to yield.

Mr. DOMINICK. I ask unanimous consent that my educational aide, John Adair, be permitted privilege of the floor during the debate.

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

Mr. BROCK. Mr. President.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. BROCK. Mr. President, I have listened with interest to the comments made so far and there is much that has been said with which I agree.

I pay particular note to the contribution made by the Senator from Colorado to this bill. I support his efforts to achieve a more equitable formula for funding, I think he is absolutely right, I think he has served his State and Nation well in his effort.

I supported the Senator from Maryland's efforts with regard to the handicapped children. I think that was absolutely essential.

I find so much in this bill with which I am not only pleased but proud of the Congress for the steps forward, but I find myself in a difficult position.

It is well and good to fund educational assistance, but if in the process the regulations, rules or orders which are placed upon those systems make it impossible for them to operate effectively for the benefit of the children of the community, then the money is wasted.

That is the situation in too many communities across this country. It has been a rather remarkable thing to me to watch my region of the country respond to the 1954 Brown decision. There were some agonizing years in the 1950's in my part of the country, and finally and rightly it decided it had no alternative but to obey the law as defined by the Supreme Court.

Our progress has been remarkable. I recently read an article in the Post citing the degree of enrollment of black children in white schools, the degree of integration in southern school systems, and the lack of progress made in other parts of the country.

The article showed that the South has achieved more in the area of equality of

opportunity for black children than any other part of the country.

It is ironic to me that this so-called compromise, which I consider to be a good deal less than that, has two effects, neither being suitable:

First of all, by refusing to accept the provision which allows reexamination of court-ordered busing plans to protect the rights of southern children, in certain cases, we freeze in the practice of compulsion and abuse of these children in most of the Southern States; by adopting the new language, we freeze in racial discrimination in the Northern States.

So we have the worst of both worlds. We have an injustice with which we do not deal, either in the South or in the North. And I cannot bring myself to vote for a conference report which so abjectly begs the question of equity and equality of opportunity for all of our children.

I am very proud of the progress we have made in my part of the country. I am very proud of the enormous effort that people of both races have made to abide by the law, written as well as ethical. They have made enormous progress. I think that is a mark of the maturity and integrity of the people of the South.

But they have been abused of late. They have been abused since 1971, and they have been afforded no protection by the people's branch of the Government, the Congress of the United States.

We are being asked today to support a compromise that freezes in abuse and offers no succor or relief, but simply perpetuates the crime, and then goes further to say, "But we are not going to let it happen anywhere else. We are not going to do anything about the other parts of the country" where the problem is twice the magnitude of that which we find in the Southern States.

I find that not only ironic but unacceptable, and I hope the Senate will not bow to this momentum, this pressure, this so-called compromise. I hope the Senate and I hope the House of Representatives will insist that their conferees reconvene and get honest and deal with this problem once and for all, to do what the courts as well as the people have asked us to do, and establish standards of equity that apply nationally, not just in one part of the country but across the board, so that every child, black or white, may have confidence that he will be treated, fully and fairly, with equity in terms of opportunity to participate in this free society of ours.

I urge the defeat of the conference report.

Mr. President, I ask unanimous consent to have printed in the RECORD the article entitled "School Integration Highest in South," to which I have referred, written by Bart Barnes, and published in the Washington Post of July 16, 1974.

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

[From the Washington Post, July 16, 1974]

SCHOOL INTEGRATION HIGHEST IN SOUTH

(By Bart Barnes)

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

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

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

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

What the figures demonstrate is that the 11 former Confederate states—Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Texas and Virginia—had the highest degree of racial integration in the nation. In those states, 43.3 per cent of all black public school students were attending schools that were 50 per cent or more white. Only 29.9 per cent of the black students in those states were attending schools that were 80 per cent or more black. Blacks accounted for 26.3 per cent of all public school students in the 11 Southern states in the fall of 1972.

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

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

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

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

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

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

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

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

Mr. BROCK. I yield to the Senator from Alabama.

Mr. ALLEN. Did the Senator notice the figures released last week and reported through the press, to the effect that there has been more desegregation in the public schools in the South, and particularly in the 11 States of the old Confederacy, than in any other section of the Nation in recent years?

Mr. BROCK. That was the article to which I was referring, in which it was pointed out that the degree of integration as well as desegregation—and they are not synonymous, as the Senator knows——

Mr. ALLEN. Yes.

Mr. BROCK. Is almost twice the level in the South of what it is in any other part of the country. In other words, we have made that much more progress, sometimes under duress but more often under voluntary efforts of the communities.

Mr. ALLEN. And in some other areas of the country, areas of the country outside the South, there is more segregation today than there was 3 or 4 years ago?

Mr. BROCK. In every section of the country, as I recall, other than our own.

Mr. ALLEN. Yes. I certainly commend the Senator for the attitude of the people of Tennessee in solving this problem and the manner and spirit in which they have obeyed the law and obeyed the dictates of the Supreme Court, and the good feeling that exists among our people, black and white, throughout Tennessee, throughout Alabama, and throughout the South.

I ask if the Senator from Tennessee does not think it would be advisable for some of the other sections of the country to comply with the rulings of the Supreme Court in the same fashion that the people of Alabama and Tennessee have done.

Mr. BROCK. I do not think there is any question about it. I have said several times, I do not know whether anyone is listening, but I think the Senator knows what I mean when I say that I believe the South, and particularly my State of Tennessee, does now and will continue to lead the Nation in terms of its race relations, because we have affection, love, and respect for the law, and we will abide by the law; we have no inclination to do otherwise.

Mr. ALLEN. Does not the Senator find that people in Tennessee of both races are opposed to busing of students from one end of the county to another and one end of the city to another in order to achieve a racial balance or for the purpose of changing the racial composition of schools?

Mr. BROCK. I wish, I just wish that I could take some of my colleagues into some of the meetings that I have gone to with black and white parents and let them listen to the plea of a black mother who has three children in grammar school, all three of them in different schools. They are being bused. Because of that and because she is not wealthy enough to own her car and cannot hire a taxi, and because all of the children

have been removed from her neighborhood, she cannot participate in the PTA. She cannot support those three schools as she did the neighborhood school where they were originally placed. I wish Senators could listen to the plea of that lady for fairness and for an opportunity to support not only her children but all the children of the community in an effort to participate in a better school system. Those stories are legion.

The majority of our communities that have been affected by this abuse, of both races, have, time and time again, asked that they be allowed to have a free, a fair, an equal education system without the imposition of forced busing. They believe they can integrate, in their terms, or segregate, in ours, without this. I believe so, too, because we have done so. We have done so in virtually all the communities of the South. I cannot understand why they are willing to single out a few and say, "you must suffer, you must take this abuse, your children must suffer"—the language in the Senate bill is absolutely incredible. It is absolutely incredible in terms of its provision of relief to a family.

The bill says that a family can seek relief only if the health or safety of the child is affected by the time or distance of the travel. What about the effect on the school system itself? What about the drain on the resources? What about the trauma created by this kind of thing?

Mr. ALLEN. They must consider——

Mr. BROCK. Relief for these hardships is not even allowed. With this sort of so-called compromise, I find the conference report unsatisfactory.

Mr. ALLEN. Does not the Senator find that the court orders, by and large, have required the closing of black schools and the transportation of black students more than is the case in white schools and white students, so that the imposition really is on the black students to a greater extent than on the white students? That is the case in Alabama, I know.

Mr. BROCK. That has generally been the case; that is correct.

Mr. ALLEN. I thank the distinguished Senator.

Mr. COOK. Mr. President——

Mr. ALLEN. The Senator from Tennessee has the floor, and I commend him for his attitude with respect to this conference report. I commend the fine people from Tennessee for the manner in which they have obeyed the law and the spirit in which they have obeyed the law.

I thank the Senator.

Mr. COOK. Mr. President.

The PRESIDING OFFICER (Mr. STEVENSON). The Senator from Kentucky.

Mr. COOK. Mr. President, may I say that under normal circumstances, I would agree with what the Senators have suggested earlier in the consideration of the conference report: that the art of compromise is the art of passage of legislation and the art of implementation of legislation. I have felt that way most of the time I have been in the Senate.

However, yesterday we found ourselves in quite a dilemma in our community and I would like my colleague from North Carolina (Mr. ERVIN) to listen to some of this because I am a little amazed at what really occurred.

In my community of Louisville, in Jefferson County, the Federal judge eliminated the city school system, which has been in existence for probably 100 years or longer. In his decision, the judge ordered that the Louisville city school system and the Jefferson County school system be merged, effective immediately. He also ruled that the county school superintendent was authorized "to proceed immediately" in implementing the merger desegregation order.

This decision apparently ignores several important matters. The judge ruled that the new merged system would be run by a 10-member board composed of the members of the current, two five-member boards, and headed by the present county school superintendent. This order totaly disregards a Kentucky statute which limits merged school boards to seven members. In addition, it makes no provision for the present head of the city school system, whose term has not yet expired.

As a more practical matter, the director of pupil transportation has told the judge that it will take 150 additional schoolbuses, at a start-up cost of $3.3 million, to implement the plan, and while school begins in approximately 6 weeks, the buses will not be available for at least 6 months. This means that the opening and closing hours of the schools will have to be staggered, or that parents will have to drive their children to school. If the latter choice becomes necessary, many people will not be able to comply, simply because they have no transportation.

I cannot, for the life of me, see how a Federal judge can say, when school systems have been in existence for over a hundred years, that they shall automatically merge, that a school superintendent and school members who were duly elected are only maintaining and retaining their office for the purpose of appealing this particular case and that, thereafter, they will not be an elected people in the political jurisdiction under the statutes of the Commonwealth of Kentucky they were elected to hold.

In addition, under the laws of the Commonwealth of Kentucky and decisions of the Court of Appeals of Kentucky, there has been a substantial sum of money that has been appropriated each year for the transportation of school pupils who are not in the public school system. This basically has been the parochial system; and the funds that were appropriated by the county government for this purpose were somewhere in the vicinity of $370,000.

The court has ruled if it is necessary to eliminate that feature, then the appropriation that is made for the purpose of transporting children will have to be eliminated, and they will have to find another means by which these children will have to find their way to school. Where are the rights of these children?

So I say that, having thought the compromise would work and that I would be in favor of a compromise, I now find I am not in favor of that compromise. I am not in favor of it, because, in its present form, it would permit rulings such as the one in Louisville.

Therefore, my only recourse is to vote no on this report. If a State can establish political subdivisions, if the Senator's State of North Carolina can establish counties, by reason of its own authority under the law, a Federal judge should not be able to say—"We are going to cut across county lines, or we are going to cut across school district lines and make any kind of political subdivision we want to make."

Under those circumstances, I cannot vote for this conference report, and I would hope that we would have a substantial debate on the floor of the Senate in relation to the House language.

I cannot believe that five people who were duly elected by the citizens of their community walked out of the Federal court in Louisville, Ky., yesterday, no longer duly elected individuals under the statutes of the Commonwealth of Kentucky and no longer able to perform the task for which they were elected.

I must say, Mr. President, that I just cannot believe that that is the answer. The only answer is to have strong legislative requirements, and the requirements of this compromise are not the language that would meet that issue.

I yield the floor.

Mr. ERVIN. Mr. President, we are sometimes told that we should respect all judicial opinions. I do not accept that theory because I do not think a judicial opinion is entitled to respect unless it is respectable.

In taking this position I find myself in the company of one of the greatest of all Americans, Abraham Lincoln. In his celebrated debates with Senator Douglas, Abraham Lincoln discussed the Dred Scott decision. He said that the Dred Scott decision was erroneous, that it was contrary to all of the precedents on the subject; that he refused to accept it as a rule for the guidance of the government or the people, and that he would do everything within his power to secure its reversal.

Lord Acton said that power corrupts and absolute power corrupts absolutely. This aphorism applies to judges just like it does to other men and, more particularly, to judges because they have almost absolute power in this Nation.

I do not think that we are going to put an end to some Federal judges appointing themselves chairmen of school boards and school boards unless we take some drastic action on the third article of the Constitution.

Under the third article of the Constitution, Congress has the absolute power to prescribe the jurisdiction of all Federal courts inferior to the Supreme Court, and it has the power to prescribe all appellate jurisdiction of the Supreme Court, and leave the Supreme Court only with its original jurisdiction.

I have stated on the floor of the Senate on several occasions that the equal protection clause of the 14th amendment is probably the clearest provision of the Constitution.

Mr. President, I favor the equal protection clause of the 14th amendment

because it was placed in the Constitution to prevent a State from having one law for one man or one group of people and another law for another man or another group of people, when those men or those groups of people are similarly situated.

So all that the equal protection clause of the 14th amendment provides is that no State shall deny to any person within its jurisdiction the equal protection of the laws; and all that means, despite all the legal gobbledygook that has been stated about it, is that no State shall treat in a different manner persons similarly situated.

The interpretation placed on the equal protection clause is in reality a perversion of the equal protection clause insofar as forced busing of schoolchildren on orders of the Federal courts is concerned. When a court orders a school board to bus children solely for the purpose of integrating their bodies rather than enlightening their minds, the court orders the school board to violate the equal protection clause in two respects.

In the first place, the court states to the school board, "You must divide all the schoolchildren in this school attendance zone or district into two groups. You may let the first group attend their neighborhood schools in their school attendance zone or district, but you must deny the second group of children the right to attend their neighborhood schools in their attendance zone or district." That is an order from the court to the school board to violate the equal protection clause because it clearly orders the school board to treat in a different manner children similarly situated, in that all of them are residents of the attendance zone or district in question.

In the second place, the court orders the school board in a schoolbusing decree to violate the equal protection clause in an additional way. The court says to the school board, "The reason you have to divide these children into these two groups and must deny equal protection of the law treatment to the second group is that you must bus the second group to schools elsewhere, either to increase the number of children of their race in the schools elsewhere or to decrease the number of children of their race in their neighborhood schools."

Oceans of judicial sophistry cannot wash out the plain fact that that is denying the children who are ordered to be bused the right to attend certain schools solely on account of their race, and that is exactly what the Supreme Court held in Brown against Board of Education of Topeka to be unconstitutional.

I do not know how the schoolchildren of our land are going to get judicial relief against this judicial usurpation unless Congress passes some kind of bill that takes the courts and the Department of HEW by law out of the school board business. This Congress has power to do under article III of the Constitution.

The distinguished Senator from Alabama (Mr. ALLEN), the distinguished Senator from Georgia (Mr. TALMADGE), and the distinguished Senator from Arkansas (Mr. MCCLELLAN) offered an amendment to this effect to this bill during this year in the Senate. The amendment was rejected by a fairly narrow vote. In order to give some advice to future legislators as to how they can put an end to this judicial tyranny, I ask unanimous consent to have printed in the RECORD at this point a copy of that amendment.

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

TITLE IX—PUBLIC SCHOOL—FREEDOM OF CHOICE

SHORT TITLE

SEC. 901. That this title may be cited as the "Student Freedom of Choice Act".

FREEDOM OF CHOICE AMENDMENT TO THE CIVIL RIGHTS ACT OF 1964

SEC. 902. The Civil Rights Act of 1964 (42 U.S.C. 1971–1975a–1975d, 2000a–2000h–6) is amended by adding at the end thereof the following new title:

"TITLE XII—PUBLIC SCHOOL—FREEDOM OF CHOICE

"SEC. 1201. As used in this title—

"(a) 'State' means any State, district, Commonwealth, territory, or possession of the United States.

"(b) 'Public school' means any elementary or secondary educational institution, which is operated by a State, subdivision of a State, or governmental agency within a State, or any elementary or secondary educational institution which is operated, in whole or in part, from or through the use of governmental funds or property, or funds or property derived from a governmental source.

"(c) 'School board' means any agency which administers a system of one or more public schools and any other agency which is responsible for the assignment of students to or within such system.

"(d) 'Student' means any person required or permitted by State law to attend a public school for the purpose of receiving instruction.

"(e) 'Parent' means any parent, adoptive parent, guardian, or legal or actual custodian of a student.

"(f) 'Faculty' means the administrative and teaching force of a public school system or a public school.

(g) 'Freedom of choice system' means a system for the assignment of students to public schools and within public schools maintained by a school board operating a system of public schools in which the public schools and the classes it operates are open to students of all races and in which the students are granted the freedom to attend public schools and classes chosen by their respective parents from among the public schools and classes available for the instruction of students of their ages and educational standings.

"SEC. 1202. No department, agency, officer, or employee of the United States empowered to extend Federal financial assistance to any program or activity at any public school by way of grant, loan, or otherwise shall withhold, or threaten to withhold, such financial assistance from any such program or activity on account of the racial composition of the student body at any public school or in any class at any public school in any case whatever where the school board operating such public school or class maintains, with respect to such school and class, a freedom of choice system.

"SEC. 1203. No department, agency, officer, or employee of the United States empowered to extend Federal financial assistance to any program or activity at any public school by way of grant, loan, or otherwise shall withhold, or threaten to withhold, any such Federal financial assistance from any such program or activity at such public school to coerce or induce the school board operating such public school to transport students from such public school to any other public school for the purpose of altering in any way the racial composition of the student body at such public school or any other public school where the school board operating such public schools maintains with respect to such schools a freedom of choice system.

"SEC. 1204. No department, agency, officer, or employee of the United States empowered to extend Federal financial assistance to any program or activity at any public school in any public school system by way of grant, loan, or otherwise shall withhold or threaten to withhold any such Federal financial assistance from any such program or activity at such public school to coerce or induce any school board operating such public school system to close any public school, and transfer the students from it to another public school for the purpose of altering in any way the racial composition of the student body at any public school where the school board operating such public schools maintains with respect to such schools a freedom of choice system.

"SEC. 1205. No department, agency, officer, or employee of the United States empowered to extend Federal financial assistance to any program or activity at any public school in any public school system by way of grant, loan, or otherwise shall withhold or threaten to withhold any such Federal financial assistance from any such program or activity at such public school to coerce or induce the school board operating such public school system to transfer any member of any public school faculty from the public school in which the member of the faculty contracts to serve to some other public school for the purpose of altering the racial composition of the faculty at any public school where the school board operating such public schools maintains with respect to such schools a freedom of choice system.

"SEC. 1206. Whenever any department, agency, officer, or employee of the United States violates or threatens to violate section 1202, section 1203, section 1204, or section 1205 of this Act, the school board aggrieved by the violation or threatened violation, or the parent of any student affected or to be affected by the violation or threatened violation, or any student affected or to be affected by the violation or threatened violation, or any member of any faculty affected or to be affected by the violation or threatened violation may bring a civil action against the United States in a district court of the United States complaining of the violation or threatened violation. The district courts of the United States shall have jurisdiction to try and determine a civil action brought under this section irrespective of the amount in controversy and enter such judgment or issue such order as may be necessary or appropriate to redress the violation or prevent the threatened violation. Any civil action against the United States under this section may be brought in the judicial district in which the school board aggrieved by the violation or threatened violation has its principal office, or the judicial district in which any school affected or to be affected by the violation or threatened violation is located, or in the judicial district in which a parent of a student affected or to be affected by the violation or threatened violation resides, or in the judicial district in which a student affected or to be affected by the violation or threatened violation resides, or in the judicial district in which a member of a faculty affected or to be affected by the violation or threatened violation resides, or in the judicial district encompassing the District of Columbia. The United States hereby expressly consents to be sued in any civil action authorized by this section, and expressly agrees that any judgment entered or

order issued in any such civil action shall be binding on the United States and its offending department, agency, officer, or employee, subject to the right of the United States to secure an appellate review of the judgment or order by appeal or certiorari as is provided by law with respect to judgments or orders entered against the United States in other civil actions in which the United States is a defendant.

"SEC. 1207. No court of the United States shall have jurisdiction to make any decision, enter any judgment, or issue any order requiring any school board to make any change in the racial composition of the student body at any public school or in any class at any public school to which students are assigned in conformity with a freedom of choice system, or requiring any school board to transport any students from one public school to another public school or from one place to another place or from one school district to another school district in order to effect a change in the racial composition of the student body at any school or place or in any school district, or denying to any student the right or privilege of attending any public school or class at any public school chosen by the parent of such student in conformity with a freedom of choice system, or requiring any school board to close any school and transfer the students from the closed school to any other school for the purpose of altering the racial composition of the student body at any public school, or precluding any school board from carrying into effect any provision of any contract between it and any member of the faculty of any public school it operates specifying the public school where the member of the faculty is to perform his or her duties under the contract."

Mr. ERVIN. We have had some astounding schoolbusing decisions in this country. One of them arose in the city of Charlotte, in my State, and is known as Swan versus the Charlotte-Mecklenberg Board of Education. In that case the district judge stated that all of the parties in case agreed and the court found as a fact that it was impossible to desegregate the schools in northwest Charlotte without busing thousands of children.

That was a finding of fact to the effect that any segregation which existed there was de facto segregation, which was beyond the reach of the Federal Government.

Notwithstanding that fact, and notwithstanding the fact that the Congress of the United States in 1964 passed a law which said that no Federal officer or court should order the busing of children to overcome a racial imbalance, the district judge ordered the children to be bused solely for desegregation purposes.

That opinion was affirmed by the Supreme Court of the United States in a most peculiar decision. The Court was confronted in that case by the fact that in the 1964 Civil Rights Act, Congress had flatly denied to Federal courts the power to order children bused for the purpose of creating a racial balance, or overcoming a racial imbalance.

How did the Supreme Court get around that provision? In a most peculiar fashion. The Chief Justice said, I think, 23 times either expressly or by implication in the opinion, that the Federal Government has no power to deal with the assignment of children to public schools in a State, unless there has been actual discrimination on the part of the State.

But then the court said that the 1964 act only related to de facto segregation, and not to discriminatory segregation, and, therefore, it had no application.

In other words, the Supreme Court in that case held that when it undertook to enact the anti-busing provisions in the Civil Rights Act of 1964, Congress was attempting to legislate, in respect to a matter concerning which it had no constitutional right to legislate, and was not attempting to legislate in regard to a matter concerning which it had the constitutional right to legislate.

That conclusion was no compliment to Congress. It said, in effect, Congress was attempting to legislate in respect to de facto—not discriminatory—segregation. The Court's conclusion to this effect was totally inconsistent with the entire legislative history of the Civil Rights Act of 1964.

Another strange decision was handed down in Richmond, Va., where the district judge undertook to nullify county and city boundary lines which had been created by the State of Virginia, long before what my old geology professor, Collier Cobb, used to call the Uncivil War. But the judge was not deterred from his tyranny by the fact that Virginia had established the boundary lines of Richmond, Henrico County, and Chesterfield County before the Civil War when black people were in slavery. He undertook to nullify the boundary lines.

That case was argued by a great constitutional lawyer and scholar, Philip B. Kurland, of the University of Chicago Law School. Mr. Kurland raised the point that there could not be any discrimination in the location of these boundary lines because they had been set up by the State of Virginia years before any problems of this nature were in existence.

But, nevertheless, when the case got to the Supreme Court, the Supreme Court split 4 to 4, and Justice Powell, who had been a lawyer for the Richmond School Board in times past, disqualified himself. The effect of the Supreme Court decision was to affirm the ruling of the Circuit Court for the Fourth Circuit reversing the district court efforts to nullify Virginia's creation of its political subdivision.

On yesterday, the district judge sitting in a case arising in Kentucky undertook to nullify another provision of the Constitution, one which Judge Merhige attempted to nullify in the Richmond case.

The 10th amendment to the Constitution states:

The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.

Mr. President, one of the powers reserved by the Constitution to the States is the power of the State to establish its own political subdivisions for the purpose of enabling it to function as a sovereign State.

In the Kentucky case, the district judge usurped, and undertook to exercise, a power reserved to the Commonwealth of Kentucky by the 10th amendment. He undertook to destroy the duly established political subdivisions in the city of Louisville and Jefferson County; and not only to destroy those which had been duly created by the Commonwealth of Kentucky in the exercise of its reserved powers under the Constitution, but he undertook to create some new political subdivisions to supersede them, and to exercise the powers which the Commonwealth of Kentucky had given to its own duly created political subdivisions.

As the distinguished Senator from Kentucky (Mr. COOK) has just remarked, if a Federal court has the power to destroy the political subdivisions created by a State in the exercise of its constitutional power, and if it has the right to ignore county lines and city lines established by a State in the exercise of its constitutional power, then it has, by the same token, the power to abolish State boundary lines and consolidate two or more States, in accordance with its whim.

Mr. President, I think it is about time for the Federal judges and the Federal courts to return to their proper judicial duties, and to stop trying to act as school boards. I think it is about time that Congress recognizes the fact that the equal protection clause does not authorize the Federal courts or Federal agencies to rob the people of the States and particularly little children of their liberties; that clause is only a prohibition against discriminatory exercise of power by the States.

This problem does not bother me as an individual because in my county our schools are fully integrated. Every child goes to his neighborhood school. My concern arises out of my conviction that the worst thing that can happen to a nation is for Federal officials, and especially Federal judges, who are beyond the power of control except by drastic action under the third article, to undertake to exercise the powers denied them by the very instrument which they are professing to interpret.

Decisions of judges are not sacrosanct. They are entitled to respect only if they are respectable. I do not respect decisions which pervert and distort the equal protection clause of the 14th amendment, or which undertake to rob the States of their reserved powers to create their own political subdivisions, as district courts have attempted to do in Richmond Va., and in Louisville, Ky.

Mr. President, I think it is time for us to get back to the realization of the truth that public school systems are designed to be educational institutions, and exist to enlighten the minds of the little children rather than merely to integrate their bodies under some decree of some Federal court.

Mr. President, any kind of tyranny is bad, but tyranny over little children is about the worst kind of tyranny that has ever been practiced by mortal man. That is exactly what the decree handed down in the Commonwealth of Kentucky yesterday and those handed down by other Federal courts elsewhere perpetrate upon little children.

The PRESIDING OFFICER. The ques-

tion is on the adoption of the conference report.

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

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President——

The PRESIDING OFFICER. The Chair recognizes the Senator from West Virginia.

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

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

UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I propound the following requests, after having consulted with the distinguished assistant Republican leader; the distinguished Senator from New York (Mr. JAVITS); the distinguished manager of the conference report, Mr. PELL; the distinguished Senator from Alabama (Mr. ALLEN), and the distinguished Senator from Kentucky (Mr. COOK). These requests are as follows:

That beginning at 1:30 p.m. today, there be a limitation of debate on the conference report of 1 hour, to be equally divided between and controlled by Mr. JAVITS and Mr. ALLEN; that at 2:30 p.m. today, a vote occur, up or down, on a motion to recommit with instructions, such motion to be proposed by Mr. ALLEN; that no tabling motion be in order.

Provided, further, that no request for a division of the instructions be in order; provided, further, that no amendment be in order.

Ordered, further, that upon the conclusion of that vote—the announcement of the result by the Chair—a vote occur, up or down, with no tabling motion in order, on the adoption of the conference report.

Mr. GRIFFIN. Would the majority whip agree that it would be more appropriate to say "if the motion to recommit were defeated"?

Mr. ROBERT C. BYRD. Absolutely. I thank the distinguished assistant Republican leader.

That if the motion to recommit fails, then the vote, up or down, with no tabling motion in order, occur immediately upon the conference report.

Mr. JAVITS. Mr. President, will the Senator yield for a parliamentary inquiry?

Mr. ROBERT C. BYRD. I yield.

Mr. JAVITS. Mr. President, is a motion in order to recommit the conference report with instructions?

The PRESIDING OFFICER (Mr. HATHAWAY). Such a motion is in order.

Mr. JAVITS. And what is the effect of such a motion if it is agreed to?

The PRESIDING OFFICER. The motion is a guidance to the conferees. If the conferees should ignore the instructions, the new conference report is not subject to a point of order.

Mr. JAVITS. And the conference remains in being. In other words, the conferees are not discharged?

The PRESIDING OFFICER. The Senator is correct.

Mr. JAVITS. I have no objection.

Mr. GRIFFIN. Mr. President, reserving the right to object—and I shall not object—I wonder whether the distinguished Senator from Alabama would indicate, for the information of the Senate, what the substance of his motion to recommit would be.

Mr. ALLEN. In short, the motion is that the conference report be recommitted to the conference committee and that the Senate conferees be instructed, in effect, to recede to the House positions on all matters having to do with transportation of students, the court orders in connection therewith. That, in effect, is the thrust of the motion, which is couched in such language, I believe, as will accomplish that purpose.

Mr. GRIFFIN. I thank the Senator from Alabama.

Mr. ALLEN. And it will be discussed during this hour.

Mr. GRIFFIN. I will state that that is essentially the Esch amendment, which was offered in the Senate by the junior Senator from Michigan. I will support the motion to recommit, and I withdraw my reservation.

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

Mr. GRIFFIN. I yield.

Mr. JAVITS. Mr. President, in agreeing to the unanimous-consent request, which I do, I do not wish to necessarily adopt the statement of the Senator from Alabama as to what it means if his motion carries. But I have heard the ruling of the Chair, and that is the ruling by which I understand we will be guided on what that motion means.

Second, Mr. President, may I ask Senator ALLEN to confirm that his motion will seek to cause the Senate to recede and accept the House language on the following points: purpose, findings, reopening proceedings, intervention in court cases authorized, limitation on court orders, and prohibition against use of appropriated funds—the descriptions of each item appearing on pages 154, 155, and 156 of the conference report.

Mr. ALLEN. That is correct.

As the Senator from Alabama understands it, these are the remaining unresolved points—that is, as regards the acceptance of the House language. In some instances, the House language was accepted on some of these points. But this, as the Senator from Alabama understands it, does cover the areas where the Senate's view was accepted over the House language; we would go back to the House language in cases of conflict.

Mr. JAVITS. Mr. President, if the Senator will yield, so that we may be clear, that is not strictly true.

Mr. ALLEN. In what way is that not true?

Mr. JAVITS. I think the Senator is doing what he wants to do. I did not want him to labor under any misapprehension. Even in those cases, there were amendments which were adopted by the conferees, so that the Senate did not prevail, except with amendments. But I believe that by reference to the total paragraph, which I have mentioned, one understands exactly what happened and what the Senator wants to happen if his motion prevails.

So I believe that the purpose of the Senator—to wit, to instruct the conferees—is accurately served by this description.

Mr. ALLEN. The Senator from New York has made plain that he does not regard these instructions as binding upon him, so great particularity is not necessarily required. The thrust of the motion is for the Senate conferees to get in line with the House position so that we can get a bill.

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

Mr. ALLEN. I yield.

Mr. JAVITS. I must say that I must take exception, very strong exception, to what the Senator said about me.

Mr. ALLEN. About what?

Mr. JAVITS. I have been very loyal to the Senate's instructions on many bills in which I have thoroughly disagreed. So I do not think the Senator need make any reservations about my understanding of what it means to be a Senate conferee.

Mr. ALLEN. I understood the Senator to make a parliamentary inquiry of the Chair as to whether this instruction would be binding.

Mr. JAVITS. I made no such inquiry of the Chair. I only inquired of the Chair what it means if the Senator's motion is agreed to, and the Chair so stated.

Mr. ALLEN. Yes.

Mr. JAVITS. And I said that that was what I regarded as the law of the case; that is all. That does not mean that I will or will not be bound, and I do not have to make any promises on that if I continue as a conferee, except to tell the Senator that I have always been faithful to my duties as a conferee, even in dealing with questions in which I thoroughly disagree with what the Senate was seeking to accomplish.

Mr. ALLEN. The Senator from Alabama was not inquiring of the Senator from New York as to whether he was going to live up to or abide by the instructions of the Senate. The Senator from New York did elicit this information from the Chair, and he got that information, and he alone knows whether he feels that it is binding upon him.

Mr. JAVITS. The Senator said that I would not consider myself bound, and I wish to correct that impression. I will consider myself instructed as the Chair has defined the instruction, according to the rules of the Senate.

Mr. ALLEN. That is, instructed without being instructed, the Senator means.

Mr. JAVITS. I do not think I need to improve on the record beyond that.

Mr. ALLEN. I see. I thank the Senator.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia?

Mr. ROBERT C. BYRD. Mr. President, before the Chair proceeds, I want to be

sure that I specified in my request that the vote on the adoption of the conference report, up or down, with no tabling motion in order, will occur immediately following the vote on the motion to recommit if that motion to recommit fails.

The PRESIDING OFFICER. The Chair so understands.

Is there objection? Without objection, it is so ordered. The unanimous-consent request is agreed to.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, under the order of yesterday, the Senate agreed to my request that upon disposition of the conference report the distinguished majority leader or his designee could at his discretion call up either the Real Estate Services bill or the Consumer Products bill, am I correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. Then I would state, because consent has already been given, that upon disposition of the conference report, the Senate will resume consideration of the Real Estate Settlement bill.

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

Mr. ROBERT C. BYRD. Mr. President, I thank the Senators.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

H.R. 69 IS INADEQUATE

Mr. BUCKLEY. Mr. President, the final action of the conference committee on H.R. 69 with regard to busing is surely disturbing and disappointing to the great majority of Americans, who time and time again have indicated their opposition to forced busing to achieve elusive and illusory social goals. It must also be disappointing to the 46 Senators who on May 16 voted in favor of the House language on busing, as well as the 261 Representatives who, just this Monday in a vote of 261 to 122, insisted on the retention of the House busing language.

For the so-called busing compromise reached by the conference in reality represent a 90-percent victory for the Senate version, which passed here by only one vote. The effect is that all the teeth have been taken out of the antibusing provisions.

The Scott-Mansfield language, permitting the courts to ignore the limitations on busing contained in the bill, has remained intact, although it was deleted in one of the two places where it appeared in the Senate version.

The provision reopening previous court busing orders has lost all its force by the agreement to substitute "may" for "shall." The courts already may reopen cases if they chose to do so.

The provision requiring the Federal Government to pay attorney's fees to the prevailing party when it loses a busing suit which it had brought to court has been vitiated by the conference.

Finally, the provision prohibiting the use of Federal funds for busing has been sidestepped by exempting Federal impact aid funds from this prohibition.

The debilitation of the antibusing provision means that irresponsible courts will continue to demand the unjustifiable and very possibly harmful busing of young children.

Forced busing by judicial or legislative order, is in effect, the same as the State taking over the human right of parents to determine what is or is not in the best interest of their own children's education. This right cannot, of course, be asserted in a manner that does violence to the rights of another. But this is not at issue here—for it is a perversion of the constitutional guarantee of equal treatment that states that children must be moved around like pawns on a judicial chessboard because of the color of their skins. The State cannot grant such a right, and cannot take it away.

Mr. President, we are talking here about decisions affecting the lives, the education, and the futures of America's children. I most strongly believe that the only people who have, and should have, the moral and legal right to make such decisions for our children are their parents. For too long the rights of America's parents regarding the education and development of their children have been ignored or violated by overzealous educators or elitist social planners who feel that only they know what is in the best interests of the child, and "the parents be damned."

There are other important objections to this report. For example, the multitude of categorical Federal grant programs whose structure and regulations have in part served to stifle effective operation and innovation of educational programs by the States and local school districts, will continue under this bill. No significant breakthrough in the direction of educational revenue sharing has been made, in spite of the fact that such a course has been urged by the administration. Additional bureaucratic redtape has also been created by this bill.

Another aspect of the bill which concerns me is the possible inequities which may be inflicted upon disadvantaged urban children as a result of changes made in the title I formula.

Mr. President, I am pleased that the conference did accept my parental rights amendment. Its provisions will be of vital significance to millions of parents and their children. But in spite of its acceptance, the serious failings of the conference report which I have mentioned compel me to oppose the report. It is in the interests of America's children that I urge the Senate to return the report to conference for needed changes in its busing language and other provisions.

PARENTAL RIGHTS AMENDMENT TO H.R. 69

Mr. President, I want to express my appreciation to the conferees for the retention of my parental rights amendments to H.R. 69. I think the issues of privacy involved in it are extremely important to every parent and student. In time I believe that it will come to be regarded as a very significant piece of legislation, a cornerstone of the protection of the rights and privacy of parents and students. I am sure that America's parents would join me, if they could, in expressing my thanks.

Mr. SCHWEIKER. Mr. President, as a Senate conferee on H.R. 69, the Education Amendments of 1974, I want to express my strong support for this legislation which has now been agreed to by the House-Senate conference committee.

This was a long conference. The bill which was finally accepted does not include every provision which I had favored, but in many respects it is nevertheless a landmark education bill. I would like to call to the attention of my colleagues the following provisions which I believe will enable us to vastly improve the quality of American education:

First, I strongly supported a stronger title I formula which would assist urban school districts with high concentrations of students from low-income families. I was disappointed the Senate formula did not in my judgment properly support large-city school systems. I think the agreement reached by the Senate and House conferees on title I and the public housing students in the impact aid program is a good compromise.

Second, although the Senate adopted my amendment to include labor-management relations as an eligible program under title I of the Higher Education Act, the conferees emphatically felt that the present law would authorize such programs. Despite the fact that the Department of Health, Education, and Welfare has contended such programs are not covered, I am pleased that the conferees clarified this by stating:

> The Commissioner is directed to reexamine the regulations for that [Labor-Management Relations] program, and the projects supported under it, to assure that labor-management relations receive appropriate recognition as a supportable activity.

This should make clear to the Department the intent of Congress that such programs in labor-management relations be included in title I of the Higher Education Act.

Third, an amendment which I introduced and the conference accepted provides for ethnic heritage studies centers. The Schweiker Ethnic Heritage Studies Program Act, first enacted in 1972, authorizes the Commissioner to make curriculum materials and dissemination of information and materials relating to the history, cultures and traditions of the various ethnic and minority groups in our country. H.R. 69 extends the program through fiscal year 1978.

I also sponsored an amendment to the General Education Provisions Act, which was retained, to require the Commissioner to submit to the authorizing committees a schedule for the promulgation of regulations within 60 days of the passage of legislation. The schedule shall also provide that all regulations shall be promulgated within 180 days of submission of the schedule. This amendment was necessary because of the delay in the promulgation of the regulations for the

pilot project in ethnic studies and for title IX of the Education Amendments of 1972, both of which were not published by HEW until nearly 2 years after enactment of the legislation.

The bill also offers increased opportunities for women in athletic programs by amending title IX of the Education Amendments of 1972 to provide that the President shall prepare and publish within 30 days proposed regulations implementing the provisions of title IX relating to the prohibition of sex discrimination in federally assisted education programs, "which shall include with respect to intercollegiate activities reasonable provisions considering the nature of particular sports."

The conferees also adopted a provision in the bill to initiate, expand, and improve programs for the handicapped at the preschool, elementary and secondary levels, in order to provide full educational opportunity to all handicapped children. The amendment provides for mainstreaming programs, interlocking special education with regular education, and authorized interim funding until permanent legislation is enacted. I strongly supported this measure.

In conclusion, Mr. President, I support this legislation not because it represents the end of our efforts in this area, but because it provides a basis for a new beginning in our commitment to quality education. I urge prompt Senate passage of this measure.

Mr. HUMPHREY. Mr. President, I wish to express my support for the Education Amendments of 1974 (H.R. 69) reported to the Senate by the Senate and House conferees. We considered this bill at some length 3 months ago, and the revised version we are considering again today is in many respects very similar to the bill approved by the Senate at that time. While it is not a perfect piece of legislation, and while there are some particular points which I believe are most unfortunate, it is basically an excellent bill with much of value in it. And, from the perspective of the public schools in this country, it is a much-needed and long-awaited bill.

The public educational institutions of this country have been forced to operate under the uncertainty of continuing resolutions for too long. The administration has been blind to the need for constructive and well-defined programs in our country's schools. The President has seen fit to veto one education bill after another, arguing that the educational assistance program should no longer be subject to objectives, guidelines, and careful review and should be consigned to a reduced overall level of funding.

I sincerely hope that this negativism of past years will be outgrown this year, and that the President will approve this measure, with the many elements of compromise which have been included in it.

CIVIL RIGHTS COMPROMISE

The only seriously disappointing part of the bill is the section dealing with busing for purposes of desegregation. The language approved by the conferees does on the one hand, at least assert that nothing in the bill shall be construed as overriding the responsibility of the courts to determine constitutional rights. But the bill as approved by the conferees now prohibits the use of any Federal funds whatsoever for the purpose of fulfilling the edicts of the courts. This puts the Federal Government in the ambiguous position of demanding adherence to the Constitution but making it as difficult as possible for the local school district to do so. In the long run this will work a great hardship on both the schools and the individual children. And it is hardly an admirable example for the Congress of the United States to respond with such indifference to the imperative of aiding States and local communities in meeting their constitutional requirements.

But I want to stress that, in spite of the step backward in civil rights embodied in this bill, much is achieved which will gc far toward alleviating some of the basic inequalities in this country by striking at the causes.

TEACHING CHILDREN TO READ

There is a major new program in the bill for teaching reading to elementary and preelementary schoolchildren—a part of which I sponsored. A study done by the Office of Education recently indicated that we are still a long way from solving the problem of illiteracy in this country, and that the problem is particularly severe in the poorest segments of the population—those very people who have the longest way to go to achieve equality. In particular, the study demonstrated that where one or both of the parents were illiterate, it was highly probable that the children would also be illiterate. This means that we are still only marginally reaching those groups which most need high quality instruction in reading.

Everyone is agreed that the ability to read effectively is the most essential passport to a quality education. The child who falls progressively behind his peers in reading from grade to grade, or who starts out well behind them, is precluded from ever mastering the vast array of subject matter—technical, vocational, or social—which is a prerequisite to full participation in modern society. The present bill initiates a massive effort to deal with this problem, and thus to attack one of the principal sources of inequality.

EDUCATION FOR THE HANDICAPPED

Another vital step taken in this bill is the initiation of a major program for education for the handicapped—which originated in an amendment sponsored by Senator MATHIAS and myself. The handicapped have been the forgotten people of our schools and of our society. They are penalized for their maladies in hundreds of small ways, and the educational activities which could be tailored to meet their needs are frequently denied them—often more from indifference than malice.

Recently the courts have pointed out that the equal rights guaranteed to all Americans by the Constitution apply as fully to the handicapped as to the rest of us. The most tragic part of this neglect has been that a large proportion of these handicapped people could make a full and useful contribution to society if only they were not prevented from the outset from receiving the education they need. The conferees have fully recognized the importance of providing adequate education for the handicapped, and I commend them for retaining this section of the bill at the full level of funding.

STUDENT INTERNS IN GOVERNMENT

Unfortunately, the conferees did not show so much wisdom when it came to the issue of educating young Americans in the political processes of this country. I sponsored a program, included in the Senate bill, which would have provided funds for students to serve as interns in State and local governments. If there was ever a time when young Americans needed to be encouraged to participate more fully in the political process, to learn how it works and what its values are, this is the time. So many of our young people have been disillusioned and alienated by the events of the last 2 years. They have chosen to drop out of political life, to ignore the government which will nonetheless have so much importance for their lives.

We need to do everything in our power to get them involved again—and to get them involved at all levels of government. I have a number of interns working in my office this summer. They are making significant contributions to the work in my office, and at the same time are having an opportunity to observe first hand the way in which a Senate office operates. Unfortunately, restrictions on space limit the number of interns I can accept, or indeed that the whole Senate or Congress can accept.

But Washington is not the only center of government activity, and many student could benefit from opportunities to participate elsewhere in the country. I am shocked and disappointed that the conferees would choose at a time like this to ignore the importance of getting our young people involved in the system once again, and have sacrificed this opportunity to help our young people to learn about their Government.

Mr. President, I want to reiterate that while this bill does have its defects, and while I do feel disappointed over some specific decisions made by the conferees, it is nonetheless a solid piece of legislation. We need to pass this bill. And we need to send the message to the President that the country cannot afford to do without a positive education program, and that this is a bill he must not veto. I urge my colleagues to join me in supporting the education bill approved by the conferees.

Mr. BROOKE. Mr. President, I must oppose the passage of the conference report on the Education Amendments of 1974. Two months ago I spoke at great length on the unconstitutionality of the antibusing amendments to this education bill. In the interim the House and Senate conferees have achieved a number of compromises that would make the bill less drastic in its effect. But, the bill still contains a number of unconscionable and I believe unconstitutional provisions. And I cannot, in good conscience, compromise when the constitutional

rights of our Nation's schoolchildren are at stake.

The conference report still retains one of the original bill's most objectionable provisions, the ban on busing beyond the next-nearest school. As I have said before, implementation of such a provision would preclude desegregation even in the inner city. It would impose the entire burden of desegregation on those black and white families who live in the city adjacent to the inner core. It would free the more affluent black and white families from the desegregation process while lower-middle income families, black and white, would find their children bused to inner city schools. This provision is blatant class legislation. It would lead to chaos and take us back to Plessy against Ferguson.

The compromise bill also provides that court busing orders may be terminated if the court finds the school district has satisfied the requirement of the 5th and 14th amendments and will continue to do so. The provision contains no time limits and would permit the lifting of an order the moment a school system can claim to be unitary. Thus, conceivably, the section could allow a school district to demonstrate initial desegregation compliance, promise to keep up the good work, get out from under a court order and then slide back to only partial compliance, requiring a whole new court suit to have a new order issued. This puts an unconscionable burden on the plaintiffs who could very likely be going back and forth to court in an effort to safeguard the constitutional rights of their children.

This provision is contrary to the practice in other areas of the law where illegal conduct ought to be remedied has ceased. In such areas as antitrust, trade regulation, and voting rights, courts exercise jurisdiction after the illegal conduct that prompted the litigation has been remedied.

In addition, the bill flatly bars use of any Federal school funds, except those under the impact-aid program, from being used to finance busing for desegregation purposes. This provision is unsupportable. If local education agencies are required by a Federal court agency to increase transportation, I think it is only proper that Federal funds be made available to meet part or all of these increased expenses. I cannot understand the logic of proponents of this provision who charge that busing is expensive, yet who have consistently argued that Federal funds should not pay student transportation. Is their purpose to penalize those districts where the constitutional rights of schoolchildren are being protected?

It is true that the conference report provides that the final language is "not intended to modify or diminish the authority of the courts of the United States to enforce fully the fifth or 14th amendments to the U.S. Constitution." This modification does to some degree mitigate the harshness of the ban on busing beyond the next-nearest school and other objectionable provisions, but, in reality, it resolves few problems. The bill still retains very strong antibusing language. If enacted it would certainly encourage people to act in accordance with the bill's prescribed remedies. Though the courts would ultimately rule on the constitutionality of the provisions, significant damage would already have been done.

It is indeed sad that at a time when this country desperately needs leadership, Congress, in this case, seems unwilling to exercise it. We all know what the law of the land is. We all know that we cannot legislatively repeal an almost unanimous line of Supreme Court decisions. Yet, apparently many in this body will vote to pass these insidious and unconstitutional antidesegregation amendments.

Sooner or later the courts will have to rule on these amendments. It is ironic that when Congress is trying hard to reestablish its parity with the executive branch, it seems more than willing to pass the buck of busing to the judiciary.

If we are to have three coequal branches of Government, as required by the Constitution, Congress must recognize that it cannot abdicate its constitutional responsibilities to either the executive branch or to the judiciary.

Mr. President, I urge the Members of the Senate to vote against this legislation. I understand the importance of this education bill. I understand that it encompasses over $25 billion in Federal aid to education. But, I would prefer to see every American schoolchild deprived of some additional Federal aid than to see any American schoolchild denied his constitutional rights.

Mr. CRANSTON. Mr. President, the conference report on the Education Amendments of 1974, H.R. 69, deserves the favorable support of Senators. As a member of the Education Subcommittee of the Senate and as a conferee on the bill, I am gratified that the measure provides for so many new and important directions in providing quality public education programs for all Americans.

In 1965, when the Congress enacted the elementary and secondary education amendments, it was envisioned that the Federal role in education would provide a responsive and continuing commitment to schools across the Nation. The thrust of the legislation then, as now, was one of Federal, State, and local partnership in meeting the great education needs of America. In the measure before us, we have continued and expanded that basic commitment by enumerating some new programs, revising some old ones, and renewing the life of demonstrated successes such as aid for educationally disadvantaged children.

Once again, the Senate is in debt to Senator CLAIBORNE PELL, chairman of the Education Subcommittee and a distinguished friend of education, whose adroit stewardship of this legislation—in subcommittee, in full committee, on the Senate floor and in conference with the House—provided the backbone of leadership without which this measure could not have flourished. Senator PELL's fine professional staff—Stephen Wexler, Richard Smith, and Jean Frohlicher—were of great help to us all, as were Gary Aldridge, Carol Lumb, Jon Steinberg, and Allison Beck to me.

On the minority side of the aisle we have seen one more example of why Senator JACOB K. JAVITS has come to be known as a passionate and knowledgeable advocate of Federal education programs. At his side throughout the long course of this bill has been Roy H. Millenson, minority staff director of the Senate Labor and Public Welfare Committee, whose dedication and expertise were of great value.

CONFERENCE REPORT IN GENERAL

Mr. President, the conference committee which worked to resolve the many differences between the Senate and House education bills sought to resolve some of the key education issues of our time: Aid to disadvantaged students, aid to federally impacted school districts, school desegregation, the future of Federal categorical education programs, and bilingual education, to cite just a few. Although there are some areas of disappointment—such as what I believe to be a too sweeping consolidation of categorical programs—I am convinced that the conference agreement on H.R. 69 makes giant strides in many key areas of education. I cite just a few of them:

BILINGUAL EDUCATION

Mr. President, I am especially proud that the conference agreement on bilingual education includes all the major provisions of S. 3553, the bill I introduced in October 1973, as well as the principle features of S. 3552, as introduced by the Senator from Massachusetts (Mr. KENNEDY), which I cosponsored. In my view, the conference action in sustaining the key points of my bill and Senator KENNEDY's is an important reaffirmation of congressional faith in the value of bilingual education as a critically important educational mode.

As reported from conference, the bill replaces the current title VII bilingual education program, and includes the following major provisions:

POLICY DECLARATIONS

The term "children of limited English-speaking ability" is used merely as a term of statutory reference, and in no way is the term intended to imply any sense that children who share a linguistic and cultural background different from the majority of students are somehow inferior. Thus, the congressional findings in the bill include: First, that there are large numbers of children of limited English-speaking ability, second, that many of such children have a cultural heritage which differs from that of English-speaking persons, third, that a primary means by which a child learns is through the use of such child's language and cultural heritage, fourth, that, therefore, large numbers of children of limited English-speaking ability have educational needs which can be met by the use of bilingual educational methods and techniques, and fifth that, in addition, children of limited English-speaking ability benefit through the fullest utilization of multiple language and cultural resources.

It is to assist in the provision of equal educational opportunity that the conferees resolved to provide more and—hopefully—better demonstration proj-

ects in bilingual education, with a wider range of support activities and coordination with other Federal education activities, and—of primary importance—an expanded program of teacher training and training programs for other bilingual education personnel. These activities, together with in-depth research by the National Institute of Education and a thorough national survey of bilingual programs and needs, are mandated in the conference agreement to give school districts across the country new material, new learning data, and the personnel necessary to build sound bilingual programs.

GOALS AND METHODS

Although the major thrust of the program is aimed at elementary school programs, where the greatest need exists at this time and where the greatest benefits can be achieved; preschool programs are provided as well as programs at the secondary level where successful elementary school programs can be continued and maintained and where experimental efforts can be initiated for students who never received bilingual education. Also, the conference report makes provision for voluntary participation in bilingual education programs by children whose language is English, in order that the divurgent language and cultural heritage of bilingual children may be more fully understood and appreciated.

In order to be of assistance to State and local education agencies, the Commissioner is directed to provide suggested models for bilingual education programs respecting pupil-teacher ratios, teacher qualifications, bilingual/bicultural curriculums, and other important factors bearing upon the success of bilingual education programs.

NATIONAL ASSESSMENT

Mindful of the critical need for accurate data for use in bilingual education policymaking, the conference report mandates, a report on July 1, 1975, and July 1, 1977, to the President and the Congress on the condition of bilingual education in the Nation, the administration of title VII program and other Federal bilingual programs, a statement of activities current and projected, and an estimate of educational personnel needed to carry out the objectives of the act.

The conference report also requires a national survey of the number of children and adults with limited English-speaking ability—and the extent to which they are being served by Federal, State, and local programs.

Further, the conference report directs the preparation of a 5-year plan for extending bilingual and education services—through cooperative and voluntary arrangements among States, localities, and the Federal Government, and through other means—to those persons determined by the survey to be in need of such services. This plan must be submitted by July 1, 1977.

EDUCATIONAL PERSONNEL DEVELOPMENT

The lack of adequately trained bilingual education professional personnel—including teachers, counselors, administrators, teacher aides, and other paraprofessionals—and the virtual nonexistence of programs to produce those personnel is viewed as a major failure in our teacher training system and the major obstacle to the immediate development of fully bilingual programs where they are needed.

In a sampling of the title VII projects across the country, the total need for trained bilingual teachers in those projects was found to be 35,117. In contrast, there are presently 9,448 teachers in title VII projects. Similar deficiencies were found in the numbers of bilingual counselors, administrators, and trainel paraprofessionals.

Because of these dramatic shortfalls, the preparation of education personnel specially trained to carry out bilingual education programs is emphasized in the conference report: All bilingual education programs funded under the act must have a training component for education personnel, and at least 15 percent of each project grant must be devoted to training activities carried out in conjunction with the particular program. In addition, $16 million of the first $70 million appropriated and one-third of all amounts appropriated above $70 million in any year must be spent on training programs.

The revision of the Senate language in clause (1) of section 721(a)—so as to place in only one such clause the training provisions—was technical in nature. No change in substance was intended; thus, all bilingual education programs funded under section 721(a)(1) must, by virtue of clause (3)(B), include auxiliary and supplementary training components. The reference in subsection (b)(1)(A) of section 721 to "one or more of the clauses of subsection (a)" in no way alters this requirement.

NATIONAL ADVISORY COUNCIL ON BILINGUAL EDUCATION

The recent reactivation of an Advisory Council on the Education of Bilingual Children is encouraging, although the legislation creating such a council was enacted in 1967 as part of the original Bilingual Education Act, and the Council did not meet between 1970 and 1974.

The conference report, as did the Senate bill, envisions a strong and active Advisory Council, and specifies the appointment of 15 members, to terms of varied length, drawn from the ranks of both lay and professional persons interested and experienced in the education of bilingual persons. Classroom teachers, teacher trainers, and school board members are among the categories of persons to be appointed to the Council.

The Council is directed to submit an annual report on its own, to the President and the Congress, covering and evaluating the current status and projected directions for bilingual education and other Federal bilingual programs in the Nation, as observed from the Council's unique vantage point.

FEDERAL SUPPORT OF STATE BILINGUAL ACTIVITIES

The current title VII statute, which would be replaced by the provisions in the conference report, does not provide a role for State education agencies in the Federal bilingual effort. In the past, Federal moneys have been granted to local education agencies and to organizations and institutions supporting LEA activities, but not to the State agencies themselves. The conference report provides for a wider range of State activities and includes authority for the Commissioner to grant some funds to the State educational agencies for supportive and technical services while at the same time insuring that the total amount of funds granted to LEA's is not substantially diminished.

Also, the conference report calls for consultations by the Commissioner with State education agencies, and others, in the development of suggested models for bilingual education statutes, curriculums, and teacher certification processes that might voluntarily be adapted for use in a variety of locations.

BILINGUAL EDUCATION RESEARCH AND THE NATIONAL INSTITUTE OF EDUCATION

In terms of prority needs, the conferees agreed to the Senate emphasis on the importance of bilingual research and development, R. & D., in the belief that good bilingual teachers and sound bilingual programs are inseparable. The conferees, therefore, adopted most of the Senate language directing the National Institute of Education to carry out research and demonstration programs that will determine basic educational needs and language acquisition characteristics of the target population, create and disseminate instructional materials and equipment for bilingual education programs, and establish and operate a national clearinghouse of information for bilingual education. Five million dollars is authorized to be appropriated for each fiscal year prior to fiscal year 1979.

Mr. President, I cannot emphasize too strongly my own intention to follow the activities of NIE in carrying out the mandates of this bill—as well as those of the Office of Education in implementing the new title VII provisions. It is my firm belief that the future of bilingual education in America will, in large part, depend upon the kinds of research and development activities, as well as the effective dissemination thereof, that occur within the NIE authorities set forth in H.R. 69, and I believe that careful congressional oversight is both necessary and desirable as to this entire program.

CONSUMERS' EDUCATION

The consumer education program contained in the conference-reported bill is the result of an amendment I offered to the Education Amendments of 1972—Public Law 92-318. Although it became law that year, the program has neither been funded nor implemented—a fact that has been discouraging to me and to educators who know the potential value of this program. Such a program is perhaps more important now than ever, in the midst of skyrocketing prices, that children be taught how to make wise decisions in dealing in the marketplace—decisions based on facts, not fallacies.

As contained in the Education Amendments of 1974, the consumer education program is included as a priority program within the special projects section.

Such treatment will authorize $15 million per year for each fiscal year through 1978, thus giving the program another chance to define specific strategies and get moving. The conference agreement also includes an Office of Consumer Education.

SAFE SCHOOLS STUDY

I am very pleased that the conferees adopted the major language provisions of my amendment authorizing the carrying out of a Federal study of the frequency and incidence of school crime in the Nation. Together with similar provisions in the House bill, the conference agreement will assure a careful and complete study over the next 2 years, with interim reports to the Congress and a final report no later than December 31, 1976.

Americans have long viewed education of their children as a national priority. The right to an education in an atmosphere free of violence and the threat of violence must be a part of that top priority. Yet, crime and violence in schools are rising as fast or faster than in society at large. And they must be stopped. Because while the dollar losses due to school vandalism can be estimated—about $500 million annually, nationwide—crime's cost to the national spirit and to the public confidence in schools cannot be calculated.

It is the purpose of the study not only to determine what kind of crime occurs, with what frequency, and where, but to help local communities find ways of resolving the issues in the best interests of their community and their children. Local control over these matters is essential.

I wish to emphasize one point in particular, Mr. President, regarding the information to be generated through this study: In assessing crime in schools and the causes of crime in schools, it is essential that: First, the climate of the community be assessed completely and accurately, second, that students and community have an opportunity to comment upon and have input in the processes of the study, and third, every effort be made to get the points of view of parents, students, and faculty with respect to the specific situations being studied and described. I might add that I am especially interested in having the viewpoints of students reported in this study.

VETERANS COST-OF-INSTRUCTION AMENDMENTS

Mr. President, I also am very pleased that the five veterans cost-of-instruction amendments—one which was added on the Senate floor on May 16, 1974—have been agreed to by the conference committee, with only two minor modifications.

I spoke on the floor at length during consideration of S. 1539, as reported, by the Senate and during debate on the additional amendment I offered for myself and others at that time, which was agreed to by the Senate. I do not feel, therefore, Mr. President, that it is necessary for me to reiterate the explanation of these amendments and their underlying purpose at this time. Rather, I would indicate that all that was set forth during the May 16 debate is fully applicable to the language of the amendments as they have emerged from conference with the exception of the two minor modifications made in the conference report.

Mr. President, the only substantive modification made in conference was that the new alternative first-year eligibility criterion added by the Senate amendment, that is, that a school could qualify, not only if the number of eligible veterans in attendance increased by 10 percent over the number of such veterans in attendance during the prior academic year, which is the sole first-year eligibility criterion in present law, but also if the total number of undergraduate eligible veterans in attendance at the school constituted 10 percent of the total undergraduate enrollment—was modified so that there could be no diminishment of effort in enrolling veteran students on the part of schools seeking to qualify under the new alternative first-year criterion.

Thus, the new language in subclause (ii) of clause (A) of paragraph (1) of section 420(a) is qualified so that a school to be eligible must show not only that its eligible veteran-student enrollment is 10 percent of the total undergraduate student enrollment but also that that percentage itself is no less than the comparable percentage for the prior academic year. In other words, if a particular school seeking first-year VCI eligibility has 12 percent of its undergraduate student body composed of eligible veterans, in order to qualify under this new alternative criterion for VCI payments such school would also have to show that eligible veterans comprised not more than 12 percent of its total undergraduate student body for the prior academic year, If, for example, that prior year's eligible veteran enrollment constituted 13 percent, that school would not be eligible under the new alternative second-year criterion because its student-veteran enrollment percentage had decreased.

Mr. President, one other minor change which was made by the conference in these amendments was to make their effective date the date of enactment of H.R. 69, rather than making them effective with respect to payments made on or after October 1, 1973, as contained in the Senate amendment. The effect of this change is that the June 1974, payments made to eligible institutions will not be disturbed, but schools qualifying after enactment under the new eligibility criteria for either first-year or second-year grants should be given supplementary VCI payments with new moneys appropriated or remaining moneys from the intial appropriation.

However, with respect to the new programmatic requirement that 75 percent—as contrasted with 50 percent in present law under section 420(e)—of VCI payments must be used by the institution to establish the required full-time Veterans' Affairs Office and, if any funds remain within that 75-percent share, to carry out the other special veterans programs which VCI institutions are required to carry out by section 420(c)(1)(B), that new requirement is applicable with respect to program operations occurring and expenditures by VCI institutions beginning on the date of enactment of the act. The requirement can be effectively enforced by the Office of Education through the installment payment process. Institutions have had notice of the possibility of this change in the share requirement since March 29, 1974, when the committee report was filed on S. 1539.

Mr. President, I want to express my gratitude to my fellow Senate conferees and to the conferees from the other body for their sympathetic consideration of the Senate VCI amendments. I note also that the House-passed fiscal year 1975 Appropriations Act includes another $23.7 million for VCI payments for academic year 1974–75, and I trust that the Office of Education will give heed to the direction of the Senate Appropriations Committee in its May 3, 1974, report on the Second Supplemental Appropriations Act for fiscal year 1974, when it stated its strong disapproval of refusal to spend money appropriated for VCI payments and directed that the $23.7 million contained in that Supplemental Appropriation Act be obligated immediately for payments to eligible institutions.

CONCLUSION

Mr. President, there are many provisions—in addition to the few I have just mentioned—that I supported in committee, worked for on the Senate floor, and worked for in conference: Indian education programs, library programs, new directions in programs for the gifted and talented, adult education provisions, measures affecting aid to schools in federally impacted areas, continuance of the Emergency School Aid Act, and others.

Without question, this is an urgent bill for education. The programs it authorizes will make up the body of Federal-aid-to-education legislation concerning elementary and secondary schools through 1978. The dollars it authorizes will contribute greatly to the economic survival of the Nation's schools, although the Federal dollar contribution is still far from adequate. The organizational mandates the bill gives to the U.S. Office of Education are well-considered, important, sensible, and meant to be followed.

I urge the firm support, by every Senator, of the critically needed Federal aid to education measures contained in H.R. 69, the Education Amendments of 1974.

APPROVE THE EDUCATION CONFERENCE REPORT

Mr. CLARK. Mr. President, after more than 2 full months of negotiations, the House and Senate conferees have reached a compromise agreement on the Education Amendments of 1974. The bill, of course, is the major education bill for the next 4 years, and it represents the most comprehensive education legislation in history. In drafting and compromising on this legislation, the Members of both houses have worked countless hours over the past two sessions of Congress in an effort to achieve a stable education program for our public schools.

I would like to take this opportunity to endorse this bill and to urge my col-

leagues in both Houses to approve the conference agreement so we can get on with the job of educating our children. Mr. President, I doubt that anyone who has carefully studied or worked on this complex legislation is completely satisfied with every provision in the conference agreement. But I do not believe we should allow narrow interests to overcome the widespread needs of our public school system. If we become bogged down on any one specific issue at the expense of the larger goals of this legislation we would perform a grave disservice to our children. If we do not approve this report now, we will virtually seal the fate of any new education bill in this session and relegate the vital matter of education to the uncertainity of more and more continuing resolutions.

Our children deserve better than that. They deserve an education bill—this bill. I urge my colleagues in both Houses to refrain from the short-sighted temptation to throw out the baby with the bath water and instead vote to approve the conference report and this vital legislation.

Mr. HOLLINGS. Mr. President, we are truly at the crossroads today as we consider the conference report on the elementary and secondary education bill. The schools of this Nation cannot continue to survive and flourish under the conditions that our timidity and indecision have created during the past 5 years. We shall be judged harshly—perhaps for generations—if we do not act decisively today by approving this long-overdue legislation.

In the long process of constructing this bill, we have offered progress in solving as yet unmet needs of the educationally deprived, the handicapped, and the undereducated.

The bill before us deals with every single aspect of Federal programs touching on elementary and secondary education, as well as a number of programs at the post-secondary level. The agreements reached in conference reflect genuine concern and perceptive thinking about the problems of school systems, teachers, and pupils. In its totality, the bill sharpens the focus of Federal programs on areas that have been blurred by empty rhetoric. The bill makes sense in terms of administrative functioning, in terms of spurring educational research and development, and—most importantly—in terms of easing the burdens of State and local governments in their attempts to provide educational equality for all citizens.

I urge all of my colleagues to support this legislation in the interest of enriching the education of our children and attaining the promise of this great Nation.

Mr. GURNEY. Mr. President, I am opposed to the adoption of this conference report because of the language contained in title II dealing with the forced busing students.

When the House originally passed this bill, they included the strong antibusing language of the Esch amendment. This language passed, I might add, by a healthy margin of 2 to 1. When the bill came up here in the Senate, I offered a similar antibusing amendment, and I am sure that my colleagues are familiar by now with the purpose of that language.

The major thrust of my amendment was to prohibit busing beyond the school next closest to the student's home, and to allow existing court-ordered busing cases to be reopened and reconsidered in light of this new language. Unfortunately, by a one-vote margin, the Senate voted instead to substantially weaken this directive by dropping the reopener provision and including language to assure the courts that busing is fine as long as it is disguised as a protection of constitutional rights.

Alarmed by Senate action, the House subsequently voted not once, but twice, to reaffirm their stand on the busing issue. By margins of well over 2 to 1, the House instructed their conferees to stand firm against moves to weaken their position. In the face of such prevailing insistence, however, the conferees have reported language which might well be described as a lot of "sound and fury, signifying nothing."

The compromise language admonishes against busing beyond the next closest school, while at the same time assuring the courts that "the provisions of this title are not intended to modify or diminish the authority of the courts of the United States to enforce fully the 5th and 14th amendments to the Constitution." With the courts' traditional mania for busing, this is an unnecessary reminder, to say the least.

Further language authorizes "only such reminders as are essential to correct particular denials of equal educational opportunity or equal protection of the laws."

Well now, this means about as much protection against forced busing as a paper umbrella against a hurricane.

The courts have traditionally used the equal protection rationale for ordering busing. Up to now, they have done this with the tacit support of Congress. By adopting this conference report langauge, we will be giving no less than our official stamp of approval to forced busing.

Equally objectionable, in my opinion, is section 218 relating to the reopening proceedings. This language is of particular concern, obviously, to those States and school districts where busing orders are presently in effect.

The House language, and my amendment, provides for reopening and reconsideration of existing busing orders in light of this most recent statutory modification. In other words, school districts in every part of this country would be treated equally under the law.

The compromise negates this crucial equalizer, and set us back nearly 20 years—with primarily those States in the South bearing the brunt of a national problem. While those school districts which have not yet been ordered to bus will be considered under the provisions of this title, all those districts under busing orders will be considered under those same dubious principles set forth in the Swann case. This blatant Government-enforced discrimination is as repugnant as the problem it purportedly seeks to solve.

Mr. President, I urge my colleagues to reject this conference report. I see no reason for us to rehash the days of debate on this issue—the arguments by now should be apparent to anyone in this Chamber. This limp-wristed language will do no more to prohibit forced busing than existing statutes, and I am hopeful that it will be defeated.

Mr. MUSKIE. Mr. President, the education bill to which we will give final Senate approval today represents a major legislative achievement in providing a solid base for aid to our Nation's schoolchildren. But the merits of this measure are clouded by the compromises it makes with the basic principle of equality in education.

The so-called antibusing language of this bill attempts to remove congressional support for the guarantee of equal access to quality education for all our children. It seeks to hamstring the progress of two decades toward implementing the constitutional promise of equality. The only saving grace of this measure is its language which recognizes that Congress, in the heat of political expediency, is powerless to undermine basic constitutional guarantees. I hope our Federal judicial system will exercise its power—and responsibility—to hold fast in its determination to protect those guarantees.

The antibusing provisions of this measure also regrettably have overshadowed the significant legislative accomplishments it contains. This 4-year extension of the Elementary and Secondary Education Act was developed through months of hard work and careful consideration of our educational needs by Members of both Houses, from both parties. It provides firm support for the future development of our educational system. It authorizes funding for the next 4 fiscal years, in the total amount of $25.2 billion, to be spent both for time-tested programs and innovative ideas. Of particular interest to Maine is the increase in the basic funds provided under title I for aid to schools with children from low-income families, and the expansion of programs for adult education, bilingual education, and library services.

I have deep-seated objections to the antibusing provisions of this bill. They are perhaps unconstitutional, and they are certainly unwise.

But objectionable as these provisions are, the consequence of disapproving this bill would be far worse. The antibusing provisions passed by the House, upon which that body threatens to insist, would mandate chaotic and painful relitigation of hundreds of desegregation decisions which have already moved us so far toward fulfilling constitutional promises of equality. For the Senate to disapprove the compromise reached in conference would pose the real danger that this House language might eventually prevail. And disapproval now of this bill would substantially undermine progress toward quality education for children of all disadvantaged families by preventing enactment of the $18.5 billion in aid to

their schools which this bill contains. The overall impact of this measure would be to help the very children who are the subject of the dispute over busing.

The merits of this education bill are great. Its offensive antibusing provisions, I trust, will be cast aside by the courts in their enforcement of the Constitution. This bill gives hope for real progress toward quality education for all our children, and I will give it my support.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that Mr. William Corbett, of Senator HANSEN'S staff, be permitted access to the floor during the debate on the conference report of the education bill and on the legislation to be taken up thereafter this afternoon.

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

Mr. GRIFFIN. 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. PELL. Mr. President.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. I ask unanimous consent that the order for the quorum call be rescinded.

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

GREECE

Mr. PELL. Mr. President, the time under the germaneness rule having expired, I wish to make some remarks on an unrelated matter.

Mr. President, I am overjoyed at the course of events in Greece.

I speak as one who has long sought to bring the influence of American policy toward Greece to bear in support of a restoration of constitutional government. It was in fact with that goal in mind that I sponsored legislation (S. 2754), which passed the Senate without objection on January 23, of this year, calling for a termination of credit arms sales to the military junta. Incidentally, with the change of regime I now believe it would be inadvisable for the House to pass this bill.

Now that the barbaric, repressive and undemocratic junta has passed from the scene it appears that Greece once again has returned to civilian control under the leadership of Constantine Karamanlis.

He is an excellent choice to lead the Greek nation at this difficult moment in its history. We will always remember his remarkable statement of conscience of September 30, 1973. We have admired his ability to rise above factional discord and his readiness to place himself at the service of the Greek people.

But, as Premier Karamanlis would probably be the first to acknowledge, the essence of democracy is that it is based on the rule of law, not men.

As fortunate as the Greek people are to have the statesmanship of men such as Karamanlis, Kanellopoulos, Mavros and the senior commanders of the Greek armed forces at their service, these men are mortal. I would hope that in the days ahead, the Greek nation will look to the restoration of institutions which have served them so well in the past. I refer of course, to their constitution and to their king. Both institutions have particular values in times of stress and they serve to complement each other.

After 7 years of lawless rule, the Greek constitution is in tatters. No one really knows which articles are in force and what guarantees exist. Whatever is done ultimately about a new constitution, I would hope that the new Government will act promptly to reaffirm the basic political and human freedoms to which the Greek people are so devoted, and which have been so brutally denied them during the past 7 years.

Philosophically, too, I have come to the conclusion that a constitutional monarchy provides a desirable safeguard for democracy in a climate where political passions run strong and where the constitutional constraints themselves are not backed by strong precedents of respect.

If chiefs of government err or fall, the monarch can stand above partisan strife, fill temporary voids of leadership and facilitate the selection of new leadership—thus making less likely a return to the barricades or a coup d'etat. It is interesting to note in this regard that it is a rare country that has a constitutional monarchy where democracy is not in practice.

Consequently, I strongly urge the new Greek leadership to seek the return to Athens of King Constantine. If this appears to be the will of the Greek people, the United States should do whatever it can toward this end.

These years of exile, hardship, and sorrow have matured King Constantine beyond his years. He has used this time well, taking degrees at Cambridge University. Having suffered hardship himself, he is more able to identify himself with the travails and troubles of the Greek people. He possesses the qualities of humility and compassion which a chief of state must have if he is to serve his nation well.

In conclusion, I rejoice for the Greek people in this their moment of deliverance. The darkness of years has lifted. The Greek people should know that despite whatever has transpired between our governments, that the American people have been and still are their brothers in the spirit of democracy.

Mr. President, I yield the floor.

QUORUM CALL

The PRESIDING OFFICER. What is the will of the Senate?

Mr. PELL. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, it is my understanding that there is an hour set aside for debate beginning at the hour of 1:30. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. MANSFIELD. And that the vote will occur on the conference report on the motion to recommit at 2:30?

The PRESIDING OFFICER. That is correct.

RECESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate stand in recess until the hour of 2:15, or subject to the call of the Chair.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered. The Senate will stand in recess until the hour of 2:15, or subject to the call of the Chair.

Whereupon, at 1:29 p.m. the Senate took a recess.

The Senate reassembled at 1:31 p.m. when called to order by the Presiding Officer (Mr. HATHAWAY).

EDUCATION AMENDMENTS OF 1974—CONFERENCE REPORT

The Senate continued with the consideration of the report of the committee on conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 69) to extend and amend the Elementary and Secondary Education Act of 1965, and for other purposes.

Mr. ALLEN. Mr. President, I offer a motion and ask that it be stated.

The PRESIDING OFFICER. The clerk will report the motion.

The assistant legislative clerk read as follows:

The Senator from Alabama (Mr. ALLEN) moves that the Conference Report on H.R. 69 be recommitted to the conference committee with the following instructions to the Senate conferees:

That they agree to the original House positions with regard to the provisions referred to under the following captions appearing in the Conference Report on pages 154, 155, and 156:

1. Purpose of the Equal Education and Opportunities Act of 1947.
2. Findings.
3. Reopening Proceedings; Intervention in Court Cases Authorized.
4. Limitation on Court Orders.
5. Prohibition Against Use of Appropriated Funds.

Mr. ALLEN. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator has 5 minutes.

Mr. ALLEN. Mr. President, the conference report on H.R. 69 is before us. Many Members of the Senate are not pleased with the conference report provisions with regard to the elimination of forced busing of schoolchildren in order to create a racial balance or to change the racial composition in schools.

The House provisions on this subject were offered on the Senate floor and, by a very close vote, I believe 48 to 47, the House provisions offered in the Gurney amendment on the floor were tabled. Then, in conference the Senate view in many important respects was allowed to prevail.

The purpose of this motion is to point out the areas in which the House posi-

tion was not agreed to by the conference and to send the bill back to the conference with instructions to our conferees to agree to the House provisions on these points mentioned in the motion.

Mr. President, I suppose everyone wants to see this bill passed in one form or another, so no extended debate has taken place with respect to it and, after this motion is voted upon, if it is not sent back to conference, then there will be an up-and-down vote on the conference report.

We, in the Senate, have the option of seeking to lay the conference report on the table and sending the bill back to the House with a request for another conference, or merely to send it back at this time and ask our conferees to confer further with the House conferees, and agree with the House on the items in dispute.

The bill has been tied up on conference for 6 weeks or 2 months, some very long time, and they have got down to the point where there are only differences in about five areas, and in those differences the motion which has been filed would instruct our conferees to agree to the House position.

The best way to get this bill enacted into law and signed by the President is to agree to this motion. The House is adamant with regard to their provisions. Three times already they have instructed their conferees to stand by the House provisions because they have voted these provision by possibly a 2-to-1 vote, or more than a 2-to-1 vote.

I have just been furnished with a copy of a letter which 146 House Members have written the President stating that—and that is slightly more than one-third of the House—if the House provisions do not emerge from the bill, and the bill is finally passed, and the President vetoes the bill, more than a third of the House Members, a sufficient number to sustain a veto, will vote for sustaining the President.

Mr. President, I ask unanimous consent that a copy of this letter be inserted in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. ALLEN. Mr. President, we are very close to reaching agreement on this bill if we pass this motion.

The PRESIDING OFFICER. The Senator has used up his 5 minutes.

Mr. ALLEN. Mr. President, I yield myself an additional minute.

If we pass this motion, and our conferees would go back to a further conference with the House, and if they agreed to the House amendments in these five areas covered in the motion, this bill will be agreed to in very short order, and sent to the President for certain approval, and we would have this vast aid to primary and secondary schools throughout the country become a reality.

So, Mr. President, I hope that since the Senate was so closely divided, and only 1 vote separated us, and the House is overwhelming in favor of the House language, and since they spent some 6 or 8 weeks trying to reach an agreement, and since there is a likelihood of a veto with a certainty that the veto will be sustained, and we will have no bill at all, I believe it is the better part of wisdom to approve this motion, accept the anti-forced busing language of the House, and get a bill passed. There is no assurance whatsoever if this motion is not passed and the Senate does not approve the conference report that the House will accept it.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ALLEN. Mr. President, I yield myself 1 additional minute.

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

Mr. ALLEN. Mr. President, if we get a bill any time soon, or if we get a bill at all it would behoove the Senate to pass those measures, accept the House provision, have the House then quickly agree to our action, the Senate, of course, agreeing to its action after the conferees report back, and then have this great bill which means so much for the elementary and secondary schools throughout the land.

EXHIBIT NO. 1

CONGRESS OF THE UNITED STATES,
Washington, D.C.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: In two successive Congresses, the House of Representatives overwhelmingly has voted by better than two to one to severely restrict the harsh and unjust impact of forced-school busing for racial balance upon both students and parents.

On August 17, 1972, the House, by 282 to 102, passed a bill which in essence incorporated the concepts you had urged upon the Congress to remedy the evil embodied in forcing children to ride for miles to schools, bypassing those within easy access in their own neighborhoods.

Again on March 26 of this year, substantially the same measure was approved, 293 to 117, as an amendment to the Elementary and Secondary Education Act.

This House action prohibiting busing of a child beyond the second nearest school to that child's home, without nullifying the concept of forced-busing altogether, would bring great relief to both black and white citizens who worry about long daily bus rides for their children.

Mr. President, the House-Senate Conference Committee at present is still considering a resolution of differences between this strong, purposeful House measure, and a meaningless Senate amendment that has no real impact on the busing issue.

We, the undersigned Members of the House of Representatives, urge you respectfully to publicly state your intention to veto the Education bill unless the House amendment is fully retained when it reaches your desk.

We pledge our votes to sustain your veto.

We must delay no longer in clarifying this issue. Millions of parents and schoolchildren are still in a state of confusion, awaiting the outcome of court cases on busing, when twice their elected Representatives have made their position clear as to what the outcome should be.

We recognize the especially pressing matters of State occupying you at this particular juncture, both at home and abroad. It is therefore with special appreciation that we thank you, Mr. President, for giving your immediate attention to this matter, and acting upon it as we request.

Respectfully yours,

David Satterfield, Bud Hillis, John H. Rousselot, George A. Goodling, Dawson Mathis, Roger Zion, Del Clawson, Glenn Davis, Bill Ketchum, John Hunt, Bill Young, Philip M. Crane, Robert J. Huber, William F. Walsh, John N. Happy Camp.

Carleton J. King, Louis Frey, Walter E. Powell, Trent Lott, John Y. McCollister, Harold R. Collier, Bo Ginn, Sam Devine, Don Clancy, James R. Grover, Jr., Sam Steiger, Robert W. Daniel, Jr., John Buchanan, Thad Cochran, J. F. Hastings.

Gene Snyder, Gene Taylor, Charles E. Wiggins, Wm. L. Dickinson, Bill Wampler, J. K. Robinson, Jack Edwards, Barry Goldwater, Jr., Victor V. Veysey, David C. Treen, Don Clausen, Bob Wilson, Bill Archer, Wilmer Mizell, Robin Beard.

Jack Brinkley, Ben Blackburn, Robert J. Lagomarsino, Bob Bauman, H. R. Gross, Floyd Spence, Dan Daniel, Robert B. Mathias, James Abdnor, Jack Kemp, Steve Symms, Marjorie S. Holt, J. L. Pettis, Edith Greene, Edward Hutchinson.

Alan Steelman, John J. Duncan, William G. Bray, W. L. Armstrong, Manuel Lujan, Jr., Earl F. Landgrebe, Tennyson Guyer, Bud Shuster, Frank A. Stubblefield, Larry Winn, Jr., Wendell Wyatt, John M. Ashbrook, Lawrence J. Hogan, Charles E. Chamberlain, Joel T. Broyhill, Wm. Broomfield, Dan Kuykendall, Charles Thone, Keith G. Sebelius, C. W. Burgener.

John B. Conlan, Ed Derwinski, John J. Rhodes, L. C. Arends, James M. Collins, Bob Michel, John H. Ware, Burt L. Talcott, Skip Bafalis, Carlos J. Moorhead, Norman F. Lent, John W. Wydler, William B. Widnall, Bill Randall, O. C. Fisher, John T. Myers, G. V. Montgomery, John Paul Hammerschmidt, Jamie L. Whitten, Bob Jones, Jim Martin, John Jarman, Walter B. Jones.

Tim Lee Carter, Bill Scherle, Omar Burleson, Robert G. Stephens, Jr., John J. Flynt, Jr., Earl B. Ruth, W. H. Harsha, Lamar Baker, David Towell, Dale Milford, Robert P. Hanrahan, Stan Parris, Bob Price, Harold V. Froehlich, G. William Whitehurst, James H. Quillen, Benjamin A. Gilman, Charles S. Gubser, Lawrence G. Williams, Guy Vander Jagt.

Edwin D. Eshleman, Thomas N. Downing, James A. Haley, Charles E. Bennett, Joe D. Waggonner, Ja., David N. Henderson, John E. Breaux, Don Fuqua, Bob Casey, Bill Nichols, David R. Bowen, Goodloe E. Byron, Harold Runnels, Olin Teague, W. S. (Bill) Stuckey, Jr., John R. Rarick, Bill Chappell, Jr., Bob Sikes, Tom Bevill, Otto E. Passman, Ed Young, Walter Flowers, John W. Davis.

Mr. WILLIAM L. SCOTT. Mr. President, will the Senator yield?

Mr. ALLEN. I yield.

The PRESIDING OFFICER The Senator's 1 minute has expired.

Mr. ALLEN. I yield myself 1 additional minute.

The PRESIDING OFFICER The Senator is recognized.

Mr. WILLIAM L. SCOTT. Is it not true that even the conference report we have before us is contrary to the express instructions of the House?

Mr. ALLEN. Yes. On three occasions they have instructed the House to stand by the House language. Yes, this conference violates the House instruction.

Mr. WILLIAM L. SCOTT. I might say that in talking last night with Members of the House, they made me aware of that. They indicated the margin by which they had instructed their conferees in this matter was such that regardless of what we do over here, they are not going to agree to the conference report. I think the past vote indicates they will not.

Mr. ALLEN. I thank the Senator for making that point.

Mr. President, I reserve the remainder of my time.

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

Mr. ALLEN. Mr. President, I yield 6 minutes to the Senator from Mississippi.

The PRESIDING OFFICER. The Senator is recognized.

Mr. STENNIS. Mr. President, I certainly thank the Senator for yielding to me.

Naturally, it is a source of great disappointment, and I am not alluding to the act of any particular conference, of course, but it is naturally a source of great disappointment to those of us who have been most vitally affected by this subject matter for years, that key provisions that were overwhelmingly passed by the House and, in substance, were passed by the Senate lacking only one vote, have come back to us now in a form that really does not represent the position of a majority of the House or anything like a majority, and it does not represent, and I say this respectfully, the position of a majority of the Senate.

I do not think there is any other subject matter where a situation such as that could happen or exist; any subject matter of any substance except this matter of busing and the whole idea that goes with the segregation of schools, de facto or otherwise.

Another sad feature about this matter is, and I speak with great deference to the judicial branch of Government, for all these years now, more than 20 years, our Supreme Court has not yet really wrestled with this problem and given a written opinion with some guidance in it that goes to the very heart and thrust of this matter about our school system. I say that with the greatest of deference.

We had the decision of 1954, which threw things into the laps of the trial courts. They have wrestled with this problem and so have the circuit courts of appeal. But in a long 20 years—and 20 years is a long time—we do not yet have, even though there is a case pending there now, a decision by the Supreme Court of the United States on this subject.

Furthermore, Mr. President, outside of the South—and I am not speaking now in sectional terms—but outside of the South, which had these laws with reference to a separate system—with slight exceptions outside of the South there has been no real effort, plan, or pattern to enforce this decision of 1954.

That point has been raised on the floor many times, and some 12 years ago, or possibly 10 years ago, I put in the RECORD the statistics of the official record showing the situation is far worse in States beyond the South, beyond these States that had these special laws as they were in the South then.

And today, I have not heard of any Governor, or any gubernatorial candidate in any of those States, running on a platform to literally enforce the 1954 school case in its broadest terms. There has been no organized effort at the State level. There have been some spotty efforts, but no recognized statewide efforts. It has not been a major issue in any gubernatorial campaign.

With reference to our own colleagues, I do not know of any one, any Member of this body from those States who has run on a platform that "I pledge to try to get all of the schools in my State actually integrated, for all practical purposes actually integrated."

I do not know, there might be some who ran on that kind of ticket, but I have not heard of it, and I do not believe that has helped them.

I am sure there were some platforms that had the idea of enforcing that 1954 decision as to the Southern States, because that has been reflected here so many times in so many votes on the floor of the Senate. Those votes have proven that they are playing a losing game. That vote has gotten closer and closer and closer as the years have come and gone.

As I said, it was by a one-vote margin during this year, this calendar year, that that amendment of which I spoke was lost—but only by a one-vote margin, Mr. President. When those votes were lost in prior years, they were lost——

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. STENNIS. May I have 1 additional minute, Mr. President?

Mr. ALLEN. I yield additional time to the distinguished Senator from Mississippi.

Mr. STENNIS. As I say, those votes used to be lost almost 2-to-1 against our position.

What does that mean? It means that this problem has come home to a degree to other areas. I think in that way, and in that way alone—unless the Supreme Court renders some kind of rule on it—the problem which was forced upon the South will force this thing to an issue. And the sooner the better it will be when we have an adjustment formula of some kind under which all schools will have a better chance to strive for the processes for which they were created, education, rather than to change a social order, which is what they are used for so much now.

I do not want that change to come to any area so suddenly as it was forced on ours, where it destroys the helpless victims, where it destroys the chance of an education to the extent it has in our area, and where we all know the helpless victims were the children.

I think under the House bill as passed it does provide a remedy for all children, regardless of color, regardless of history. It provides a living pattern, at least, for all the States.

Mr. President, I think this ought to be sent back on instructions, as proposed by the Senator from Alabama. It is not going to be solved until we meet this problem more from a national standpoint.

I thank the Senator for yielding.

Mr. ALLEN. I thank the Senator.

The PRESIDING OFFICER. Who yields time?

Mr. PELL. Mr. President, I suggest the absence of a quorum, the time to be equally divided.

The PRESIDING OFFICER. Is there objection?

Mr. ALLEN. I object. I would like for the Senator to use some of his time. We have only 10 minutes remaining.

The PRESIDING OFFICER. Objection is heard.

Mr. ALLEN. Mr. President, I would hate for our 10 minutes to go by with a quorum call.

Mr. PELL. Mr. President, I suggest the absence of a quorum, the time to be on my time.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President——

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. JAVITS. Mr. President, I ask unanimous consent that the proceedings under the quorum call be dispensed with.

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

Mr. JAVITS. Mr. President, may I inquire from the Senator from Rhode Island how much time he has left on his side?

The PRESIDING OFFICER. The Senator has 25 minutes remaining.

Mr. JAVITS. Mr. President, would the Senator yield to me for 10 minutes?

Mr. PELL. Mr. President, the time is at the disposal of the senior Senator from New York, in fact.

Mr. JAVITS. I thank the Senator.

Mr. President, there is an adage in life which says that often people do not know when they have won, and they proceed to press something thereafter and then lose it. I think that is almost true in this case because, having lived with these negotiations on the conference report now for a couple of months, I have gone over again, last night and again just now, what resulted from the conference.

Frankly, I am appalled. I am appalled at myself, that I should feel compelled, in the larger interests of the school bill, to vote for this conference report, considering the provisions which remain in it.

Mr. President, I wish we could, by some trick of time, transpose the arguments in the House, those which will occur during consideration of this conference report here, so that Members might have a look at what they think about it. Let us remember that a conference report is signed by the conferees, among whom are such ardent radicals as Mr. QUIE of Minnesota, and others of similar extreme views.

Let us remember that they will argue, unquestionably, that this represents a very significant success for the House conferees. Frankly, I think they are more right than we are.

Let me say why, rather than just let it stand as a proposition.

What have they conceded, assuming that the House bill is exactly what the proponents of this motion desire? Let us see what they have given up.

Reading from page 34 under "Findings"—and by the way that is one of the things that is the subject of this recommittal motion—they have allowed the Senate to say, "except that the provisions of this title are not intended to modify or diminish the authority of the court of the United States to enforce fully the 5th and 14th amendments to the Constitution of the United States."

Considering what else is in this particular title, that is a very, very small doffing of your hat to what is the established law, yet the recital of which gives some reassurance in view of the enormous ca-

pacity for social instability which is inherent in this particular law, even as it is in the conference report.

Second, Mr. President, in terms of the second point which is raised, the motion omits entirely any attention whatever to very significant gains for the antibusing forces. For example, section 205 expressly spells out what they have always been worried about—that is, that the courts would lend themselves to some kind of racial balance—and expressly says that it shall not constitute a denial of equal educational opportunity or equal protection of the laws if there is no balance in the population of a particular school district.

Again, it accepts the concept of the neighborhood school with a section which says that assignment on a neighborhood basis shall not be considered a denial of equal educational opportunity.

Mr. President, perhaps the most significant gain of all for the House is contained in a matter which is not dealt with, obviously, by the motion to recommit. That is the order of remedies, the priority of remedies.

In the priority of remedies school transportation or busing is not even mentioned. It is not even one of the items of the priority of remedies. But, on the contrary, it is expressly omitted because in that respect the conferees said, "Well, if a court wants to do it, it has to draw on its constitutional power."

Mr. President, in view of our authority to deal with the procedure of courts as contrasted with the basic constitutional questions to which I have just referred, we have listed from A to G in section 214 a whole list of priority of remedies where we do have authority to tell the courts what we want by way of procedure, and none of those is transportation. So the court would have to exhaust all those remedies, all of them written by the House, until it gets to the question of whether, in exercise of its authority under the Constitution, it will order transportation.

Mr. President, when it does order transportation, what do we do? Now we come again to one of the sections which is raised in this particular motion to recommit. We expressly provide that if a condition of segregation has been caused by residential shifts in population, changes within a school district which result from population shifts, then there is no remedy for that. We expressly provide that. We expressly provide, with respect to district lines which a State may draw in subdividing its territory into separate school districts, that they shall not be ignored or altered except where it is established—and that means by the burden of proof—that the lines were drawn for the purpose and had the effect of segregating children among public schools on the basis of race, color, religion, or national origin—in short, an affirmative showing of a violation of the constitutional rights of individuals.

Mr. President, having made that point very clear, that the courts are strictly on their own if they are going to order any transportation, and that this is not not only a remedy of last resort but is not even a remedy specified in the hierarchy of remedies, so much do we want the courts, according to this conference report, to consider that the last possible resort.

Mr. President, what is really the thrust of this motion, therefore, is not transportation, because the movers know as well as we do that the courts being strictly on their own, the order of remedies being expressly stipulated, and this remedy being one of really very last resort, It is very unlikely to be resorted to. There are plenty of objections and plenty of interpositions.

What this motion to recommit is really all about is the question of reopeners and the question of terminating existing orders. It is not really an antibusing proposition, because that is thoroughly cemented into the bill right now, as far as it can be humanly done without running afoul of the Constitution, and as it is, it puts the courts and Congress in a position of confrontation one with the other.

Mr. President, has my time expired?

The PRESIDING OFFICER (Mr. McCLURE). The Senator has 3 minutes remaining.

Mr. JAVITS. It already puts Congress in a confrontation with the courts, but I am not going to argue about that. That is water over the dam, we have agreed.

What this really does is to seek to restore the House reopener provision and the House provision respecting the termination of remedies and, according to the mover of this particular amendment, the limitation on the expenditure of funds.

Let me deal with the last first, because that seems to be a factor, and it should not be.

We agreed in the conference on a prohibition against the use of appropriated funds for busing—the so-called Ashbrook amendment. We agreed to that. The only qualification we put on it was that money which came out of impact aid could be used for this purpose. That was recognized by Representative ASHBROOK, himself, as something which was legitimately necessary, not to those of us who are concerned about these so-called antibusing provisions but to impacted school districts which simply would have to utilize some of those funds for the particular purpose of busing, if they were compelled to do it, based upon all the other provisions of this and other law.

So I think it is fair to say that the limitation against the use of appropriated funds for busing remains substantially intact as it passed the House.

Mr. President, I yield myself 3 additional minutes.

We come now to the two points—the reopener provision and the termination of orders dealing with transportation that have already been entered. Let us see what we did with those.

The House accepted, in a give-and-take compromise, the Senate reopener. That reopener provides that anybody with any interest—parents or guardians of children, and so forth, or an educational agency—may seek to reopen or intervene in the further implementation of a court order if the time or distance of travel is so great as to risk the health of the student or to significantly impinge on his or her educational process. That is a continuing, ongoing right which can be invoked for reopener.

Now we come to termination, which perhaps is the most controversial matter of all. There we have, as I said when I opened this debate, given up the power of a court of equity to sit by where it has entered an equity decree and not make any changes in it unless there are changes of circumstances, and we have allowed termination. That is the essential thrust of what the House wanted. We have allowed termination, provided that the court finds that the defendant agency has satisfied the 5th or 14th amendments, whichever is applicable, and—this is the code which settled the dispute—will continue to be in compliance with the requirements thereof, which requires the court to take a look into the corridor of time and see whether it is likely that the constitutional rights will continue to be granted.

Mr. President, I think it strains the imagination to see how one could do any less than that in giving the power to terminate an equity decree which otherwise would be permanently on the books. It seems to me, and it seemed to the majority of the Senate conferees who dealt with that matter with the greatest reluctance, that this is an eminently reasonable precaution to take in respect of the termination of a permanent equity decree and a right to terminate which was not otherwise available and would not be otherwise available.

In short, Mr. President, the House has been successful, in my judgment, to an overwhelming extent, so much so as to deeply concern people like myself as to whether the whole effort is justified. The essential thrust of what the House wanted is in the bill, the only exception being those elements which have the potential for catastrophic social instability which have been somewhat modified—not even changed, not even withdrawn, but somewhat modified—to wit, the reopener clause and the clause on limitation of orders.

The fundamental thrust of what the House wanted, the use of money for busing, the order of priority in respect of remedies, the fact that racial balance shall not be confused with desegregation according to the Constitution, the allowability of assignment to neighborhood schools, and freedom to draw district lines—all this has been completely reserved without any change in respect of this measure.

The PRESIDING OFFICER. The Senator's additional time has expired.

Mr. JAVITS. I yield myself 2 additional minutes.

Mr. President, considering the enormous consequence of this bill in terms of education, a program indispensable to the education of our children in this country, and its remarkable balance and achievement in all the respects which concern education, the fact that the Senate conferees, who in a sense were a kind of template of the feelings of the Senate, all signed the report, and that Senators DOMINICK, BEALL, and SCHWEIKER, who have very sympathetic views to those

of the movers of this recommittal, in terms of that particular issue, felt that what was accomplished justified their committing their honor and their judgment by signing this report, it seems to me that all those things together certainly should outweigh even the vestiges of reservation, which the movers of the recommittal have.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. JAVITS. I yield myself 1 additional minute.

Mr. President, if this is recommitted, we have opened Pandora's box. So many of these compromise our impact today, and dozens of other things on this bill were all strung together by safety pins and threads.

Mr. President, it will all fall apart, in my judgment, and be disastrous in my view to the cause of education, because as I understand the law, once the conference is recommitted, anything goes and anything is open for consideration and anything can be reconsidered and reiterated and reargued.

The worth of this educational package and its balance is so great that I think that even the balance of convenience is diametrically opposed to rejecting the conference report.

The PRESIDING OFFICER. Who yields time?

Mr. PELL. Mr. President.

The PRESIDING OFFICER. The Senator is recognized.

Mr. PELL. I yield myself a minute.

I believe the Senator from New York has presented articulately and well the arguments in favor of the approval of this conference report.

The fact that it is a compromise as far as the busing issue goes is shown by the fact that those who are very much for busing and those who are very much opposed to busing both disapprove of this bill, each feeling it does not go enough in their direction. When any measure is opposed by the two wings of our body, it would seem to me that measure is a measure of compromise, a middle ground, and should be approved.

That is exactly, from a political viewpoint, what we sought to do in this case.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. ALLEN. Mr. President, I yield myself 4 minutes.

The PRESIDING OFFICER. The Senator is recognized.

Mr. ALLEN. Mr. President, I appreciate the concern of the distinguished Senator from New York for our position with respect to this motion and he voiced the fear that those of us who want to see a strong antiforced-busing position made will lose by the adoption of this motion.

Now, I rather imagine that if that were exactly correct, the distinguished Senator would be joining in the motion rather than opposing it with all of his strength.

Mr. President, in my judgment, the best way to get an education bill, the best way to get this tremendous bill passed, is to agree to the motion to recommit the bill with instructions to our conferees to accept the House provisions with reference to forced busing, and in reference to the matters referred to in other motions.

The distinguished Senator from New York says: "Well, it will unravel everything."

Well, that would hardly seem to be the case because all we would have to do is go in and yield to the House position. That would not seem to cause a great deal of unraveling as the Senator from Alabama sees it.

Mr. President, I have in my hand a letter signed by, as I count them, 146 Members of the House addressed to the President, which was written prior to the approval in conference of the report, and it is pointed out that this same language was passed by the House August 17, 1972, by a vote of 282 to 102, and on March 26 of this year it was passed again by a vote of 293 to 117.

Now, compare the vote here in the Senate, by only one vote we were able to kill this very same House language when it was offered here on the floor of the Senate by the distinguished Senator from Florida (Mr. GURNEY) in the form of an amendment.

So, Mr. President, this letter goes on to say that these 146 Members of the House, more than one-third of the Members, would support a veto by the President of this entire bill if the House language is not agreed to as it regards busing.

Mr. President, this letter states:

> This House action prohibiting busing of a child beyond the second nearest school to that child's home, without nullifying the concept of forced-busing altogether, would bring great relief to both black and white citizens who worry about long daily bus rides for their children.
>
> We must delay no longer in clarifying this issue. Millions of parents and schoolchildren are still in a state of confusion, awaiting the outcome of court cases on busing, when twice their elected Representatives have made their position clear as to what the outcome should be.

So the best way to get this education bill approved by both Houses and signed by the President is to support this motion, that our conferees go back into conference.

It does not kill the bill, far from it, it puts life in the bill if we pass this motion, because do the Senators think the House is going to accept this conference report when they have been voting almost 3 to 1 in favor of their language? Do the Senators think they are going to accept this report?

I believe not. I believe they will turn it down and the bill will be in more danger than it is in at this time here in the Senate.

It seems to me that the best way to get a bill is to approve this motion to recommit.

I reserve the balance of my time.

The PRESIDING OFFICER. Who yields time?

Mr. JAVITS. Mr. President, how much time remains?

The PRESIDING OFFICER. Eight minutes remain to the opponents.

Mr. JAVITS. How much time do the proponents have?

The PRESIDING OFFICER. Two minutes to the proponents, 8 minutes to the opponents.

Mr. JAVITS. All right, I yield 4 minutes.

Mr. MONDALE. Mr. President, I ask unanimous consent that Mr. Bertram W. Carp, a member of my staff, be given the privilege of the floor.

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

Mr. JAVITS. Mr. President, I yield myself 2 minutes.

The PRESIDING OFFICER. The Senator is recognized.

Mr. JAVITS. Mr. President, I wish to make it clear that I am not hoping to win over the proponents of the motion to recommit.

I am addressing myself to those who have to evaluate the motion to recommit as against the total context of the bill, one; and two, as against what is left in the bill of the House position toward this whole question of the transportation of students.

The basic point which I made is that, one, the total context of the bill completely outweighs what ought to be legitimate concerns about this busing question and, second, an analysis of the individual sections which shows that the overwhelming weight of this compromise fell in the House's position, and, after all, our duty as trustees for the Senate and being conferees meant that we had to give some credit and weight to the action of the Senate.

Though the action of the Senate was by close votes, I would hope when we add to that, to those votes, the support of Senators who feel that the educational gains far outweigh whatever they may have given up in respect to the House position, that the weight is very definitely on the side of approving the conference report, and that is the burden of my argument here.

I think it is a question of how Members look at the balance in this bill respecting education and respecting busing, and on both the grounds that the balance is heavily in favor of education and that the balance is also weighted in favor of the House position respecting even busing, that it makes a preponderant case for the rejection of the motion to recommit and the approval of the conference report.

As to the other point which was made, that is, on the question as to whether the whole matter would be open, of course it is. This is just as broad as it is long; just as the Parliamentarian ruled that a point of order cannot be made against a conference report which does not carry out these instructions to the letter, so, on the other side, no point of order can be made if we bring in a conference report which is completely different from this conference report on the educational factor, because once you go back to the conference, everything can be rewritten.

I am arguing that the balance struck, which induced such Senators as Mr. DOMINICK, Mr. BEALL, and Mr. SCHWEIKER to sign the conference report, is a balance which it is very important, in the interests of the Senate, to retain.

The PRESIDING OFFICER (Mr. MCCLURE). Who yields time?

Mr. JAVITS. Mr. President, may we know the state of the time now?

The PRESIDING OFFICER. Four

minutes for the proponents; 5 minutes for the opponents.

Mr. JAVITS. Mr. President, unless the Senator would like to use his time, may I suggest the absence of a quorum?

I suggest the absence of a quorum, and ask unanimous consent that the time be charged equally.

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. ALLEN. 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. ROTH. Mr. President, I support the motion of the Senator from Alabama. It is a well-known fact that the conferees are probusing. They have accepted the Senate language to the point that the guts of the antibusing provision have been removed. The loopholes that have been put in the conference report are big enough to drive a bus through—any bus—and I am not happy about them. For that reason I cannot support the conference report.

Mr. ALLEN. Mr. President, I ask how much time remains to the Senator from Alabama.

The PRESIDING OFFICER. Four minutes—no, 2 minutes is correct.

Mr. ALLEN. I yield myself 1 minute.

Mr. President, I shall try to sum up the issue as I see it. If you favor forced busing of schoolchildren or you are just a little bit against it, then the vote, as the Senator from Alabama sees it, would be no on the motion. If, on the other hand, you are adamantly and unreservedly and strongly against forced busing of schoolchildren, as the Senator from Alabama sees it, you would vote aye on the motion to recommit.

Mr. DOLE. Mr. President.

Mr. JAVITS. Mr. President, how much time do the opponents have remaining?

The PRESIDING OFFICER. One and a half minutes.

Mr. JAVITS. Mr. President, I yield one-half minute to the Senator from Kansas.

Mr. DOLE. I thank the Senator from New York.

Mr. President, on May 20, 1974, during original consideration of the Senate education amendments (S. 1539) I established in a colloquy with the distinguished floor manager of the bill (Mr. PELL) that an exception had been created to eliminate "windfalls" for Public Law 874 school districts.

This was accomplished by permitting States such as Kansas, which have equalization plans in effect, to consider the full amount of impact aid funds as local resources when computing the amount of State aid to be distributed to a certain local educational agency. In the form the bill passed the Senate, then, it was my understanding that the problem of whether, and to what extent, impact aid funds could be counted had been, for the most part, resolved.

Now, with a particular phrase added in conference, the basic issue seems to have been unnecessarily complicated and confused. I refer to what is apparently a limitation on the percentage of Federal impact aid moneys which may, in fact, be taken into account by a State. The pertinent language is:

Provided, That a State may consider as local resources funds received under this title only in proportion to the share that local revenues covered under a State equalization program are of total local revenues.

In seeking to ascertain the origin of this provision, I noted that it had been offered as an amendment on the floor of the House during its consideration of H.R. 69 on March 27, 1974, and rejected. Inasmuch as it was not even considered by the Senate at all, I find it extremely difficult, then, to rationalize its inclusion in the conference report.

There is no necessity at all for this "restrictive" language, and it can only result in a mass of undue confusion when those charged with drafting the appropriate regulations attempt to make an interpretation. Moreover, it will in all likelihood cause some untenable problems for States which must make adjustments to try to accommodate the "ratio" requirements.

The most striking among these problems in Kansas may well be found at Fort Leavenworth, which consists of all Federal property with no locally taxable real estate—and thus, no local revenue for education whatsoever. With the addition of the conference language in question, then, Federal impact aid funds could not be considered at all.

The real injustice, however, will come with the entire State having to subsidize, with increased taxes, windfalls for Public Law 874 school districts which, in turn, will not even be able to lawfully use the overage because of budgetary spending limitations. All this because of language which purports to place limits on State treatment of impact aid payments, notwithstanding the State's efforts to otherwise "equalize."

It seems to me that absent the opportunity to appropriately amend the bill at this point, it is incumbent upon the House to review and reevaluate this provision, and define and clarify its intent. Only then will the Department of Health, Education, and Welfare have the legislative guidelines it needs to avoid some gross inequities and unmanageable regulatory standards to all the "equalization" States which would be affected.

The best way to arrive at that solution, certainly, would be to delete the language in question altogether from the conference report. It is indeed unfortunate that the House conferees insisted on the provision in the first place, and I sincerely hope that they will act to correct the confusion and forestall the potential adverse ramifications when the report is before that body.

Mr. JAVITS. I yield myself 1 minute.

Mr. President, to sum up our position, this is not, as we judge it, a motion to recommit on busing. Everything that the House wanted to do has been done. This is a motion to recommit on the reopener clause.

On that, Mr. President, our feeling is that the compromise avoids what could be the gravest danger of social instability by the fact that that reopener clause would be a confrontation with the Supreme Court of the United States and an extraordinarily unstabilizing element to those who are the victims, who were for years the victims of discrimination in school attendance.

For those reasons, Mr. President, we hope that the motion will be rejected.

The PRESIDING OFFICER. All time on the motion has expired.

Mr. ALLEN. Mr. President, I call for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to recommit with instructions. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. GRIFFIN. I announce that the Senator from Okahoma (Mr. BELLMON), the Senator from Hawaii (Mr. FONG), and the Senator from Oregon (Mr. PACKWOOD) are necessarily absent.

The result was announced—yeas 42, nays 55, as follows:

[No. 328 Leg.]

YEAS—42

Allen	Eastland	Long
Baker	Ervin	McClellan
Bartlett	Fannin	McClure
Bennett	Goldwater	Nunn
Bentsen	Gravel	Proxmire
Brock	Griffin	Roth
Buckley	Gurney	Scott,
Byrd,	Hansen	William L.
Harry F., Jr.	Hartke	Sparkman
Byrd, Robert C.	Haskell	Stennis
Chiles	Helms	Talmadge
Cook	Hollings	Thurmond
Cotton	Hruska	Tower
Curtis	Huddleston	Young
Dole	Johnston	

NAYS—55

Abourezk	Hathaway	Nelson
Aiken	Hughes	Pastore
Bayh	Humphrey	Pearson
Beall	Inouye	Pell
Bible	Jackson	Percy
Biden	Javits	Randolph
Brooke	Kennedy	Ribicoff
Burdick	Magnuson	Schweiker
Cannon	Mansfield	Scott, Hugh
Case	Mathias	Stafford
Church	McGee	Stevens
Clark	McGovern	Stevenson
Cranston	McIntyre	Symington
Domenici	Metcalf	Taft
Dominick	Metzenbaum	Tunney
Eagleton	Mondale	Weicker
Fulbright	Montoya	Williams
Hart	Moss	
Hatfield	Muskie	

NOT VOTING—3

Bellmon	Fong	Packwood

So the motion by Mr. ALLEN to recommit the conference report was rejected.

The PRESIDING OFFICER. The question recurs on the adoption of the conference report. The yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Alabama (Mr. SPARKMAN) is necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from Hawaii (Mr. FONG), and the Senator from Oregon (Mr. PACKWOOD) are necessarily absent.

I further announce that, if present and voting, the Senator from Hawaii (Mr. FONG) would vote "yea."

The result was announced—yeas 81, nays 15, as follows:

[No. 329 Leg.]

YEAS—81

Abourezk	Gravel	Mondale
Aiken	Hart	Montoya
Baker	Hartke	Moss
Bartlett	Haskell	Muskie
Bayh	Hatfield	Nelson
Beall	Hathaway	Nunn
Bennett	Hollings	Pastore
Bentsen	Hruska	Pearson
Bible	Huddleston	Pell
Biden	Hughes	Percy
Brock	Humphrey	Proxmire
Burdick	Inouye	Randolph
Byrd, Robert C.	Jackson	Ribicoff
Cannon	Javits	Schweiker
Case	Johnston	Scott, Hugh
Chiles	Kennedy	Stafford
Church	Long	Stevens
Clark	Magnuson	Stevenson
Cotton	Mansfield	Symington
Cranston	Mathias	Taft
Curtis	McClellan	Talmadge
Dole	McClure	Thurmond
Domenici	McGee	Tower
Dominick	McGovern	Tunney
Eagleton	McIntyre	Weicker
Ervin	Metcalf	Williams
Fulbright	Metzenbaum	Young

NAYS—15

Allen	Eastland	Helms
Brooke	Fannin	Roth
Buckley	Goldwater	Scott, William L.
Byrd, Harry F., Jr.	Griffin	Stennis
Cook	Gurney	
	Hansen	

NOT VOTING—4

Bellmon	Packwood	Sparkman
Fong		

So the conference report was agreed to.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House disagrees to the amendmentts of the Senate 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; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. WHITTEN, Mr. SHIPLEY, Mr. EVANS of Colorado, Mr. BURLISON of Missouri, Mr. NATCHER, Mr. SMITH of Iowa, Mr. CASEY of Texas, Mr. MAHON, Mr. ANDREWS of North Dakota, Mr. MICHEL, Mr. SCHERLE, Mr. ROBINSON of Virginia, and Mr. CEDERBERG were appointed managers of the conference on the part of the House.

ENROLLED BILL SIGNED

The message also announced that the Speaker has affixed his signature to the enrolled bill (S. 39) to amend the Federal Aviation Act of 1958 to implement the Convention for the Suppression of Unlawful Seizure of Aircraft; to provide a more effective program to prevent aircraft piracy; and for other purposes.

The PRESIDENT pro tempore subsequently signed the enrolled bill.

REAL ESTATE SETTLEMENT PROCEDURES ACT OF 1974

The PRESIDING OFFICER. Under the previous order, the pending business is S. 3164, which will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 3164) to provide for greater disclosure of the nature and costs of real estate settlement services, to eliminate the payment of kickbacks and unearned fees in connection with settlement service provided in federally related mortgage transactions, and for other purposes.

Mr. GRIFFIN. Mr. President, will the distinguished Senator from Tennessee, who has control of the time, yield to me for a moment?

Mr. BROCK. I yield.

ORDER OF BUSINESS

Mr. GRIFFIN. Mr. President, I should like to ask the distinguished majority leader what information he may be able to give the Senate concerning the program for the remainder of the day and for the remainder of the week.

INDEPENDENT SPECIAL PROSECUTOR ACT OF 1973

Mr. MANSFIELD. First, Mr. President, I ask unanimous consent that Calendar No. 573, S. 2611, be transferred from "General Orders" to "Subjects on the Table."

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

EXTENSION OF SELECT COMMITTEE ON NUTRITION AND HUMAN NEEDS

Mr. MANSFIELD. Second, Mr. President, I ask unanimous consent that Calendar No. 606, Senate Resolution 154, be indefinitely postponed.

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

PROGRAM

Mr. MANSFIELD. Third, Mr. President, the pending business is the Real Estate Settlement Procedures Act of 1974, which hopefully we will finish this afternoon.

Then, of course, we have the consumer advocacy bill, S. 707.

Tomorrow, we will take up the bill having to do with juvenile justice, and hopefully we will be able to follow that with Calendar No. 975, the bill to amend the Rail Passenger Service Act of 1970.

RECLASSIFICATION OF DEPUTY U.S. MARSHALS

Mr. MANSFIELD. At this time, Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 981, H.R. 5094.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 5094) to amend title 5, United States Code, to provide for the reclassification of positions of deputy United States Marshal, 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 Post Office and Civil Service with an amendment:

On page 2, beginning at line 9, strike out the following language:

SEC. 2. (a) Effective on the effective date of this section, a deputy United States marshal on the rolls on such date to whom the amendment made by the first section of this Act applies, shall be converted, as follows, follows, except that each deputy marshal who was reclassified as the result of new classification standards approved June 15, 1973, shall be converted, as the result of the enactment of this Act, to a step of a grade no higher than the step of the grade he would have been placed in if the effective date of this section had been a date immediately preceding June 15, 1973.

And insert in lieu thereof the following language:

SEC. 2. (a) Effective on the effective date of this section, a nonsupervisory deputy United States Marshal on the rolls on such date to which the amendments made by the first section of this Act apply, shall be converted as follows, except that each nonsupervisory deputy marshal (1) who was reclassified as the result of new classification standards approved June 15, 1973, shall be converted to that step and grade which he would have received had this Act applied to him on the date immediately preceding the reclassification action, or (2) who was appointed to a position classified under the classification standards approved June 15, 1973, shall be converted to that step and grade which he would have received had his position been classified under the classification standards which were in effect before June 15, 1973;

The amendment was agreed to.

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

The bill was read the third time, and passed.

PROGRAM

Mr. MANSFIELD. Continuing, Mr. President, is it anticipated that Calendar No. 985, a bill to amend and extend the Export Administration Act of 1969, will be taken up on Monday or Tuesday. Hopefully, by that time the House will have passed its bill. There is an expiration date, which is on Wednesday next.

Later this afternoon, we may get some idea from the Senator from Wisconsin (Mr. PROXMIRE) whether or not we will be able to take up S. 2125 today.

In addition, on Thursday next, a week from tomorrow, we will take up an act to amend the Atomic Energy Act, and the distinguished assistant majority leader will, at an appropriate time, propose a time limitation to the Senate.

The full Appropriations Committee today is marking up the Treasury appropriations bill, we hope to have that ready for Monday. A cloture motion will be filed by the Senator from Connecticut (Mr. RIBICOFF) on tomorrow. When that is done—or maybe it will be done this afternoon—unanimous consent will be asked to have the vote occur on Tuesday next at the hour of 1 o'clock, I believe.

So, the way it is shaping up—and I have been a little haphazard in what I have been saying—is this: If we finish what we contemplate finishing today and tomorrow, there will be no Friday session.

Mr. GRIFFIN. I thank the majority leader.

Senators should be aware of the fact that unanimous consent will be asked for

the vote on cloture on Tuesday rather than at a time certain, as I understand it, so that if there is any objection or concern about it, they ought to let it be known to the leadership.

So far as I am concerned, I think that is a good arrangement.

Mr. MANSFIELD. From what I can see, it is agreeable.

Mr. ALLEN. Would the Senator yield?

Mr. MANSFIELD. Yes, indeed.

Mr. ALLEN. Is it contemplated that S. 707 will come up this afternoon for any additional discussion?

Mr. MANSFIELD. No.

Mr. ALLEN. I thank the Senator.

REAL ESTATE SETTLEMENT PROCEDURES ACT OF 1974

The Senate resumed the consideration of the bill (S. 3164) to provide for greater disclosure of the nature and costs of real estate settlement services, to eliminate the payment of kickbacks and unearned fees in connection with settlement service provided in federally related mortgage transactions, and for other purposes.

The PRESIDING OFFICER. Under the previous order, the Chair recognizes the Senator from Maine (Mr. HATHAWAY).

Mr. HATHAWAY. Mr. President, I ask unanimous consent that my amendments Nos. 1601, 1602, 1603 and 1604 may be considered en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report the amendments.

The legislative clerk proceeded to read the amendments.

Mr. HATHAWAY. Mr. President, I ask unanimous consent that further reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendments will be printed in the RECORD.

The amendments are as follows:

On page 20, in line 4, delete the semicolon and add the following: ", including, where practicable, the average amount of such costs in the county where the settlement is made.".

On page 21, in line 10, delete "ten" and insert in lieu thereof "fifteen".

On page 22, line 20, delete "ten" and insert in lieu thereof "fifteen".

On page 22, after line 20, add the following: "In issuing such regulations, the Secretary shall take into account the need to protect the borrower's right to a timely disclosure.".

On page 28, line 2, delete "and", insert the follow new paragraph, and renumber paragraph (3) as paragraph (4):

"(3) recommendations on the desirability of the Secretary establishing procedures to provide to the borrower and seller all clerical and administrative services incident to or a part of a real estate settlement which may be allowed in connection with the financing of housing constructed, purchased, or rehabilitated with the assistance of Federal related mortgage loans; and".

Mr. HATHAWAY. Mr. President, I modify my amendment No. 1601 to have the word "county" on line 3 deleted and the word "region" put in its place, and I send that modification to the desk.

The PRESIDING OFFICER. The amendment is so modified.

Mr. HATHAWAY. Mr. President, I would like to make a statement on each of these amendments.

The first one would call upon the Secretary, where practicable, to include in the booklet that is called for by the bill the average amount of the settlement costs in the region where the settlement is going to be made. I think that it would be extremely helpful to know what the average costs are in that area as well as knowing all items of cost that may be incurred in a real estate settlement.

With respect to amendment No. 1602, the reason for the request to extend the 10-day notice period on settlement cost to 15 days is to cover the situation where the borrower finds that he is not in agreement with the settlement costs given to him by the lender's attorney or the title insurance company and he will need some additional time in which to find another title company or another attorney that will do the job for him at a more reasonable rate.

Once he finds this attorney or title company, then that party, of course, will need some time to perform the services and since he is already obligated to the seller to close the transaction by a certain date, then I think this additional time could be needed in many circumstances.

With regard to amendment No. 1603, this is inserted at the end of line 20 on page 22, simply to exhort the Secretary in promulgating regulations with respect to the waiver of the 10-day notice requirement of settlement costs to be sure to take into account the need to protect the borrower's right to timely disclosure.

The borrower may be in a position, and oftentimes is, where he could easily be coerced into signing a waiver at the last minute in order to put through the loan and be able to buy the property.

We do not want to see any buyer placed in that position and this amendment is simply to exhort the Secretary to consider that factor when he puts out his regulations on this matter.

The final amendment, No. 1604, is simply to require the Secretary if he finds that some kind of a fee regulation is in order to consider a recommendation which I offered in the committee in this regard, and I ask unanimous consent that that amendment which was offered in committee and the explanation thereof be included at this point in the RECORD.

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

(a) The Secretary, in consultation with the Administrator of Veterans Affairs, the Administrator of the Farmers Home Administration, the Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board, shall, within 180 days following the date of enactment, establish precedures to provide to the borrower and seller all services incident to or a part of a real estate settlement which may be allowed in connection with the financing of housing constructed, purchased, or rehabilitated with the assistance of federally related mortgage loans.

(b) The Secretary is authorized to contract with private attorneys and other justified persons qualified to provide such services when he can demonstrate that this will lower the overall cost of providing such services.

(c) The Secretary is authorized to charge a reasonable fee for services provided under this section.

(d) Nothing in this section shall be construed to bar any person from contracting with an attorney or other qualified individual for the purposes of providing services incident to or part of a real estate settlement.

EXPLANATION

In large proportion, the high costs involved in real estate settlements result from two factors:

a. the provision of clerical and administration work, as well as professional services, by law firms and private companies with high overhead costs; and

b. the lack of any effort by HUD to obtain such services for the borrower and seller at the lowest possible cost.

This amendment seeks to remedy the problem of high cost by giving HUD direct authority to administer real estate settlements in federally related mortgage transactions. Specifically, it would do the following:

a. Require that all clerical and administrative work, including preparation and typing of forms and obtaining of routine information, be performed directly by personnel in HUD offices, at a lower cost overall.

b. Authorize and direct HUD to negotiate with private attorneys and other persons qualified to perform services required in connection with a real estate settlement for the purpose of obtaining the lowest possible rates for such services. HUD is directed to do this with respect to professional and other related services for which a substantial fee may be imposed, including such things as title search, attorney fees, survey and origination fee. In addition, the Secretary is authorized to negotiate with title insurance companies to bring down the premium rates where title insurance is included as a closing cost, as it is in most states. Since the negotiations would reach down to the local level, where real estate transactions are handled, this procedure would automatically allow for any necessary regional variation in rates.

The amendment authorizes the Secretary of HUD to charge a reasonable fee for all settlement services provided. This means that there would be no additional cost to the Federal government arising from the direct administration of real estate settlements.

Finally, the amendment preserves the right of any borrower or seller involved in a mortgage transaction to obtain and pay for his own attorney or other qualified person to handle any or all of the work involved in his real estate settlement, if he chooses to do so. So long as the person is willing to assume the additional cost burden that may be involved, he is free to contract for those services on his own.

Mr. HATHAWAY. Mr. President, I have discussed this matter with the Senator from Tennessee and I believe he is willing to accept these amendments as modified. I want to extend to him my appreciation for his doing so, and I want to commend him on the work he has done on this bill.

It is much needed legislation and I will be glad to support it in the vote on final passage.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. BROCK. Mr. President, I appreciate the Senator's remarks. He has been a strong supporter of this bill of mine and I have great pride in it; I think it is a remarkably good piece of legislation.

I have studied the Senator's amend-

ments. I am prepared to accept them and take them to conference. I am not sure, but I think the intention of the amendment is sound and I would ask that the amendments be approved.

Mr. HATHAWAY. Mr. President, I yield back the balance of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendments en bloc.

The amendments were agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

AMENDMENT NO. 1557

Mr. BURDICK. Mr. President, I call up my amendment (No. 1557) to S. 3164.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

On page 28, strike lines 24 and 25, and on page 29, strike lines 1 through 4, and insert in place thereof the following:

SEC. 12. Any action to recover damages pursuant to the provisions of section 6 or 7 shall be brought only in a State court of competent jurisdiction in the State in which the property involved is located within one year from the date of the occurrence of the violation.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. BURDICK. Mr. President, under the bill, lenders are required to make advance disclosure of the settlement costs in real estate transactions, and there is also a prohibition against any kickbacks between lenders and attorneys, title companies, or others involved in settlement activities. The bill provides that persons not making disclosure as required in the act or engaging in kickbacks will be subject to an action for damages by any person affected by these activities.

The purpose of this legislation is to correct certain deficiencies in real estate settlement services which are detrimental to home owners and home buyers. Section 12 of the bill provides concurrent jurisdiction in the State and Federal courts for any action to recover damages for the failure to disclose or for kickbacks made in violation of sections 6 and 7 of the bill. However, since this act essentially is intended to correct deficiencies in real estate transactions, which are primarily regulated by State law, I do not think that it is necessary or appropriate that these actions be heard in the Federal district courts. The Federal courts are already seriously burdened with a very large volume of important cases involving matters of antitrust, the environment, securities laws, reviewing the actions of Federal regulatory agencies, and other matters of national scope and consequence. The violations which this act is designed to prohibit would be local in nature and, therefore, can appropriately be heard in the State courts. In addition, the requirements for disclosure and the prohibition against kickbacks are clearly spelled out in the legislation and the accompanying committee report so that enforcement of this legislation in the State courts will not impose any difficult burden of legal interpretation on the State court judges.

Finally, the limitation on jurisdiction that I am recommending here has a precedent in the recently passed no-fault legislation, S. 354. Section 112 of that bill limited jurisdiction for damages on a no-fault claim to the State courts.

For all of these reasons, I hope that the Senate will accept this amendment to S. 3164, the real estate settlement costs bill.

All this does, Mr. President, is place the jurisdiction for any violations of this Act in the State courts. In the first place, these transactions are local in nature. They take place in localities; the damages are $500 or actual damages, whichever may be greater, and I presume in most cases, it would be about $500.

It seems that we should follow the precedent that we establish here in no-fault, that these are local in nature and therefore should be handled by the local courts and not burden the Federal courts.

Mr. BROCK. Mr. President, if the Senator will yield, I would like first to congratulate him on the work he has done. I think it is worthy of note, in terms of the problem, that we have a substantial caseload in our Federal court system and the Senator's efforts to relieve at least part of that burden are noteworthy.

I am prepared to accept the amendment. I wish he had offered it on the previous legislation. I would have been glad to support it there, too, but he has seen fit to offer it on this bill.

Mr. BURDICK. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing on the amendment of the Senator from North Dakota.

The amendment was agreed to.

Mr. BROCK. Mr. President, I know of no further amendments. Before we go to third reading, I would like to express my gratitude to this body and to my colleagues, particularly, on the Committee on Banking, Housing and Urban Affairs, for their support of this legislation. I honestly and truly believe that this is enormously needed, and that it is the finest kind of consumer protection legislation.

The bill requires a uniform settlement statement. It requires that the consumer be told the types of costs that might be included in the final settlement, with a special information booklet distributed by HUD.

The bill provides for advance disclosure of all settlement costs, as now modified, 15 days before the final closing. It prohibits kickbacks on fees. There is a limitation on the requirement for advanced deposit to escrow accounts. It establishes a demonstration basis for land parcel recordation systems. It requires a report of the Secretary on the necessity for further congressional action.

Mr. President, I authored this bill some time ago. I have labored long for its passage, and I feel very strongly that we have accomplished much. I hope that it will soon be agreed to by our colleagues in the other body.

I might add one footnote. That is with regard to the amendment offered by the Senator from Wisconsin. I understand clearly and completely his concern. We did not agree on his amendment. We did not agree as to whether or not it would have effect. I do not believe its effect would be constructive. But the will of the Senate was to the contrary.

With or without that amendment, this bill is necessary and is needed in law. I am privileged to present it to the Senate today, and urge that it be passed.

I have no further requests for time.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The amendment was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

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

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

Do the Senators yield back their time?

Mr. BROCK. I yield back my time.

The PRESIDING OFFICER. The question is, Shall the bill pass?

Mr. MANSFIELD. Mr. President, have we reached third reading?

The PRESIDING OFFICER. Yes.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PROXMIRE. 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. PROXMIRE. Mr. President, I think the country is fortunate in having this bill on closing costs passed. It is a bill that the Banking Committee worked hard on. It is a bill that meets an enormously expensive problem for the American consumer. Some $14 billion are involved in closing costs every year and, of course, with that much at stake in, perhaps, the most troubled industry we have, an industry that has been hit the hardest by high interest rates, a bill of this type which will prevent excessive closing costs is most timely.

As I say it hits the area where inflation and interest rates have hit the hardest.

Mr. President, I would particularly like to pay tribute to the distinguished Senator from Tennessee (Mr. BROCK) who worked very, very hard on this bill, and it is really his bill, as far as this Senator is concerned.

There is one section of it where we had a disagreement, but that has been worked out, and I think he deserves a great deal of credit for having developed this bill, worked it through the subcommittee, the committee, and now through the Senate, and we hope into enactment.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The bill having been read the third time the question is shall it pass?

The bill (S. 3164) was passed, as follows:

S. 3164

An act to provide for greater disclosure of the nature and costs of real estate settlement services, to eliminate the payment of kickbacks and unearned fees in connection with settlement services provided in federally related mortgage transactions, and for other purposes

Be it enacted by the Senate and House of

Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Real Estate Settlement Procedures Act of 1974".

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds that significant reforms in the real estate settlement process are needed to insure that consumers throughout the Nation are provided with greater and more timely information on the nature and costs of the settlement process and are protected from unnecessarily high settlement charges caused by certain abusive practices that have developed in some areas of the country. The Congress also finds that it has been over two years since the Secretary of Housing and Urban Development and the Administrator of Veterans' Affairs submitted their joint report to the Congress on "Mortgage Settlement Costs" and that the time has come for the recommendations for Federal legislative action made in that report to be implemented.

(b) It is the purpose of this Act to effect certain changes in the settlement process for residential real estate that will result—

(1) in more effective advance disclosure to home buyers and sellers of settlement costs;

(2) in the elimination of kickbacks or referral fees that tend to increase unnecessarily the costs of certain settlement services;

(3) in a reduction in the amounts home buyers are required to place in escrow accounts established to insure the payment of real estate taxes and insurance; and

(4) in significant reform and modernization of local recordkeeping of land title information.

DEFINITIONS

SEC. 3. For purposes of this Act—

(1) the term "federally related mortgage loan" includes any loan which—

(A) is secured by residential real property (including individual units of condominiums and cooperatives) designed principally for the occupancy of from one to four families; and

(B) (i) is made in whole or in part by any lender the deposits or accounts of which are insured by any agency of the Federal Government or is made in whole or in part by any lender which is regulated by any agency of the Federal Government; or

(ii) is made in whole or in part, or insured, guaranteed, supplemented, or assisted in any way, by the Secretary or any other officer or agency of the Federal Government or under or in connection with a housing or urban development program administered by the Secretary or a housing or related program administered by any other such officer or agency; or

(iii) is eligible for purchase by the Federal National Mortgage Association, the Government National Mortgage Association, or the Federal Home Loan Mortgage Corporation, or from any financial institution from which it could be purchased by the Federal Home Loan Mortgage Corporation; or

(iv) is made in whole or in part by any "creditor" as defined in section 103(f) of the Consumer Credit Protection Act (15 U.S.C. 1602(f)), who makes or invests in residential real estate loans aggregating more than $1,000,000 per year;

(2) the term "thing of value" includes any payment, advance, funds, loan, service, or other consideration;

(3) the term "settlement services" includes any service provided in connection with a real estate settlement including, but not limited to, the following: title searches, title examinations, the provision of title certificates, title insurance, services rendered by an attorney, the preparation of documents, property surveys, the rendering of credit reports or appraisals, pest and fungus inspections, services rendered by a realtor, and the handling of the processing, and closing or settlement; and

(4) the term "Secretary" means the Secretary of Housing and Urban Development.

SEC. 4. The Secretary, in consultation with the Administrator of Veterans' Affairs, the Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board, shall develop and prescribe a standard form for the statement of settlement costs which shall be used (with such minimum variations as may be necessary to reflect unavoidable difference in legal and administrative requirements or practices in different areas of the country) as the standard real estate settlement form in all transactions in the United States which involve federally related mortgage loans. Such form shall conspicuously and clearly itemize all charges imposed upon the borrower and all charges imposed upon the seller in connection with the settlement and shall indicate whether any title insurance premium included in such charges covers or insures the lender's interest in the property, the borrower's interest, or both. Such form shall include all information and data required to be provided for such transactions under the Truth in Lending Act and the regulations issued thereunder by the Federal Reserve Board, and may be used in satisfaction of the disclosure requirements of that Act, and shall also include provision for execution of the waiver allowed by section 6(c).

SPECIAL INFORMATION BOOKLETS

SEC. 5. (a) The Secretary shall prepare and distribute booklets to help persons borrowing money to finance the purchase of residential real estate better to understand the nature and costs of real estate settlement services. The Secretary shall distribute such booklets to all lenders which make federally related mortgage loans.

(b) Each booklet shall be in such form and detail as the Secretary shall prescribe and, in addition to such other information as the Secretary may provide, shall include in clear and concise language—

(1) a description and explanation of the nature and purpose of each cost incident to a real estate settlement, including, where practicable, the average amount of such costs in the region where the settlement is made;

(2) an explanation and sample of the standard real estate settlement form developed and prescribed under section 4;

(3) a description and explanation of the nature and purpose of escrow accounts when used in connection with loans secured by residential real estate;

(4) an explanation of the choices available to buyers of residential real estate in selecting persons to provide necessary services incident to a real estate settlement; and

(5) an explanation of the unfair practices and unreasonable or unnecessary charges to be avoided by the prospective buyer with respect to a real estate settlement.

Such booklets shall reflect differences in real estate settlement producers which may exist among the several States and territories of the United States and among separate political subdivisions within the same State and territory.

(c) Each lender referred to in subsection (a) shall provide the booklet described in such subsection to each person from whom it receives an application to borrow money to finance the purchase of residential real estate. Such booklet shall be provided at the time of receipt of such application.

(d) Booklets may be printed and distributed by lenders if their form and content are approved by the Secretary as meeting the requirements of subsection (b) of this section.

ADVANCE DISCLOSURE OF SETTLEMENT COSTS

SEC. 6. (a) Any lender agreeing to make a federally related mortgage loan shall provide or cause to be provided to the prospective borrower, to the prospective seller, and to any officer or agency of the Federal Government proposing to insure, guarantee, supplement, or assist such loan, at least fifteen days prior to settlement, upon the standard real estate settlement form developed and prescribed under section 4 and in accordance with regulations prescribed by the Secretary, an itemized disclosure in writing of each charge arising in connection with such settlement. For the purposes of complying with this section, it shall be the duty of the lender agreeing to make the loan to obtain or cause to be obtained from persons who provide or will provide services in connection with such settlement the amount of each charge they intend to make. In the event the exact amount of any such charge is not available, a good faith estimate of such charge may be provided.

(b) If any lender fails to provide a prospective borrower with the disclosure as required by subsection (a), it shall be liable to such borrower in an amount equal to—

(1) the actual damages involved or $500, whichever is greater, and

(2) in the case of any successful action to enforce the foregoing liability, the costs of the action together with a reasonable attorney's fee as determined by the court;

except that a lender may not be held liable for a violation in any action brought under this subsection if it shows by a preponderance of the evidence that the violation was not intentional and resulted from a bona fide error notwithstanding the maintenance of procedures adopted to avoid any such error.

(c) The provisions of subsection (a) shall be deemed to be satisfied with respect to any settlement involving a federally related mortgage loan if the disclosure required by subsection (a) is provided at any time prior to settlement and the prospective borrower executes, under terms and conditions prescribed by regulations to be issued by the Secretary after consultation with the Federal Reserve Board, a waiver of the requirement that the disclosure be provided at least fifteen days prior to such settlement. In issuing such regulations, the Secretary shall take into account the need to protect the borrower's right to a timely disclosure.

(d) With respect to any particular transaction involving a federally related mortgage loan, no borrower shall maintain an action or separate actions against any lender under both the provisions of this section and the provisions of section 130 of the Consumer Credit Protection Act (15 U.S.C. 1640).

PROHIBITION AGAINST KICKBACKS AND UNEARNED FEES

SEC. 7. (a) No person shall give and no person shall accept any fee, kickback, or thing of value pursuant to any agreement or understanding, oral or otherwise, that business incident to or a part of a real estate settlement involving a federally related mortgage loan shall be referred to any person.

(b) No person shall give and no person shall accept any portion, split, or percentage of any charge made or received for the rendering of a real estate settlement service in connection with a transaction involving a federally related mortgage loan other than for services actually performed.

(c) Nothing in this section shall be construed as prohibiting (1) the payment of a fee (A) to attorneys at law for services actually rendered or (B) by a title company to its duly appointed agent for services actually performed in the issuance of a policy of title insurance or (C) by a lender to its duly appointed agent for services actually performed in the making of a loan, or (2) the payment to any person of a bona fide salary or compensation or other payment for goods or facilities actually furnished or for services actually performed.

(d) (1) Any person or persons who violate the provisions of this section shall be fined not more than $10,000 or imprisoned for not more than one year, or both.

(2) In addition to the penalties provided by paragraph (1) of this subsection, any person or persons who violate the provisions of subsection (a) shall be jointly and severally liable to the person or persons whose business has been referred in an amount equal to three times the value or amount of the fee or thing of value, and any person or persons who violate the provisions of subsection (b) shall be jointly and severally liable to the person or persons charged for the settlement services involved in an amount equal to three times the amount of the portion, split, or percentage. In any successful action to enforce the liability under this paragraph, the court may award the costs of the action together with a reasonable attorney's fee as determined by the court.

LIMITATION ON REQUIREMENT OF ADVANCE DEPOSITS IN ESCROW ACCOUNTS

SEC. 8. No lender, in connection with a federally related mortgage loan, shall require the borrower or prospective borrower—

(1) to deposit in any escrow account which may be established in connection with such loan for the purpose of assuring payment of taxes and insurance premiums with respect to the property, prior to or upon the date of settlement, an aggregate sum (for such purpose) in excess of—

(A) in any jurisdiction where such taxes and insurance premiums are postpaid, the total amount of such taxes and insurance premiums which will actually be due and payable on the date of settlement and the pro rata portion thereof which has accrued, or

(B) in any jurisdiction where such taxes and insurance premiums are prepaid, a pro rata portion of the estimated taxes and insurance premiums corresponding to the number of months from the last date of payment to the date of settlement,
plus one-twelfth of the estimated total amount of such taxes and insurance premiums which will become due and payable during the twelve-month period beginning on the date of settlement; or

(2) to deposit in any such escrow account in any month beginning after the date of settlement a sum (for the purpose of assuring payment of taxes and insurance premiums with respect to the property) in excess of one-twelfth of the total amount of the estimated taxes and insurance premiums which will become due and payable during the twelve-month period beginning on the first day of such month, except that in the event the lender determines there will be a deficiency on the due date he shall not be prohibited from requiring additional monthly deposits in such escrow account of pro rata portions of the deficiency corresponding to the number of months from the date of the lender's determination of such deficiency to the date upon which such taxes and insurance premiums become due and payable.

ESTABLISHMENT ON DEMONSTRATION BASIS OF LAND PARCEL RECORDATION SYSTEM

SEC. 9. The Secretary shall establish and place in operation on a demonstration basis, in representative political subdivisions (selected by him) in various areas of the United States, a model system or systems for the recordation of land title information in a manner and form calculated to facilitate and simplify land transfers and mortgage transactions and reduce the cost thereof, with a view to the possible development (utilizing the information and experience gained under this section) of a nationally uniform system of land parcel recordation.

REPORT OF THE SECRETARY ON NECESSITY FOR FURTHER CONGRESSIONAL ACTION

SEC. 10. (a) The Secretary, after consultation with the Administrator of Veterans' Affairs, the Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board, and after such study, investigation, and hearings (at which representatives of consumers groups shall be allowed to testify) as he deems appropriate, shall, not less than three years nor more than five years from the effective date of this Act, report to the Congress on whether, in view of the implementation of the provisions of this Act imposing certain requirements and prohibiting certain practices in connection with real estate settlements, there is any necessity for further legislation in this area.

(b) If the Secretary concludes that there is necessity for further legislation, he shall report to the Congress on the specific practices or problems that should be the subject of such legislation and the corrective measures that need to be taken. In addition, the Secretary shall include in his report—

(1) recommendations on the desirability of requiring lenders of federally related mortgage loans to bear the costs of particular real estate settlement services that would otherwise be paid for by borrowers;

(2) recommendations on whether Federal regulation of the charges for real estate settlement services in federally related mortgage transactions is necessary and desirable, and, if he concludes that such regulation is necessary and desirable, a description and analysis of the regulatory scheme he believes Congress should adopt;

(3) recommendations on the desirability of the Secretary establishing procedures to provide to the borrower and seller all clerical and administrative services incident to or a part of a real estate settlement which may be allowed in connection with the financing of housing constructed, purchased, or rehabilitated with the assistance of Federal related mortgage loans; and

(4) recommendations on the ways in which the Federal Government can assist and encourage local governments to modernize their methods for the recordation of land title information, including the feasibility of providing financial assistance or incentives to local governments that seek to adopt one of the model systems developed by the Secretary in accordance with the provisions of section 9 of this Act.

FEE FOR PREPARATION OF TRUTH-IN-LENDING AND UNIFORM SETTLEMENT STATEMENTS

SEC. 11. No fee shall be imposed or charge made upon any other person (as a part of settlement costs or otherwise) by a lender in connection with a federally related mortgage loan made by it (or a loan for the purchase of a mobile home), for or on account of the preparation and submission by such lender of the statement or statements required (in connection with such loan) by sections 4 and 6 of this Act or by the Truth in Lending Act.

JURISDICTION OF COURTS

SEC. 12. Any action to recover damages pursuant to the provisions of section 6 or 7 shall be brought only in a State court of competent jurisdiction in the State in which the property involved is located within one year from the date of the occurrence of the violation.

VALIDITY OF CONTRACTS AND FEES

SEC. 13. Nothing in this Act shall affect the validity or enforceability of any sale or contract for the sale of real property or any loan, loan agreement, mortgage, or lien made or arising in connection with a federally related mortgage loan.

EFFECTIVE DATE

SEC. 14. The provisions of this Act, and the amendments made thereby, shall become effective one hundred and eighty days after the date of the enactment of this Act.

AGENCY FOR CONSUMER ADVOCACY

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 Agency for Consumer Advocacy, and to authorize a program of grants, in order to protect and serve the interests of consumers, and for other purposes.

The PRESIDING OFFICER. Under the previous order the Senate will return to the consideration of the unfinished business, which the clerk will report.

The assistant legislative clerk read as follows:

Calendar No. 857, S. 707, a bill to establish a Council of Consumer Advisers in the Executive Office of the President, to establish an independent Agency for Consumer Advocacy, and to authorize a program of grants, in order to protect and serve the interests of consumers, and for other purposes.

Mr. MUSKIE. Mr. President, 2 years ago on the floor of the Senate I urged passage of legislation to establish a Consumer Protection Agency to represent consumer views before Government agencies and to conduct research into consumer affairs and complaints. A number of my colleagues did the same.

Today, that same issue is before us. Legislation to establish a voice for the consumer has been bounced from the Senate to the House and back again, in a pattern so erratic as to discourage the bill's most ardent supporters and confuse the most interested onlookers.

Surely the time has come to resolve this issue once and for all.

Though the bill we are considering this week has been modified from earlier versions, the issues at stake are fundamentally the same. They have been aired and thrashed out so often that they have started to become obscure.

The principal issue we must decide here is whether or not the American consumer needs an advocate to protect his interest at the decisionmaking levels of Government. I believe the answer is clearly, "Yes."

We live in a time when the consumer's domain—the marketplace—is a far more baffling structure than in years past. The growing concentration of economic power in a relatively few giant conglomerates has diminished the salutary incentives of competition. Frequent experiences with products marketed with insufficient attention to health and safety, or lacking in basic quality, have made the exercise of free choice in the marketplace a far less potent tool for the average consumer. And an increasing coziness between industry and the Federal agencies created to regulate it gives the appearance, if not the reality, of government by special interests.

These developments have left the American consumer more and more at the mercy of economic and political factors generally out of his control. If he is to regain a sense of participation in our free enterprise system, he needs a voice to insure that his interests will be represented when decisions are made that affect his daily life in very important ways.

The Consumer Protection Agency would provide just such a voice.

Judging from the tone of the opposition launched against this bill, it appears that emotions have taken hold and blurred these basic issues. For example, much of the mail I have received on the

subject has claimed that S. 707 is a threat to the free enterprise system.

Such rhetorical overkill tempts one to believe that the collective conscience of American business is very guilty.

In fact, however, I believe such opposition to the bill comes from a fundamental misunderstanding of the powers of the proposed agency. For while providing a new and stronger voice for the consumer, the bill also includes stringent safeguards designed to protect the honest and conscientious businessman from harassment and to prevent the disclosure of information vital to a healthy business sector.

First, the agency would have no independent subpena powers. If it decides to intervene as a party in another agency's proceedings, it can request information from that agency—unless "the agency determines that the request is not relevant to the matter at issue, is unnecessarily burdensome, or would unduly interfere with the conduct of the agency or proceeding." In other words, the Consumer Protection Agency could not intervene vindictively or frivolously.

Second, in requesting information about activities not subject of proceedings before another agency, the burden would be on the Consumer Protection Agency to demonstrate a need for the information sought. The Agency could not go on fishing expeditions, nor harass the neighborhood pharmacist or mechanic.

And last, the Agency's power to release information would be carefully circumscribed, to prevent damage to business through unwarranted disclosure of trade secrets or other confidential matters.

Two years ago, when these same issues were aired, the Government Operations Committee went over the bill with a fine-toothed comb. The end product, a sound and responsible bill, went on to die in a Senate filibuster.

This time around, we again have a constructive and workable bill before us. We should not allow the rest of the story to be repeated.

Today, the voice of the consumer is perhaps the most universal of all in our ownership-oriented society. Yet when government policy affecting the marketplace is decided upon, the consumer is often too little heard.

The Consumer Protection Agency will not solve all the problems of the American consumer in the marketplace. But it will begin the process of redressing the balance between shopper and producer, between citizen and his remote government.

I commend those who have worked so long and hard to bring this bill before the Senate again, and I urge its speedy enactment once and for all.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the pending business be laid aside temporarily and the Senate turn to the consideration of Calendar No. 986, S. 2125.

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

AUTHORIZING RELINQUISHMENT OF A REVERSIONARY INTEREST IN CERTAIN LANDS IN THE CITY OF ALBUQUERQUE, N. MEX.

The Senate proceeded to consider the bill (S. 2125) to amend the act entitled "An act granting land to the city of Albuquerque for public purposes," approved June 9, 1906, which had been reported from the Committee on Interior and Insular Affairs with an amendment to strike out all after the enacting clause and insert:

That the Act of June 9, 1906, entitled "An Act granting land to the city of Albuquerque for public purposes" (34 Stat. 227), as amended, is further amended by adding at the end thereof the following new section:

"SEC. 3. (a) Notwithstanding the provisions of section 1 hereof, the Secretary of the Interior is authorized to transfer by quitclaim deed or other appropriate means to the city of Albuquerque, New Mexico, all right, title, and interest remaining in the United States in the following described lands:

"PARCEL 1

"A parcel of land situated within the northwest quarter of section 20, township 10 north, range 4 east of the New Mexico principal meridian and within tract numbered 1 of the Municipal Addition numbered 2, an addition to the city of Albuquerque, New Mexico, said parcel of land being more particularly described as follows:

"Beginning at the northwest corner of said tract numbered 1, said northwest corner being the same as shown on the plat of said addition filed for record in the office of the county clerk of Bernalillo County, New Mexico, on July 12, 1955, from which point the northwest corner of said section 20 bears north 89 degrees 29 minutes 40 seconds west, a distance of 1355.11 feet;

"thence south 0 degrees 23 minutes 20 seconds west, a distance of 220.88 feet to a point on a curve on the new southerly right-of-way line of Lomas Boulevard Northeast as shown on the New Mexico State Highway Department right-of-way map for project numbered I-040-3(1)163, and the true point of beginning;

"thence southeasterly along said southerly right-of-way line on a curve (said curve being concave to the northeast, having a radius of 1461.13 feet, a central angle of 2 degrees 37 minutes 42 seconds, and a long chord which bears south 88 degrees 17 minutes 40 seconds east, a distance of 67.02 feet) a distance of 67.03 feet to a New Mexico State Highway Department right-of-way marker (station 14+47.46) and a point on the westerly right-of-way line of Herndon Street Northeast;

"thence south 1 degree 49 minutes 00 seconds west, along said westerly right-of-way line, a distance of 11.81 feet to the point of curve marked by a New Mexico State Highway Department right-of-way marker (station 0+50);

"thence southeasterly, along said westerly right-of-way line on a curve (said curve being concave to the northeast, having a radius of 330.71 feet, a central angle of 48 degrees 55 minutes 00 seconds and a long chord which bears south 22 degrees 38 minutes 30 seconds east, a distance of 273.85 feet) a distance of 282.35 feet to a New Mexico State Highway right-of-way marker (station 2+89.89);

"thence north 43 degrees 02 minutes 30 seconds east, along said westerly right-of-way line, a distance of 10.00 feet to a New Mexico State Highway marker (station 2+89.89) and a point on a curve;

"thence southeasterly, along said westerly right-of-way line on a curve (said curve being concave to the southwest, having a radius of 242.58 feet, a central angle of 33 degrees 46 minutes 00 seconds and a long chord which bears south 30 degrees 04 minutes 30 seconds east, a distance of 140.09 feet) a distance of 142.96 feet to a New Mexico State Highway Department right-of-way marker (station 4+56);

"thence north 64 degrees 32 minutes 30 seconds west, a distance of 278.27 feet to the westerly boundary line of said tract 1;

"thence north 0 degrees 23 minutes 20 seconds east along said westerly boundary line, a distance of 259.86 feet to the true point of beginning.

Said parcel of land containing 0.7041 acre more or less.

"PARCEL 2

"A parcel of land situated within the northeast quarter of section 20, township 10 north, range 4 east, of the New Mexico principal meridian and within tract 4 municipal addition numbered 2 an addition to the city of Albuquerque, New Mexico, said parcel of land being more particularly described as follows:

"Beginning at the northeast corner of tract numbered 2 said tract numbered 2 being the same as shown on the plat of said addition filed for record in the office of the county clerk of Bernalillo County, New Mexico, on July 12, 1955, from which point the northeast corner of said section 20 bears north 52 degrees 15 minutes 18 seconds east, a distance of 80.97 feet;

"thence south 1 degree 8 minutes 10 seconds east, along the westerly right-of-way line of Eubank Boulevard northeast, a distance of 208.78 feet to the true point of beginning;

"thence, south 1 degree 8 minutes 10 seconds east, along said westerly right-of-way line, a distance of 150.20 feet, from which point the State highway department right-of-way marker (station 20+00 end of construction Eubank) bears south 1 degree 8 minutes 10 seconds east, a distance of 85.18 feet;

"thence south 88 degrees 51 minutes 50 seconds west, a distance of 108.00 feet to the easterly boundary of a 10-foot public service company easement;

"thence north 1 degree 8 minutes 10 seconds west, along said easterly boundary, a distance of 150.20 feet;

"thence north 88 degrees 51 minutes 50 seconds east, a distance of 108.00 feet, to the true point of beginning.

Said parcel of land containing 0.3724 acre more or less.

"(b) No conveyance shall be made under this section unless the city of Albuquerque has shown to the satisfaction of the Secretary of the Interior (i) that the lands described in subsection (a) are no longer suitable for park and other public purposes; (ii) that the city of Albuquerque will sell such lands at not less than fair market value; (iii) that the proceeds from the sale thereof will be spent to acquire lands located in the North Valley area of the city of Albuquerque bounded on the west by the Middle Rio Grande Conservancy District right-of-way, on the south by Candelaria Road, on the east by private residential areas along the west boundary of Rio Grande Boulevard, on the north by privately owned lands and containing 134.975 acres more or less; (iv) that any lands acquired with such proceeds are suitable for park and other public purposes; and (v) that any amount by which the proceeds from the sale of the lands described in subsection (a) exceeds the purchase price of the lands acquired will be paid to the United States.

"(c) If the requirements of subsection (b) are satisfied, the Secretary is authorized to enter into an agreement or agreements with the city of Albuquerque whereby, in consideration of a quitclaim deed to the city of Albuquerque of all right, title, and interest remaining in the United States in and to the lands described in subsection (a) which

have been conveyed to the city of Albuquerque, the city of Albuquerque agrees that (i) title to any lands acquired with the proceeds of the sale of the lands described in subsection (a) will vest in the United States if such acquired lands ever cease to be used for park and other public purposes, and (ii) that the city of Albuquerque will, within ninety days after acquiring such lands, execute a deed to this effect and deliver said deed to the Secretary.".

The amendment was agreed to.

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

The title was amended so as to read: "To amend the Act of June 9, 1906, entitled 'An Act granting land to the city of Albuquerque for public purposes' (34 Stat. 227), as amended.".

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that today, July 24, 1974, he presented to the President of the United States the enrolled bill (S. 39) to amend the Federal Aviation Act of 1958 to implement the Convention for the Suppression of Unlawful Seizure of Aircraft; to provide a more effective program to prevent aircraft piracy; and for other purposes.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

THE ATOMIC ENERGY ACT OF 1954, AS AMENDED—UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as H.R. 15323, an act to amend the Atomic Energy Act of 1954, as amended, to revise the method of providing for public remuneration in the event of a nuclear incident, and for other purposes, is called up and made the pending business before the Senate, there be a time limitation thereon of 2 hours, to be equally divided between Mr. PASTORE and Mr. AIKEN; that there be a time limitation on any amendment in the first degree of 1 hour; that there be a time limitation on any amendment to an amendment of 30 minutes; that there be a time limitation on any debatable motion or appeal of 30 minutes; that the agreement be in the usual form, and subject to the approval of Mr. AIKEN.

The PRESIDING OFFICER. Without objection, the several requests are agreed to.

Mr. ROBERT C. BYRD. Mr. President, it is the understanding of the leadership that this bill will be called up next Thursday, a week.

ORDER FOR ADJOURNMENT TO 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 10 a.m. tomorrow.

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

Mr. ROBERT C. BYRD. Mr. President, have any orders for the recognition of Senators been entered for tomorrow?

The PRESIDING OFFICER. None have been entered.

Mr. ROBERT C. BYRD. Thank you, Mr. President.

ORDER FOR MORNING BUSINESS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a period for the transaction of routine morning business, following the recognition of the two leaders or their designees under the standing order, on tomorrow, such period to extend not beyond the hour of 10:30 a.m., with statements limited therein to 5 minutes each.

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

JUVENILE JUSTICE BILL, S. 821—UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the calling up at the hour of 11:30 a.m. tomorrow of the juvenile justice bill, S. 821, be vacated, and that at the hour of 10:30 a.m. the Chair lay before the Senate Calendar No. 971, S. 821, the juvenile justice bill. This has been cleared with both Mr. BAYH and Mr. HRUSKA.

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

RAIL PASSENGER SERVICE ACT OF 1970, S. 3569—UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the disposition of S. 821 tomorrow, on which there is a time agreement, the Senate proceed to the consideration of Calendar Order No. 975, S. 3569, and that the unfinished business be laid aside temporarily and remain in a temporarily laid-aside status until the disposition of the above measure, or until the close of business tomorrow, whichever is the earlier, or at the discretion of the majority leader or his designee.

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

Mr. ROBERT C. BYRD. Mr. President, I have clocked into the program tomorrow Calendar Order 975 without the approval of Mr. HARTKE, who is to manage the measure.

Now, Mr. President, I ask unanimous consent that the order for the taking up of Calendar Order No. 975 tomorrow be conditioned upon Mr. HARTKE's approval, because he is to manage that bill. I discussed the matter with him earlier. He has not gotten back to me. In view of the fact that the Senate is about to wind up its business for today, I would like to leave it on that basis. I do not like to operate under those conditions, but I think in this instance it would be justified.

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

CLOTURE MOTION—UNANIMOUS-CONSENT REQUEST

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Mr. RIBICOFF may, on tomorrow—and he can do this without consent—enter a motion to invoke cloture on the agency consumer advocacy bill, but I ask unanimous consent that, in the event he does present that motion tomorrow, Senate rule XXII be waived to this extent, to wit, that the 1 hour for debate on Mr. RIBICOFF's motion, signed by the appropriate number of Senators, shall not begin running until 1 o'clock p.m. on Tuesday next instead of Monday, which would be the requirement under the rule.

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

Mr. ROBERT C. BYRD. This would mean, then, that the automatic quorum would begin at 2 o'clock on Tuesday next, and a vote would occur immediately upon the establishment of a quorum.

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.

PRIVILEGE OF THE FLOOR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, on behalf of Mr. BAYH, that the following staff members of the Committee on the Judiciary, Subcommittee To Investigate Juvenile Delinquency be granted the privilege of the floor during the discussion and vote on this matter: John M. Rector and Alice B. Popkin; and the following staff member of the Committee on the Judiciary, Subcommittee on Constitutional Amendments: Howard Paster; and the following staff members: Chuck Bruse, Paul Summitt, and Ken Lazarus.

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

PROGRAM

Mr. ROBERT C. BYRD. The Senate will convene tomorrow at the hour of 10 o'clock a.m.

After the two leaders or their designees have been recognized under the standing order, there will be a period for the transaction of routine morning business, for not exceeding 30 minutes, with statements therein limited to 5 minutes each.

At the conclusion of morning business, the Senate will proceed to consider Calendar 971, S. 821, the Juvenile Justice bill, under a time limitation, with rollcall votes expected on passage of that bill and possibly upon amendments thereto.

Upon the disposition of that bill, with the approval of Mr. HARTKE, the Senate will proceed to consider Calendar 975, S. 3569, a bill to amend the Rail Passen-

ger Service Act of 1970, and for other purposes.

If that bill is disposed of tomorrow, the Senate will resume consideration of the unfinished business, S. 707.

It is possible that amendments may be called up and voted upon tomorrow. In any event, a cloture motion will be voted on next Tuesday, circa at 2:15 p.m., which motion will be introduced by Mr. RIBICOFF, and other Senators, on tomorrow.

ADJOURNMENT TO 10 A.M. TOMORROW

Mr. GRIFFIN. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 10 a.m. tomorrow.

The motion was agreed to; and at 4 p.m. the Senate adjourned until tomorrow, Thursday, July 25, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate July 24, 1974:

COUNCIL OF ECONOMIC ADVISERS

Alan Greenspan, of New York, to be a Member of the Council of Economic Advisers, vice Herbert Stein.

IN THE AIR FORCE

The following officer under the provisions of Title 10, United States Code, Section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of Section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. Brent Scowcroft, [redacted] FR (brigadier general, Regular Air Force) U.S. Air Force.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 24, 1974:

DEPARTMENT OF THE TREASURY

Stephen S. Gardner, of Pennsylvania, to be Deputy Secretary of the Treasury.

Charles A. Cooper, of Florida, to be an Assistant Secretary of the Treasury.

Richard R. Albrecht, of Washington, to be General Counsel for the Department of the Treasury.

NATIONAL TRANSPORTATION SAFETY BOARD

Louis M. Thayer, of Florida, to be a member of the National Transportation Safety Board for the term expiring December 31, 1978.

Francis H. McAdams, of the District of Columbia, to be a member of the National Transportation Safety Board for the term expiring December 31, 1977.

(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.)

HOUSE OF REPRESENTATIVES—*Wednesday, July 24, 1974*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

O praise the Lord, all ye nations; praise Him all ye people. For His merciful kindness is great toward us: and the truth of the Lord endureth forever. Praise ye the Lord.—Psalms 117.

"Holy, holy, holy! Lord God almighty!
Early in the morning our prayers shall rise to Thee."

So move Thou into our hearts that we may walk in Thy ways and live in Thy love. By every revelation of Thy glory in daily life do Thou sustain us in our pilgrimage and strengthen us to do justly, to have mercy, and to walk humbly with Thee.

Teach us to listen to Thy still, small voice of wisdom that we may not wander in worried ways. Nor flounder in fluctuating fields which waste our time, divide our energies, multiply our troubles, and subtract from our peace.

Remind us that we are not called to take the place of others but to take our own place doing our own work, always seeking the right, always doing our best, and always leaving the outcome to Thee.

In Thy holy name we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 39) entitled "An act to amend the Federal Aviation Act of 1958 to provide a more effective program to prevent aircraft piracy, and for other purposes."

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 3782. An act 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.

APPOINTMENT OF CONFEREES ON H.R. 15472, AGRICULTURE-ENVIRONMENTAL AND CONSUMER PROTECTION APPROPRIATIONS, 1975

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 15472) making appropriations for the agriculture-environmental and consumer protection programs for the fiscal year ending June 30, 1975, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi? The Chair hears none, and appoints the following conferees: Messrs. WHITTEN, SHIPLEY, EVANS of Colorado, BURLISON of Missouri, NATCHER, SMITH of Iowa, CASEY of Texas, MAHON, ANDREWS of North Dakota, MICHEL, SCHERLE, ROBINSON of Virginia, and CEDERBERG.

CONFERENCE REPORT ON H.R. 14592, MILITARY PROCUREMENT APPROPRIATIONS—1975

Mr. HÉBERT submitted the following conference report and statement on the bill (H.R. 14592) to authorize appropriations during the fiscal year 1975 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads and for other purposes:

CONFERENCE REPORT (H. REPT. No. 93–1212)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 14592) to authorize appropriations during the fiscal year 1975 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

TITLE I—PROCUREMENT

SEC. 101. Funds are hereby authorized to be appropriated during the fiscal year 1975 for the use of the Armed Forces of the United States for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons as authorized by law, in amounts as follows:

AIRCRAFT

For aircraft: for the Army, $320,300,000; for the Navy and the Marine Corps, $2,866,200,000; for the Air Force, $3,286,300,000 of which (1) $104,900,000 shall be used only for the procurement of A–7D aircraft for the Air National Guard of the United States, and (2) $405,100,000 shall be available only for procurement in connection with the Airborne Warning and Control System, and shall be available for that purpose only if and after the Secretary of Defense determines and certifies such determination to the Congress that such system is cost effective and meets the mission needs and requirements of the Department of Defense, except that the foregoing certification requirement shall not apply with respect to the procurement of long lead time items for such system.

MISSILES

For missiles: for the Army, $436,500,000; for the Navy, $634,500,000; for the Marine