Competition—*Under God,* competition is stimulating and often enjoyable. Under the individual of the very goals for which it strives. (Each success becomes empty in itself and stimulates an even more difficult ambition, a vicious circle). Most of Jesus' principles contained the essence of good sportsmanship. We ignore them at our peril.

Charity—Charity *under God* is lovingly sharing what we have with the less fortunate. Without God, it leads to self righteousness, judgmentalism, patronage, pride, encouragement of weaknesses, even income tax evasion. God honors charity only when it is based on love and thanksgiving for our own bounty. Jesus warned, *Let not your left hand know what your right hand doeth.* If it's done to get your name in the paper, *Ye have had your reward.*

Liberty—Our fore-fathers considered liberty to be freedom from oppression. To interpret liberty solely as freedom to do as one pleases interferes with the rights of others to the same freedom. It results in a battle as to who shall be free rather than the concept that *everyone* shall be free. (If you are free to take my money, I am not free to use it as I wish.)

Truth can be the excuse for damaging gossip with the defense that the teller considers it "to be the truth". Education can become harmful propaganda when presented only in the light of the teacher's philosophy. Helpfulness can be unconscious attempt to control. Morality can be seen only in the light of one's personal evaluation. ("Your sins are very bad; mine are excusable or insignificant, because I'm so righteous in other ways.") Even love can be possessiveness, making selfish demands for reciprocation, thus interfering with another's freedom.

Let us return to the Independence Day concept of "under God" and resist those who, under the guise of religious freedom, are making a determined onslaught on our forefather's concept. They seek to remove God from our schools, from our observances of special days, and even from our support of time honored institutions.

Truly, every virtue *without God* can deteriorate into vice.

Let us remember that our fore-fathers relied on God's guidance in founding our nation, that we have prospered *under God,* that He has richly blessed us. Let us thank Him for his bounty and His protection.

May we never forget that true freedom is voluntarily living *under God* because we love Him and refraining from interfering with the freedom of others because we love them as ourselves.

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GOD SAVE OUR LAND

Beginning with me! Have I done my part?

Have I often expressed my thanks for:

God's role in the birth and development of my nation?

Those who toiled, sacrificed, dedicated their lives and even gave them that I might have these blessings?

Our natural resources and pleasantness of our land?

Others who are honestly, unselfishly working to improve the heritage of the next generation?

Have I been a good steward of all these blessings?

Have I shared generously and lovingly my time and money, with no ulterior motive?

Have I conserved natural resources and avoided polluting them?

What civic, educational, or philanthropic activities have I supported?

Have I been a good citizen?

Have I worked, voted, talked in the best interests of the whole nation?

Have my words been those of encouragement or of criticism?

Do I condone in myself what I condemn in others? (Income tax evasion, speeding, discrimination, etc.)

How is my nation better because of me?

Have I exercised Christian love for my Nation?

Have I loved my neighbor as myself?

Do I forgive transgressors and pray that they will reform?

Do I pray at least daily for my nation and its leaders?

Do I praise God in all things, asking him to transmute evil or disaster into blessings?

Did I join other Christians on April 30th in beseeching God's mercy on our nation? Do it now!

If My people . . . shall humble themselves, and pray, and seek My face, and turn from their wicked ways. . . . I will forgive their sin and I will heal their land.

Let him who is without sin cast the first stone.

Blessed is the nation whose God is the Lord.

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## AMENDMENTS TO H.R. 16090, AS REPORTED, OFFERED BY MR. TREEN

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### HON. DAVID C. TREEN

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, August 6, 1974*

Mr. TREEN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following amendments proposed to be offered by me to the bill.

AMENDMENT TO H.R. 16090, AS REPORTED, TO BE OFFERED BY MR. TREEN

On Page 25, line 22:

Strike out "subsections (b) and (c)" and insert in lieu thereof, "subsection (b)"

On Page 25, line 22:

Insert "and" immediately after the semicolon

On Page 25, lines 23 and 24:

Strike lines 23 and 24

On Pages 26, line 1:

Strike out "(a)" and insert in lieu thereof "(b)"

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# SENATE—*Wednesday, August 7, 1974*

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

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PRAYER

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

Almighty and eternal God, whose love never fails, never forgets or forsakes us, Thou knowest how greatly we need Thee in these crucial days to guide our thoughts, to answer our doubts, and to keep our faith strong and steadfast. Bestow upon us a constant sense of Thy divine presence and power. Grant that we may be men and women who carry the light of truth and righteousness in our heart, unwavering in our fidelity to truth, undiminished in our commitment to Thee. In faithfulness to Thee, give us the courage to do what we ought to do when we ought to do it. Grant us grace to welcome with thankful hearts every act of redemption. Give us grace to walk humbly with Thee and to embody in ourselves that spirit of compassion, kindness, and love which were the marks of the Master, in whose name we pray. Amen.

## THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Tuesday, August 6, 1974, be dispensed with.

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

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## 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.

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## CONSIDERATION OF CERTAIN ITEMS ON THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Nos. 1027 and 1028.

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

## PARTICIPATION OF THE UNITED STATES TO REDUCE FAMINE AND HUMAN SUFFERING

The Senate proceeded to consider the resolution (S. Res. 329) relating to the participation of the United States in an international effort to reduce the risk of famine and lessen human suffering, which had been reported from the Committee on Foreign Relations with amendments. On page 2, beginning at line 3, strike out the following language:

(1) the contribution by the United States to the growing economic and human crisis in the developing world should be primarily in the form of food and the means and technology to produce it;

and insert in lieu thereof the following language:

(1) while the United States Government must continue to emphasize and support the expansion of population planning activities as being essential to the long-range curtailment of global food demand, the United States should also contribute to alleviating the immediate economic and human crisis of the developing world by providing assistance in the form of food and the means and technology to produce it;

On page 3, in line 4, strike out "(a)" and insert in lieu thereof "(A)".

On page 3, in line 9, strike out "(b)" and insert in lieu thereof "(B)".

On page 3, beginning at line 13, strike out the following language:

(3) the United States should increase its matching pledge to the world food program for 1975–1976 and encourage other nations to do so;

On page 3, in line 16, strike out "(4)" and insert in lieu thereof "(3)".

On page 3, in line 17, strike out "(a)" and insert in lieu thereof "(A)".

On page 3, in line 20, strike out "(b)" and insert in lieu thereof "(B)".

On page 3, in line 23, strike out "(5)" and insert in lieu thereof "(4)".

On page 4, in line 3, strike out "(6)" and insert in lieu thereof "(5)".

On page 4, in line 12, strike out "(a)" and insert in lieu thereof "(A)".

On page 4, in line 14, strike out "(b)" and insert in lieu thereof "(B)".

The amendments were agreed to.

The resolution, as amended, was agreed to.

The preamble was agreed to.

The resolution, as amended, with its preamble, is as follows:

*Resolved*, That it is hereby declared to be the sense of the Senate that—

(1) while the United States Government must continue to emphasize and support the expansion of population planning activities as being essential to the long-range curtailment of global food demand, the United States should also contribute to alleviating the immediate economic and human crisis of the developing world by providing assistance in the form of food and the means and technology to produce it;

(2) the President, the Secretary of State, and the Secretary of Agriculture and their advisors should (A) give the highest priority to the immediate expansion of American food assistance through the existing authority of the Public Law 480 legislation restoring title I sales and title II grants to at least the 1972 commodity levels and (B) take such additional steps as might be necessary to expedite the transfer of American food commodities on concessional and donation terms to those nations most severely affected;

(3) the President and the Secretary of State should (A) negotiate with other major food exporting nations to seek to obtain their participation in this emergency effort proportionate to their share of world food exports; and (B) strongly encourage oil exporting nations to contribute a fair share to these efforts to assist the most severely affected nations;

(4) the United States should announce its desire to work with the oil exporting and other nations in a major effort to increase world fertilizer production with the possibility of including the offer of American technology and capital; and

(5) the President should encourage the American people to reduce the noncritical, non-food-producing uses of fertilizer which now total nearly three million tons of nutrient a year, to make available increased fertilizer supplies for raising food production at home and in the developing world.

SEC. 2. It is further declared to be the sense of the Senate that the President of the United States and the Secretaries of State and Agriculture should, and are hereby urged and requested to (A) maintain regular and full consultation with the appropriate committees of the Congress and (B) report to the Congress and the Nation at regular intervals on the progress toward formulating an American response in a cooperative framework to the world food crisis and the needs of the most severely affected developing countries.

SEC. 3. The Secretary of the Senate is directed to transmit copies of this resolution to the President, the Secretary of State, and the Secretary of Agriculture.

## FAIR MARKETING OF PETROLEUM PRODUCTS ACT

The Senate proceeded to consider the bill (S. 1694) to amend the Federal Trade Commission Act to regulate commerce and to assure adequate and stable supplies of petroleum products at the lowest cost to the consumer, and for other purposes, which had been reported from the Committee on Commerce with an amendment to strike out all after the enacting clause, and insert the following:

That this Act may be cited as the "Fair Marketing of Petroleum Products Act."

SEC. 2. (a) As used in this Act:

(1) The term "distributor" means a person engaged in the sale, consignment, or distribution of petroleum products to wholesale or retail outlets whether or not he owns, leases, or in any way controls such outlets.

(2) The term "franchise" means any agreement or contract between a refiner or a distributor and a retailer or between a refiner and distributor, under which such retailer or distributor is granted authority to use a trademark, trade name, service mark, or other identifying symbol or name owned by such refiner or distributor, or any agreement or contract between such parties under which such retailer or distributor is granted authority to occupy premises owned, leased, or in any way controlled by a party to such agreement or contract, for the purpose of engaging in the distribution or sale of petroleum products for purposes other than resale.

(3) The term "refiner" means a person engaged in the refining or importing of petroleum products.

(4) The term "retailer" means a person who was or is engaged in the sale of any refined petroleum product for purposes other than resale within any State, either under a franchise or independent of any franchise upon the date of enactment of this Act.

(b)(1) A refiner or distributor shall not cancel, fail to renew, or otherwise terminate a franchise unless he furnishes prior notification pursuant to this paragraph to each distributor or retailer affected thereby. Such notification shall be in writing and sent to such distributor or retailer by certified mail not less than ninety days prior to the date on which such franchise will be canceled, not renewed, or otherwise terminated. Such notification shall contain a statement of intention to cancel, not renew, or to terminate together with the reasons therefor, the date on which such action shall take effect, and a statement of the remedy or remedies available to such distributor or retailer under this section together with a summary of the applicable provisions of this section.

(2) A refiner or distributor shall not cancel, fail to renew, or otherwise terminate a franchise unless the retailer or distributor whose franchise is terminated failed to comply substantially with any essential and reasonable requirement of such franchise or failed to act in good faith in carrying out the terms of such franchise, or unless such refiner or distributor withdraws entirely from the sale of refined petroleum products in commerce for sale other than resale in the United States.

(c)(1) If a refiner or distributor engages in conduct prohibited under subsection (b) of this section, a retailer or a distributor may maintain a suit against such refiner or distributor. A retailer may maintain such suit against a distributor or a refiner whose actions affect commerce and whose products with respect to conduct prohibited under paragraph (1) or (2) of subsection (b) of this section, he sells or has sold, directly or indirectly, under a franchise. A distributor may maintain such suit against a refiner whose acitons affect commerce and whose products he purchases or has purchased or whose products he distributes or has distributed to retailers.

(2) The court shall grant such equitable relief as is necessary to remedy the effects of conduct prohibited under subsection (b) of this section which it finds to exist including declaratory judgment and mandatory or prohibitive injunctive relief. The court may grant interim equitable relief, and actual and punitive damages (except for actions for a failure to renew) where indicated, in suits under this section, and may, unless such suit is frivolous, direct that costs, including reasonable attorney and expert witness fees, be paid by the defendant. In the case of actions for a failure to renew, damages shall be limited to actual damages including the value of the dealer's equity.

(3) A suit under this section may be brought in the district court of the United States for any judicial district in which the distributor or the refiner against whom such suit is maintained resides, is found, or is doing business without regard to the amount in controversy. No such suit shall be maintained unless commenced within three years after the cancellation, failure to renew, or termination of such franchise or the modification thereof.

The amendment was agreed to.

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

The title of the bill was amended so as to read: "A bill to regulate commerce and to protect petroleum product retailers from unfair practices and for other purposes."

## EXECUTIVE SESSION

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

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

The PRESIDENT pro tempore. The nominations will be stated.

## DEPARTMENT OF STATE

The second assistant legislative clerk read the nomination of Richard W. Murphy, of Virginia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Syrian Arab Republic.

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

## ENVIRONMENTAL PROTECTION AGENCY

The second assistant legislative clerk proceeded to read sundry nominations in the Environmental Protection Agency.

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 ask unanimous consent that the Senate resume the consideration of legislative business.

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

## BIPARTISAN FOREIGN POLICY

Mr. MANSFIELD. Mr. President, on yesterday, Secretary of State Henry Kissinger stated, in discussing U.S. foreign foreign policy, that—

> The point I want to make on behalf of Cabinet Members involved with foreign policy is that the foreign policy of the United States has always been conducted and will continue to be conducted on a bipartisan basis in the national interest. . . .

I want to state, as the majority leader of the Democratic Party in the Senate, that we fully endorse the views expressed by Secretary Kissinger and that despite our domestic difficulties, we will continue, as Democrats, to work with our Republican counterparts to make certain and to make known to all countries that our foreign policy will continue to be conducted on a bipartisan basis, that the moves made by the Nixon administration to normalize relations with the People's Republic of China, to further détente with the Soviet Union, and to use our efforts to stabilize the situation in the Middle East, all will be continued. Let no one be dissuaded that our domestic difficulties—and they are very grave—with in any way, shape or form be diverted from the course of bipartisanship in the conduct of our foreign policy in the weeks, months, and years ahead. That factor is not in question.

Mr. HUGH SCOTT. Mr. President, as the Republican leader, I am in full agreement with the statement made by the distinguished majority leader.

Our Senate Foreign Relations Committee, on which both of us serve, has issued a report in which it again states that it has full confidence in the Secretary of State; that had the information been available to it which subsequently appeared in the public press at the time it recommended the confirmation of the nomination of the Secretary of State, it would then have done exactly what it did and would have recommended such confirmation.

The report of the committee completely and fully affirms the integrity of the Secretary of State in regard to these matters.

The Republican Party in the Senate—and I am sure in the other body and in the country—will join its colleagues in the Democratic Party in honest and full and generous support of the foreign policy of the United States, as developed and enunciated by a succession of Presidents of both parties, that whatever happens in this country internally, we will, as the distinguished majority leader says, make known to all countries that our foreign policy will continue to be conducted on a bipartisan basis.

The program and progress of détente with the Soviet Union will continue unabated. The relationship with the People's Republic of China, now happily restored to a better condition than heretofore, will continue—and will, I hope, continue to improve, and I believe it will. Our policies in the Middle East undoubtedly will continue to have the support of both parties, as will our policies with regard to Europe, to Latin America, and to the rest of the world.

The distinguished majority leader and I appeared at the Council of Foreign Ministers in Mexico City, at the invitation of the Secretary of State, to make this clear to our Latin American neighbors. We have constantly sought to maintain this commitment to bipartisanship.

This is of immense importance to us and to the world. No matter what staggering impact there may be upon the country's internal affairs, the system is working: It is working in the legislature, it is working in the courts, it is working in the executive, and we will resolve our differences and will be the stronger for it.

The statement of the distinguished majority leader is in the highest sense patriotic and responsible, and I am glad that he has made it. I intend to keep copies of this colloquy to show to our visitors from other nations who have expressed their concern about us and do not really understand the strength of our system and its deep and firm and spreading roots. This is a great and a strong country, and there is much more that is right with it than is wrong with it.

It is well that we should constantly remember this and that we should constantly make it clear to our friends and to our sister nations throughout the world. Therefore, I express my deep and grateful thanks to the distinguished majority leader for his customary responsibility and his having set once more the tone of bipartisanship, which is the best assurance of the strength and the survival of a strong and a proud nation, which I hope will, before long, once more become a happy nation.

## ORDER OF BUSINESS

The PRESIDING OFFICER (Mr. METZENBAUM). Under the previous order the Senator from West Virginia (Mr. ROBERT C. BYRD) is recognized for not to exceed 15 minutes.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum to be charged to the time of the Senator from West Virginia.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

## SMALL BUSINESS AMENDMENTS OF 1974

Mr. MANSFIELD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 3331.

The PRESIDING OFFICER (Mr. METZENBAUM) laid before the Senate the amendment of the House of Representatives to the bill (S. 3331) to clarify the authority of the Small Business Administration, to increase the authority of the Small Business Administration, and for other purposes, which was to strike out all after the enacting clause, and insert:

That this Act may be cited as the "Small Business Amendments of 1974".

SEC. 2. (a) The Small Business Act is amended—

(1) by redesignating subsection (b) of section 2 as subsection (c) and by adding after subsection (a) of that section the following new subsection:

"(b) The assistance programs authorized by sections 7(i) and 7(j) of this Act are to be utilized to assist in the establishment, preservation, and strengthening of small business concerns and improve the managerial skills employed in such enterprises, with special attention to small business concerns (1) located in urban or rural areas with high proportions of unemployed or low-income individuals; or (2) owned by low-income individuals; and to mobilize for these objectives private as well as public managerial skills and resources.";

(2) by striking out paragraphs (1) and (2) of section 4(c), and inserting in lieu thereof the following:

"(c) (1) There are hereby established in the Treasury the following revolving funds: (A) a disaster loan fund which shall be available for financing functions performed under sections 7(b) (1), 7(b) (2), 7(b) (4), 7(b) (5), 7(b) (6), 7(b) (7), 7(b) (8), 7(c) (2), and 7(g) of this Act, including administrative expenses in connection with such functions; and (B) a business loan and investment fund which shall be available for financing functions performed under sections 7(a), 7(b) (3), 7(e), 7(h), 7(i), and 8(a) of this Act, and titles III and V of the Small Business Investment Act of 1958, including administrative expenses in connection with such functions.

"(2) All repayments of loans and debentures, payments of interest and other receipts arising out of transactions heretofore or hereafter entered into by the Administration (A) pursuant to section 7(b) (1), 7(b) (2), 7(b) (4), 7(b) (5), 7(b) (6), 7(b) (7), 7(b) (8), and 7(c) (2) of this Act shall be paid into a disaster loan fund; and (B) pursuant to sections 7(a), 7(b) (3), 7(e), 7(h), 7(i), and 8(a) of this Act, and titles III and IV of the Small Business Investment Act of 1958, shall be paid into the business loan and investment fund.";

(3) by striking out paragraph (4) of section 4(c), and inserting in lieu thereof the following:

"(4) The total amount of loans, guarantees, and other obligations or commitments, heretofore or hereafter entered into by the Administration, which are outstanding at any one time (A) under sections 7(a), 7(b)(3), 7(e), 7(h), 7(i), and 8(a) of this Act, shall not exceed $6,000,000,000; (B) under title III of the Small Business Investment Act of 1958, shall not exceed $725,000,000; (C) under title V of the Small Business Investment Act of 1958, shall not exceed $525,000,000; and (D) under section 7(i) of this Act, shall not exceed $450,000,000."; and

(4) by adding at the end of section 7 the following three new subsections:

"(i)(1) The Administration also is empowered to make, participate (on an immediate basis) in, or guarantee loans, repayable in not more than fifteen years, to any small business concern, or to any qualified person seeking to establish such a concern, when it determines that such loans will further the policies established in section 2(b) of this Act, with particular emphasis on the preservation or establishment of small business concerns located in urban or rural areas with high proportions of unemployed or low-income individuals or owned by low-income individuals: *Provided, however*, That no such loans shall be made, participated in, or guaranteed if the total of such Federal assistance to a single borrower outstanding at any one time would exceed $50,000. The Administration may defer payments on the principal of such loans for a grace period and use such other methods as it deems necessary and appropriate to assure the successful establishment and operation of such concern. The Administration may, in its discretion, as a condition of such financial assistance, require that the borrower take steps to improve his management skills by participating in a management training program approved by the Administration: *Provided, however*, That any management training program so approved must be of sufficient scope and duration to provide reasonable opportunity for the individuals served to develop entrepreneurial and managerial self-sufficiency.

"(2) The Administration shall encourage, as far as possible, the participation of the private business community in the program of assistance to such concerns, and shall seek to stimulate new private lending activities to such concerns through the use of the loan guarantees, participations in loans, and pooling arrangements authorized by this subsection.

"(3) To insure an equitable distribution between urban and rural areas for loans between $3,500 and $50,000 made under this subsection, the Administration is authorized to use the agencies and agreements and delegations developed under title III of the Economic Opportunity Act of 1964, as amended, as it shall determine necessary.

"(4) The Administration shall provide for the continuing evaluation of programs under this subsection, including full information on the location, income characteristics, and types of businesses and individuals assisted, and on new private lending activity stimulated, and the results of such evaluation together with recommendations shall be included in the report required by section 10(a) of this Act.

"(5) Loans made pursuant to this subsection (including immediate participation in and guarantees of such loans) shall have such terms and conditions as the Administration shall determine, subject to the following limitations—

"(A) there is reasonable assurance of repayment of the loan;

"(B) the financial assistance is not otherwise available on reasonable terms from private sources or other Federal, State, or local programs;

"(C) the amount of the loan, together with other funds available, is adequate to assure completion of the project or achievement of the purposes for which the loans is made;

"(D) the loan bears interest at a rate not less than (i) a rate determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding Treasury obligations of comparable maturity, plus (ii) such additional charge, if any, toward covering other costs of the program as the Administration may determine to be consistent with its purposes: *Provided, however*, That the rate of interest charged on loans made in redevelopment areas designated under the Public Works and Economic Development Act of 1965 (42 U.S.C. 3108 et seq.) shall not exceed the rate currently applicable to new loans made under section 201 of that Act (42 U.S.C. 3142); and

"(E) fees not in excess of amounts necessary to cover administrative expenses and probable losses may be required on loan guarantees.

"(6) The Administration shall take such steps as may be necessary to insure that, in any fiscal year, at least 50 per centum of the amounts loaned or guaranteed pursuant to this subsection are allotted to small business concerns located in urban areas identified by the Administration as having high concentrations of unemployed or low-income individuals or to small business concerns owned by low-income individuals. The Administration shall define the meaning of low income as it applies to owners of small business concerns eligible to be assisted under this subsection.

"(7) No financial assistance shall be extended pursuant to this subsection where the Administration determines that the assistance will be used in relocating establishments from one area to another if such relocation would result in an increase in unemployment in the area of original location.

(j)(1) The Administration is authorized to provide financial assistance to public or private organizations to pay all or part of the cost of projects designed to provide technical or management assistance to individuals or enterprises eligible for assistance under subsection 7(i) of this Act, with special attention to small business located in urban areas of high concentration of unemployed or low-income individuals or owned by low-income individuals.

"(2) Financial assistance under this subsection may be provided for projects, including without limitation—

"(A) planning and research, including feasibility studies and market research;

"(B) the identification and development of new business opportunities;

"(C) the furnishing of centralized services with regard to public services and Government programs including programs authorized under subsection 7(i);

"(D) the establishment and strengthening of business service agencies, including trade associations and cooperatives;

"(E) the encouragement of the placement of subcontracts by major business with small business concerns located in urban areas of high concentration of unemployed or low-income individuals or owned by low-income individuals, including the provision of incentives and assistance to such major businesses so that they will aid in the training and upgrading of potential subcontractors or other small business concerns; and

"(F) the furnishing of business counseling, management training, and legal and other related services, with special emphasis on the development of management training programs using the resources of the business community, including the development of management training opportunities in existing businesses, and with emphasis in all cases upon providing management training of sufficient scope and duration to develop entrepreneurial and managerial self-sufficiency on the part of the individuals served.

"(3) The Administration shall give preference to projects which promote the ownership, participation in ownership, or management of small business concerns by residents of urban areas of high concentration of unemployed or low-income individuals, and to projects which are planned and carried out with the participation of local businessmen.

"(4) The financial assistance authorized by this subsection includes assistance advanced by grant, agreement or contract; but does not include the procurement of plant or equipment, or goods or services.

"(5) The Administration is authorized to make payments under grants and contracts entered into under this subsection in lump sum or installments, and in advance or by way of reimbursement, and in the case of grants, with necessary adjustments on account of overpayments or underpayments.

"(6) To the extent feasible, services under this subsection shall be provided in a location which is easily accessible to the individuals and small business concerns served.

"(7) The Administration shall provide for an independent and continuing evaluation of programs under this subsection, including full information on and analysis of, the character and impact of managerial assistance provided, location, income characteristics, and types of businesses and individuals assisted, and the extent to which private resources and skills have been involved in these programs. Such evaluation together with any recommendations deemed advisable by the Administration shall be included in the report required by section 10(a) of this Act.

"(8) The Administration shall take such steps as may be necessary and appropriate, in coordination and cooperation with the heads of other Federal departments and agencies, so that contracts, subcontracts, and deposits made by the Federal Government or in connection with programs aided with Federal funds are placed in such a way as to further the purposes of this subsection and subsection 7(i) of this Act. The Administration shall provide for the continuing evaluation of programs under this subsection and the results of such evaluation together with recommendations shall be included in the report required by section 10(a) of this Act.

"(k) In carrying out its functions under subsections 7(i) and 7(j) of this Act the Administration is authorized—

"(1) to utilize, with their consent, the services and facilities of Federal agencies without reimbursement, and, with the consent of any State or political subdivision of a State, accept and utilize the services and facilities of such State or subdivision without reimbursement;

"(2) to accept, in the name of the Administration, and employ or dispose of in furtherance of the purposes of this Act any money or property, real, personal, or mixed, tangible, or intangible, received by gift, devise, bequest, or otherwise;

"(3) to accept voluntary and uncompensated services, notwithstanding the provisions of section 3679(b) of the Revised Statutes (31 U.S.C. 655(b)); and

"(4) to employ experts and consultants or organizations thereof as authorized by section 15 of the Administrative Expenses Act of 1946 (5 U.S.C. 55a), except that no individual may be employed under the authority of this

subsection for more than one hundred days in any fiscal year; to compensate individuals so employed at rates not in excess of $100 per diem, including traveltime; and to allow them, while away from their homes or regular places of business, travel expenses (including per diem in lieu of subsistence) as authorized by section 5 of such Act (5 U.S.C. 73b-2) for persons in the Government service employed intermittently, while so employed: *Provided, however,* That contracts for such employment may be renewed annually."

(b) Title IV of the Economic Opportunity Act of 1964 is hereby repealed; and all references to such title in the remainder of that Act are repealed.

SEC. 3. The Small Business Act is further amended—

(1) by amending section 5(b) by striking out "and" following paragraph (8), by striking out the period at the end of paragraph (9) and inserting in lieu thereof a semicolon and by adding at the end of paragraph (9) the following new paragraphs:

"(10) upon purchase by the Administration of any deferred participation entered into under section 7 of this Act, continue to charge a rate of interest not to exceed that initially charged by the participating institution on the amount so purchased for the remaining term of the indebtedness; and

"(11) make such investigations as he deems necessary to determine whether a recipient of or participant in any assistance under this Act or any other person has engaged or is about to engage in any acts or practices which constitute or will constitute a violation of any provision of this Act, or of any rule or regulation under this Act, or of any order issued under this Act. The Administration shall permit any person to file with it a statement in writing, under oath or otherwise as the Administration shall determine, as to all the facts and circumstances concening the matter to be investigated. For the purpose of any investigation, the Administration is empowered to administer oaths and affirmations, subpena witnesses, compel their attendance, take evidence, and require the production of any books, papers, and documents which are relevant to the inquiry. Such attendance of witnesses and the production of any such records may be required from any place in the United States. In case of contumacy by, or refusal to obey a subpena issued to, any person, including a recipient or participant, the Administration may invoke the aid of any court of the United States within the jurisdiction of which such investigation or proceeding is carried on, or where such person resides or carries on business, in requiring the attendance and testimony of witnesses and the production of books, papers, and documents; and such court may issue an order requiring such person to appear before the Administration, there to produce records, if so ordered, or to give testimony touching the matter under investigation. Any failure to obey such order of the court may be punished by such court as a contempt thereof. All process in any such case may be served in the judicial district whereof such person is an inhabitant or wherever he may be found."; and

(2) by striking out the third sentence in paragraph (2) of section 7(h) and inserting in lieu thereof: "The Administration's share of any loan made under this subsection shall bear interest at the rate of 3 per centum per annum."

SEC. 4. Section 10 of the Small Business Act is amended by adding at the end thereof the following new subsection:

"(g) The Administration shall transmit, not later than December 31 of each year, to the Committee on Banking, Housing and Urban Affairs of the Senate and the Committee on Banking and Currency of the House of Representatives a sealed report with respect to—

"(1) complaints alleging illegal conduct by employees of the Administration which were received or acted upon by the Administration during the preceding fiscal year; and

"(2) investigations undertaken by the Administration, including external and internal audits and security and investigation reports.".

SEC. 5. Section 18 of the Small Business Act is amended by adding at the end thereof the following new sentence: "If loan applications are being refused or loans denied by such other department or agency responsible for such work or activity due to administrative withholding from obligations or withholding from apportionment, or due to administratively declared moratorium, then, for purposes of this section, no duplication shall be deemed to have occurred.".

SEC. 6. (a) The Small Business Investment Act of 1958 is amended—

(1) by striking out in the table of contents in section 101 all references to title IV and section numbers therein and inserting in lieu thereof the following:

"TITLE IV—GUARANTEES

"PART A—LEASE GUARANTEES

"Sec. 401. Authority of the Administration.
"Sec. 402. Powers.
"Sec. 403. Fund.

"PART B.—SURETY BOND GUARANTEES

"Sec. 410. Definitions.
"Sec. 411. Authority of the Administration.
"Sec. 412. Fund.";

(2) by striking out section 403 and inserting in lieu thereof the following:

"FUND

"SEC. 403. There is hereby created within the Treasury a separate fund for guarantees which shall be available to the Administrator without fiscal year limitations as a revolving fund for the purposes of this part. There are authorized to be appropriated to the fund from time to time such amounts not to exceed $10,000,000 to provide capital for the fund. All amounts received by the Administrator, including any moneys, property, or assets derived by him from his operations in connection with this part, shall be deposited in the fund. All expenses and payments pursuant to operations of the Administrator under this part shall be paid from the fund. From time to time, and at least at the close of each fiscal year, the Administrator shall pay from the fund into Treasury as miscellaneous receipts interest at a rate determined by the Secretary of the Treasury on the cumulative amount of appropriations available as capital to the fund, less the average undisbursed cash balance in the fund during the year. The rate of such interest shall be determined by the Secretary of the Treasury, and shall not be less than a rate determined by taking into consideration the average market yield during the month preceding each fiscal year on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturity of guarantees from the fund. Moneys in the fund not needed for the payment of current operating expenses or for the payment of claims arising under this part may be invested in bonds or other obligations of, or bonds or other obligations guaranteed as to principal and interest by, the United States; except that moneys provided as capital for the fund shall not be so invested.";

(3) by striking out "$500,000" in section 411 and inserting in lieu thereof "$1,000,000"; and

(4) by adding after section 411 the following new section:

"FUND

"SEC. 412. There is hereby created within the Treasury a separate fund for guarantees which shall be available to the Administrator without fiscal year limitation as a revolving fund for the purposes of this part. There are authorized to be appropriated to the fund from time to time such amounts not to exceed $3,000,000 to provide capital for the fund. All amounts received by the Administrator, including any moneys, property, or assets derived by him from his operations in connection with this part, shall be deposited in the fund. All expenses and payments pursuant to operations of the Administrator under this part shall be paid from the fund. From time to time, and at least at the close of each fiscal year, the Administrator shall pay from the fund into Treasury as miscellaneous receipts interest at a rate determined by the Secretary of the Treasury on the cumulative amount of appropriations available as capital to the fund, less the average undisbursed cash balance in the fund during the year. The rate of such interest shall be determined by the Secretary of the Treasury, and shall not be less than a rate determined by taking into consideration the average market yield during the month preceding each fiscal year on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturity of guarantees from the fund. Moneys in the fund not needed for the payment of current operating expenses or for the payment of claims arising under this part may be invested in bonds or other obligations of, or bonds or other obligations guaranteed as to principal and interest by, the United States; except that moneys provided as capital for the fund shall not be so invested."

(b) Unexpected balances of capital previously transferred to the fund pursuant to section 403 of the Small Business Investment Act of 1958 (15 U.S.C. 694), as in effect prior to the effective date of this Act, shall be allocated, together with related assets and liabilities, to the funds established by paragraphs (2) and (4) of subsection (a) of this section in such amounts as the Administrator shall determine. In addition, the Administrator is authorized to transfer to the fund established by paragraph (4) of subsection (a) of this section not to exceed $2,000,000 from the fund established under section 4(c)(1)(B) of the Small Business Act: *Provided,* That section 4(c)(6) and the last sentence of section 4(c)(5) shall not apply to any amounts so transferred.

SEC. 7. Section 4(b) of the Small Business Act is amended—

(1) by striking out "three" in the third sentence and inserting in lieu thereof "four"; and

(2) by inserting after the third sentence the following new sentence: "One of the Associate Administrators shall be designated at the time of his appointment as the Associate Administrator for Minority Small Business and shall be responsible to the Administrator for the formulation of policy relating to the Administration's programs which provide assistance to minority small business concerns and in the review of the Administration's execution of such programs in light of such policy."

SEC. 8. Sections 7(a)(4)(B) and 7(a)(5)(B) of the Small Business Act are each amended to read as follows: "the rate of interest for the Administration's share of any such loan shall be the average annual interest rate on all interest-bearing obligations of the United States then forming a part of the public debt as computed at the end of the fiscal year next preceding the date of the loan and adjusted to the nearest

one-eighth of 1 per centum plus one-quarter of 1 per centum per annum; and".

SEC. 9. (a) Section 7(b) of the Small Business Act is amended by striking out the period at the end of paragraph (7) and inserting in lieu thereof "; and" and by adding immediately after paragraph (7) the following new paragraph:

"(8) to make such loans (either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis) as the Administration may determine to be necessary or appropriate to assist, or refinance the existing indebtedness of, any small business concern seriously and adversely affected by a shortage of fuel, electrical energy, or energy-producing resources, or by a shortage of raw or processed materials resulting from such shortages, if the Administration determines that such concern has suffered or is likely to suffer substantial economic injury without assistance under this paragraph."

(b) The first paragraph following the numbered paragraphs of section 7(b) of the Small Business Act is amended by striking out "or (7)," immediately following "(6)," and inserting in lieu thereof "(7), or (8),".

SEC. 10. Section 5 of the Small Business Act is amended by adding at the end thereof the following new subsection:

"(e) The Administrator shall designate an individual within the Administration to be known as the Chief Counsel for Advocacy and to perform the following duties:

"(1) serve as a focal point for the receipt of complaints, criticisms, and suggestions concerning the policies and activities of the Administration and any other Federal agency which affects small businesses;

"(2) counsel small businesses on how to resolve questions and problems concerning the relationship of the small business to the Federal Government;

"(3) develop proposals for changes in the policies and activities of any agency of the Federal Government which will better fulfill the purposes of the Small Business Act and communicate such proposals to the appropriate Federal agencies,

"(4) represent the views and interests of small businesses before other Federal agencies whose policies and activities may affect small businesses; and

"(5) enlist the cooperation and assistance of public and private agencies, businesses, and other organizations in disseminating information about the programs and services provided by the Federal Government which are of benefit to small businesses, and information on how small businesses can participate in or make use of such programs and services.".

SEC. 11. (a) The first sentence of section 411(c) of the Small Business Investment Act of 1958 is amended by inserting "administer this program on a prudent and economically justifiable basis and shall" immediately after "after".

(b) Section 411(c) of the Small Business Investment Act of 1958 is amended by adding at the end thereof the following: "Within 30 days after the date of enactment of this sentence and at monthly intervals thereafter, the Administration shall publish the cost of the program to the Administration for the month immediately preceding the date of publication. The Administration shall conduct a study of the program in order to determine what must be done to make the program economically sound. Within one year after the date of enactment of this sentence, the Administration shall transmit a report to Congress containing a detailed statement of the findings and conclusions of the study, together with its recommendations for such legislative and administrative actions as it deems appropriate."

SEC. 12. Section 7(a) of the Small Business Act is amended by adding at the end thereof the following new paragraph:

"(8) During the fiscal year ending June 30, 1975, the Administrator shall make direct loans under this subsection in an aggregate amount of not less than $400,000,000.".

SEC. 13. The General Accounting Office is directed to conduct a full-scale audit of the Small Business Administration, including all field offices. This audit shall be submitted to the House and Senate not later than six months from the date of enactment of this Act.

Mr. CRANSTON. Mr. President, on May 2, 1974, the Senate sent to the House S. 3331, a bill to increase the ceiling authority of the Small Business Administration from $4.875 billion to $6 billion; transfer title IV of the Economic Opportunity Act of 1964 to the Small Business Act; increase the authorization and maximum for the surety bond and lease guarantee; increase the SBA loan maximum and clarify the interest rates on loans to handicapped persons.

The House rejected only one of the Senate amendments, the increased SBA loan maximum, and added several amendments with which the Senate is in agreement.

I do not want to take up too much time explaining the bill on a section-by-section basis since a summary is available in the record on this legislation, however, I would like to discuss some of the highlights of the bill.

SMALL BUSINESS ENERGY AMENDMENT

The House Banking Committee to expedite matters added as an amendment H.R. 13068, the Evins small business energy bill that is identical to S. 3096 my bill that is now pending on the Senate Calendar. Since there is no disagreement here, I will defer calling S. 3096 to a vote because the House language in section 9 of S. 3331 is acceptable and a conference can be avoided on this matter.

As energy related costs skyrocket, thousands of small businessmen are being forced to close their doors. This amendment will provide an avenue for small businessmen to obtain loan assistance in the critical months ahead as they attempt to adjust to the new requirements imposed by the energy crisis. Independent truckers, gasoline retailers, hotel and motel and restaurants, small plastics processors and manufacturers, automobile and recreational vehicle dealers, and a host of other small businesses are facing a bleak future due to rising prices due to the energy shortage. Uncertainties created by the energy crunch, shortages of materials, rising inflation, tight money and high interest rates have taken their toll on small businesses and are expected to continue to be with us in the coming months. In times of economic uncertainty, it is usually the small businessman who gets hit the hardest and needs the most help. The small business energy amendment will provide loan assistance, refinancing, and deferred payments where need can be shown.

SURETY BOND GUARANTEE

The Senate version of S. 3331 increased the surety bond guarantee maximum from $500,000 to $1,000,000 and separated the lease guarantee fund from the surety bond fund noting that the surety guarantee program was a social program and could not be operated on an actuarially sound basis.

As to section 11 of the House version of S. 3331 relating to SBA's surety bond guaranty program, I note the full House replaced the House Banking and Currency Committee's language, which required fees based on "sound actuarial methods and underwriting practices" with its own language, requiring that SBA "administer this program on a prudent and economically justifiable basis," while studying ways "to make the program economically sound."

This change is significant. The House thereby rejected actuarial soundness in favor of economic justification and soundness. To me, "economically justifiable" and "economically sound" mean the same thing: The sum of the benefits to the Nation should equal the cost of the program. The cost includes losses and administration of the program. The benefits include SBA's fees, the additional taxes that the new entrepreneurs will pay and generate, the employment they will provide and any other economic benefits which the program produces. This is the true measure of cost effectiveness of a Government program, and it should apply here. The actions of the full House is acceptable to the Senate as it is our feeling that this kind of program can never be actuarially sound, nor was it meant to be. Additionally, I await the requested studies that are going to be done on this issue.

DIRECT SBA LOANS

The House Banking Committee added an amendment requiring the SBA to make $400 million in direct loans available before the end of the current fiscal year. On July 11, 1974, I appeared before the Senate State-Justice-Commerce Appropriations Subcommittee and requested that the SBA be given $400 million so that the original legislative purpose of the SBA can be accomplished—low interest loans to the small businessmen of America.

Mr. President, I ask unanimous consent to have printed in the RECORD my testimony indicating my full support for House action in this regard.

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

TESTIMONY OF SENATOR ALAN CRANSTON

The essence of the American economic system of private enterprise is free competition. Only through full and free competition can free markets, free entry into business, and opportunities for expression and growth of personal initiative and individual judgment be assured. The preservation and expansion of such competition is basic not only to the economic well-being but to the security of this Nation. Such security and well-being cannot be realized unless the actual and potential capacity of small business is encouraged and developed. It is the declared

policy of the Congress that the Government should aid, counsel, assist and protect, insofar as is possible, the interest of small business concerns in order to preserve free competitive enterprise.

Historically, the Small Business Administration was developed as part of the Reconstruction Finance Corporation, a Federal agency established during the Depression to help get the country back on its feet. The RFC provided billions of dollars of loans at reasonable interest rates to priority areas of the economy deprived of credit on reasonable terms from private lending institutions. RFC was dismantled in the post war years. However, its programs to provide credit to viable small businesses and industries which could not obtain investment capital from banks and other lenders survived and has made a significant contribution to the small businessman.

When Congress created the Small Business Administration, it wanted to establish a stable source of long term, low interest capital for small business to serve the small businessman in exactly the same periods as we face now—high interest rates and tight money. Congress authorized the SBA to make three types of business loans—(a) direct loans with a 5½% statutorily set interest rate handled completely by the SBA; (b) immediate participation loans in which funds are supplied both by the SBA and a private lending institution. Interest rate on SBA's share is 5½% and the prevailing market rate on the private lender's share; (c) guarantee loans administered solely by the bank with the SBA guaranteeing up to 90% of the principal in case of default. Interest rates are the full prevailing market rates.

Quite understandably, the desirability to the small businessman of the various types of loans is directly related to the differing interest rates carried by each. Obviously, the least desirable is the bank guarantee.

Instead of assisting small businessmen with low-cost direct loans as money has tightened, the SBA has gone in just the opposite direction and has forced thousands of small businessmen to pay unnecessary extra interest charges at a time when they can least afford to pay such rates. In 1963, for example, 92.2% of SBA's business loan activities were in the form of either direct or immediate participation. However, in 1973, direct and immediate participation loans had fallen to 6.8% of the total loan volume. In fiscal year 1974, SBA made available only $40 million in direct 7a loans and $22 million available in immediate participation loans. These figures are pale indeed when compared to the more than $1 billion that SBA will make available in guarantees during fiscal 1975.

The SBA is not completely at fault. The Office of Management and Budget has consistently slashed SBA budget requests for more funds. When Congress, in 1971, directed $13 million into the SBA loan fund, OMB impounded it.

The SBA, in an effort to meet the problems of increased demands for loan money and inadequate funding of the direct loan program, endeavored to expand its bank guarantee program. The restrictive and unrealistic policies of OMB placed the agency's loan activities under a severe handicap. From 1966 through 1970, the total dollar volume used for direct loans suffered an unbelievable drop from $115.5 million to $1.9 million. In effect, the program ceased to exist, defeating the sole source of low-interest loans for the Nation's 5½ million small businesses, thus defeating the very purpose it was created to serve. Congress has consistently over the years requested that the Administration restore the SBA's powers to provide low-interest rate loans as originally intended by the enabling legislation.

In the past, the Office of Management and Budget has given as its excuse for refusing to allow SBA to make more direct loans that the statutory interest rate on these loans of 5½% is below the cost of money to the Government; that it costs the Government more to obtain the money in the open market than it would receive in interest from the small businessman; and, thus, the loans were being provided on a loss basis.

Our colleagues in the House are well on the way to removing this objection. Upon insistence from small businessmen, they have amended the Small Business Authorization bill to raise the interest rate on direct loans up to the cost of money in the government. H.R. 15578 has been reported and is expected to go into conference with the Senate by the end of July. While the House action raises the rate on direct loans, the rate would still be less than the small businessman would have to pay if he were forced to obtain a bank-guaranteed loan which currently is set at 10½%. It is assured that this bill will pass. Now Congress must put the burden on the Administration to supply the needed funds for direct low interest rate loans to small businessmen. The Administration can no longer have the excuse of excessive cost when the interest rate is equal to what it costs the Government to raise the money. The small businessmen who ask Congress to raise the interest have made it clear that they are not looking for handouts. They only want an opportunity to obtain financing that will allow them to remain competitive. SBA's direct loan program was designed to accomplish this. Now we must give it an opportunity to succeed. The House, in the SBA Appropriations bill that will soon return to the Senate has mandated that the SBA during fiscal year 1975 make available at least $400 million in direct regular business loans. This can only be accomplished if the SBA is given the necessary appropriation.

As the climate deteriorates for creation and growth of small business, I appear before you today to request $400 million for direct aid to the small businessman of this country. It is tragic, indeed, when the Export-Import Bank can provide 7% money to finance the sale of a widget or computer to the Soviet Union when an American businessman cannot finance purchase of either for less than 12½. A dependable source of long term, low interest capital is vital to the present and future economic health of the Nation's small business community. I know that you will do all in your power to assure its availability.

Mr. McINTYRE. Mr. President, there is one question that I should like to ask the Senator from California. Does this act as written deny the energy-crisis related loans to ski operators that might have been hit by both energy shortages and a snow drought during this past winter.

Mr. CRANSTON. The language of S. 3331 is identical to my bill S. 3096 and would authorize long term, low cost loans to assist small concerns directly affected by a shortage of fuel, electrical energy, energy producing resources or raw or processed materials resulting from listed shortages. It does not apply to normal business risks such as fluctuations in price or changes in weather conditions.

However, I think that the legislative history can be made clear that ski operators should not be precluded from assistance under this bill because they were subject to snow drought in addition to reduced tourism because of limited gas supplies. These industries have had snow drought for 3 years—however it was the energy crises that tipped the precarious economic balance they have been able to maintain over the several years. I would not want this act construed as denying help to these small businesses.

Mr. President, I yield to the Senator from Louisiana.

Mr. JOHNSTON. Mr. President, the shrimp fishermen of my State and other Gulf States are in dire financial straits at this very moment. For many sizes of shrimp, our fishermen are receiving less than half of the price that shrimp brought at dockside one year ago. At the same time, operating costs for these small businessmen have ballooned.

I am advised by the National Marine Fisheries Service that the current plight of the shrimp fishermen is directly traceable to the energy shortage of last fall. According to NMFS, a large portion of domestic shrimp consumption occurs outside the home—in restaurants, carryouts and the like. Last fall, during the national energy shortage, tourist automobile travel declined sharply, and along with this decline there was a significant drop in tourist restaurant sales. The serious impact of the energy shortage on small restauranteurs was, in fact, one of the chief examples cited by Administrator Kleppe in his testimony before the Senate Banking Committee.

During the final quarter of 1973, U.S. shrimp consumption totaled only 72 million pounds—a drop from the previous quarter and from comparable periods in earlier years. As NMFS states:

> Normally, demand for shrimp increases during the late year holiday season, but in 1973, fourth quarter consumption was 9 million pounds lower than the third quarter of 1973, and nearly 18 million pounds below average fourth quarter consumption for 1968–72.

Mr. President, we cannot say for sure just what percentage of this decline was attributable to the energy shortage. But unquestionably the energy shortage contributed directly to the tremendous downturn in shrimp consumption in the fall of 1973. That drop has led to vast oversupply conditions and the falling dockside prices that have nearly wiped out hundreds of shrimpers—small businessmen trying to make a living from the sea.

If the energy crisis were not harsh enough in terms of shrimp consumption, surely these small businessmen have been "seriously and adversely affected" by the cost of diesel fuel. Many shrimpers who were paying 16 to 18 cents a gallon for fuel last summer are paying between 35 and 40 cents today. This increase is devastating because, as NMFS states, fuel costs constitute nearly 30 percent of the shrimp fisherman's operating costs.

Mr. President, I am pleased to note that the House bill has been amended to make clear that, so long as the fisheries loan fund is depleted and subject to moratorium, fishermen will not be

barred from small business loans by the "duplication" prohibition of section 18 of the act.

I trust it is equally clear that the shrimpers of my own State and other States have been "seriously and adversely affected" by the energy shortage, and that these small businessmen are fully within the contemplation of the energy relief provisions of this bill. Is that also the understanding of the Senator from California?

Mr. CRANSTON. On the basis of the facts the Senator has described, that would certainly be the intention of the legislation.

Mr. JOHNSTON. I thank the Senator from California.

Mr. BIBLE. Mr. President, as chairman of the Select Committee on Small Business, I rise to urge the passage of S. 3331, the Small Business Amendments of 1974.

Basically, as the Senator from California (Mr. CRANSTON) has stated this bill would raise the ceilings under which SBA can make and guarantee loans in its various categories and also transfer certain statutory authority to the agency for programs which it is already operating and augment other activities of the Small Business Administration.

I should like to comment particularly on section 9 of the bill which would provide authority to assist small businesses seriously and adversely affected by shortages of fuel or materials resulting from energy shortages.

Since the energy shortage became a crisis in the autumn of 1973, the Select Committee has vigorously sought to protect and preserve the interests of smaller firms faced with energy and material shortages. Three days of excellent public hearings were held in November 1973, by the Senator from Georgia (Mr. NUNN), pursuant to which a number of recommendations went forward to the Federal Energy Administration, the Small Business Administration and other executive agencies concerned.

Section 9 of this bill was drafted as a direct result of the cooperation engendered by the efforts of the Select Committee. The Small Business Administration and particularly its general counsel, were able to respond to our requests by working with all of the House and Senate committees concerned to draft a sound recommendation in this area.

This proposal was introduced in the Senate as S. 3096 on March 1, 1974. At that time, I commented extensively on the background of the measure (CONGRESSIONAL RECORD, March 1, 1974, pp. 4877–4878) and pointed out a number of additional constructive steps which the Small Business Administration had taken in response to the disadvantaged circumstances of small business and the initiatives of our committee.

One of the most effective of these steps was the creation on an Energy and Materials Office at SBA which coordinated the agency's internal response to the energy crisis, enhanced its relations with other agencies working on these problems, and completed a timely statistical study of the impact of energy problems on small business. This survey served as the basis for reporting of this measure by Senator CRANSTON'S subcommittee and passage by the Senate.

At the time the mandate for this office was about to expire, we initiated a letter to SBA on behalf of myself, Senators CRANSTON, NUNN, JAVITS, and WEICKER, urging SBA to retain this unit as a ready capability for the Agency's on-going work in the energy and materials areas, as well as the basis for emergency actions in any future emergency.

Our letter strongly recommends:

. . . that the energy and materials function at SBA be continued in an appropriate form (and with) adequate personnel . . . in order to assure that the responsibilities of this office are carried out (and) that SBA will continue the fine work it began in this area.

I ask unanimous consent that a copy of our correspondence and the reply of Hon. Thomas S. Kleppe, Administrator of the Small Business Administration, be included in the RECORD at this point for the information of all concerned.

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

JUNE 18, 1974.

Hon. THOMAS S. KLEPPE,
*Administrator,*
*Small Business Administration,*
*Washington, D.C.*

DEAR MR. ADMINISTRATOR: It is our understanding that earlier this year you created a temporary SBA Office of Energy and Materials and that the authority for this office has recently expired.

The SBA Energy and Materials Office appeared to be a very useful focal point in SBA's fine response to the energy and material shortages of 1973–74. These actions were summarized in your February 5 release entitled "SBA Develops New Plan to Meet Energy Crisis" which we placed before the Senate on March 1, 1974 (*Congressional Record*, p. 4878).

Your February 5 address persuasively stated the reasons for creating this energy and materials capability at SBA, and that subsequent events have demonstrated the wisdom of this policy.

As a result of the efforts of the SBA Energy and Materials Office, you included as a part of your testimony on April 30 before the Small Business Subcommittee of the Senate Banking, Housing and Urban Affairs Committee on S. 3096 (a bill that was developed as a result of cooperation between the Congress and the Small Business Administration) an excellent study of the impact of energy shortages on different segments of the small business community. This study continues to be helpful to both Members of Congress and the Executive branch in understanding the nature of the problems created by the energy crisis.

In addition, your press release of February 5 cites other benefits to be derived from the establishment of the Energy and Materials Office such as creating the ability to:

". . . work closely with the Congress, the Federal Energy Office and all other governmental and business organizations concerned with these problems . . ."

This Energy Office provides an appropriate vehicle whereby the SBA can represent small business interests at the formative stages in the development of the broad range of legislation and regulations being considered which will not only affect the business community at the present time but also have wide range implications as to their future. The work of this Energy Office provides a mechanism whereby the small business community (representing 97½ percent of the businesses and nearly ¼ of the total work force) no longer has to react after the fact.

As you have pointed out so well, the Enery and Materials Office is most effective in early analysis, recommendations and concerted follow-through on SBA aspects of legislation and rule-making as well as affecting the SBA's own internal program responses and interagency relations in the energy and material areas. In our experience, there are tasks that, manifestly, no other Federal agency will undertake.

As we have stated in the past, the current initial shortages, particularly in petroleum products and steel, will continue to pose serious difficulties for the small business community and the entire economy during the next several years. We believe these problems will not go away, but will continue to affect the entire commercial climate in this country and will therefore have a major impact not only on the small business community, per se, but also upon the conditions under which SBA assistance will be sought and administered.

For these reasons, we strongly recommend that the energy and material function be continued at SBA, in an appropriate form, and that adequate personnel be assigned to this activity on a full-time basis in order to assure that the responsibilities of this office are carried out in a timely manner. We sincerely hope that SBA will continue the fine work it began in this area. We would very much appreciate having your thoughts as to the continuation of the SBA Energy and Materials Office and the points raised in this letter. We are of the opinion that the continuation of the Energy and Materials Office is an important element in our desire to maintain the competitive free enterprise system.

Cordially,

JACOB K. JAVITS, Ranking Minority Member, Senate Small Business Committee.
ALAN CRANSTON, Chairman, Subcommittee on Small Business; Senate Banking, Housing and Urban Affairs Committee.
ALAN BIBLE, Chairman, Senate Small Business Committee.
SAM NUNN, Chairman, Subcommittee on Environmental, Rural and Urban Economic Development; Senate Small Business Committee.
LOWELL WEICKER, Ranking Minority Member, Subcommittee on Small Business; Senate Banking, Housing and Urban Affairs Committee.

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SMALL BUSINESS ADMINISTRATION,
*Washington, D.C., June 25, 1974.*

Hon. ALAN BIBLE,
*Chairman, Senate Small Business Committee,*
*U.S. Senate, Washington, D.C.*

DEAR MR. CHAIRMAN: Thank you very much for your letter, which we received yesterday afternoon, concerning our Office of Energy and Materials Programs.

I can assure you that we completely agree with you that the energy and materials problems are going to be with us for quite some time to come and that the small business community needs an advocate at SBA to serve it.

We felt that we could best address our responsibility by creating a temporary office and asking it to design a program for the longer term. For this reason we transferred able people from other offices in the Agency into this office to help us develop such a program. Once the initial coordinative work was done, and now that the individual program offices of the Agency have developed their response plans, and now that we have decided

to create a permanent Office of Advocacy in another section of the Agency, we feel that this temporary activity can be gradually phased into that. For the time being, we are maintaining the shell of the Office of Energy and Materials Programs with Mr. Mollett and an assistant, and have asked them to call for other staff personnel any time it is needed. We believe this to be an essential interim step to assure continuation of projects underway and to assure orderly transition on this important program effort. When the Advocacy Office is finally organized, and this will take us 2 or 3 months to complete, we would plan to transfer full responsibility and functions of the Office of Energy and Materials Programs to that area. It is envisioned that the Advocacy Office will give high priority attention to energy and materials matters and will devote the appropriate personnel resources specifically to this function.

I want to assure you that we wish to be able to respond quickly to all problems in this area that face the small business community and hope this will do it with minimum duplication of efforts in our Agency. Also, let me assure you that we will continue to aggressively pursue all energy related issues and problems which affect small business interests within each of our program departments.

We very much appreciate your very thoughtful comments and observations. Your support and that of your staffs have contributed greatly to our efforts to assist America's small business through this most difficult period.

Sincerely,

THOMAS S. KLEPPE,
*Administrator.*

Mr. BIBLE. It is especially appropriate in connection with the consideration of this legislation to point out that the laws we in Congress pass are, in the end, only as effective as their implementation by the executive agencies which have day-to-day responsibility in these areas. SBA fulfills a unique role in representing the interests of 97½ percent of the U.S. business community. Small firms account for more than one-half the employment and nearly 40 percent of the gross national product including many areas which are critical for the functioning of our economy.

Accordingly, I hope that the executive branch of the Government, particularly the Office of Management and Budget and the Small Business Administration will bear in mind the intent of Congress as evidenced by the activity and suggestions of the select and legislative committees on small business in the Senate in this energy area.

Specifically, we hope that SBA's Office of Energy and Materials is adequately staffed and encouraged to provide appropriately for the application of the legislation we are considering to help smaller firms cope with energy shortages, and to plan and work for the solution of their other manifold difficulties in the energy and materials fields.

Mr. MANSFIELD. Mr. President, I move that the Senate concur in the amendment of the House of Representatives.

Mr. HUGH SCOTT. Mr. President, there is no objection.

The motion was agreed to.

Mr. MANSFIELD. I ask unanimous consent that Calendar No. 921, S. 3096, be indefinitely postponed.

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

## ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, do I have any more time remaining, of the time allotted to the Senator from West Virginia?

The PRESIDING OFFICER. The Senator has 4 minutes.

Mr. MANSFIELD. I yield back that time.

## TRANSACTION OF ROUTINE MORNING BUSINESS

The PRESIDING OFFICER (Mr. METZENBAUM). Under the previous order, there will not be a period for the transaction of routine morning business not to extend beyond the hour of 11:30 a.m.

Is there morning business?

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

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

## COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

AMENDMENT TO BUDGET REQUEST FOR THE DEPARTMENT OF JUSTICE (S. Doc. 93–101)

A communication from the President of the United States proposing an amendment to the request for appropriations transmitted in the budget for the fiscal year 1975 in the amount of $3,700,000 for the Department of Justice, which was referred to the Committee on Appropriations and ordered to be printed.

## REPORTS OF COMMITTEES

The following reports of committees were submitted:

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

H.R. 7218. An act to improve the laws relating to the regulation of insurance companies in the District of Columbia (Rept. No. 93–1075).

H.R. 12832. An act to create a Law Revision Commission for the District of Columbia, and to establish a municipal code for the District of Columbia (Rept. No. 93–1076).

By Mr. EAGLETON, from the Committee on the District of Columbia, with an amendment:

H.R. 15842. An act to increase compensation for District of Columbia policemen, firemen, and teachers; to increase annuities payable to retired teachers in the District of Columbia; to establish an equitable tax on real property in the District of Columbia; to provide for additional revenue in the District of Columbia, and for other purposes (Rept. No. 93–1077).

By Mr. EAGLETON, from the Committee on the District of Columbia, with amendments:

H.R. 15791. An act to amend section 204(g) of the District of Columbia Self-Government and Governmental Reorganization Act, and for other purposes (Rept. No. 93–1078).

## 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. HUMPHREY:

S. 3884. A bill to amend the Rehabilitation Act of 1973 to provide for a program of wage supplements for handicapped individuals. Referred to the Committee on Labor and Public Welfare.

By Mr. RIBICOFF:

S. 3885. A bill to amend subchapter II of chapter 73 of title 10, United States Code, to redefine the terms "widow" and "widower", and for other purposes. Referred to the Committee on Armed Services.

By Mr. CRANSTON:

S. 3886. A bill to amend the Small Business Investment Act of 1958 to increase a pollution control financing program for small business. Referred to the Committee on Banking, Housing, and Urban Affairs.

By Mr. JOHNSTON (for himself and Mr. CHILES):

S. 3887. A bill to protect consumers and domestic producers of shrimp by requiring that imported shrimp and food products made in whole or in part of imported shrimp bear marking showing the country of origin of such imported shrimp. Referred to the Committee on Finance.

By Mr. DOMINICK:

S. 3888. A bill to clarify authorization for the approval by the Administrator of the Federal Aviation Agency of the exchange of a portion of real property conveyed to the city of Grand Junction, Colo., for airport purposes. Referred to the Committee on Commerce.

By Mr. McCLURE:

S. 3889. A bill to amend chapter 2 of title 16, United States Code (relating to national forests), to provide a share of timber receipts to States for school and roads. Referred to the Committee on Agriculture and Forestry.

By Mr. RIBICOFF (for himself and Mr. HARTKE):

S. 3890. A bill to amend title 38, United States Code, to provide hospital and medical care to certain members of the armed forces of nations allied or associated with the United States in World War I or World War II. Referred to the Committee on Veterans' Affairs.

By Mr. STEVENS:

S. 3891. A bill to establish a Fisheries Manpower Development Program and for other purposes. Referred jointly by unanimous consent to the Committee on Commerce and the Committee on Labor and Public Welfare.

## STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HUMPHREY:

S. 3884. A bill to amend the Rehabilitation Act of 1973 to provide for a program of wage supplements for handicapped individuals. Referred to the Committee on Labor and Public Welfare.

INCOME INCENTIVE FOR HANDICAPPED PERSONS IN SHELTERED WORK SITUATIONS

Mr. HUMPHREY. Mr. President, I am introducing an amendment to the Rehabilitation Act of 1973, the purpose of which will be to provide wage supplements to handicapped individuals working in sheltered workshops or work activity centers. This long-needed measure will provide the handicapped worker with a means of achieving a significant measure of independence and dignity. At the same time, the wage supplement would act as an incentive for self-improvement.

For a long time our country has done little to aid the handicapped to achieve that measure of self-fulfillment of which they are capable. There has been a hidden, or sometimes overt, assumption that the handicapped worker is a total invalid, that he cannot help himself, or even that he must be protected from society and society must be protected from him.

This is a costly conception, both in terms of the human toll it takes of the handicapped and their families, and in terms of the financial burdens which it unnecessarily imposes on society.

The human dimension is paramount. One of the great political principles of our national life is that every person shall have the opportunity to achieve whatever degree of self-reliance and self-fulfillment he is capable of. This is obvious in the negative sense—in the sense that the Government must not interfere with the rights of its citizens. But it should be equally clear that the Government has a positive obligation to assist those with a handicap—whether it be cultural, mental, or physical.

This principle has recently been recognized in a number of court decisions around the country dealing with the problem of education for the handicapped. The courts have held repeatedly over the last 2 years that the States have the responsibility of providing specialized education for the handicapped which meets their needs to the same degree that the ordinary processes of education meet the needs of those children who do not suffer from any handicap. They have declared that the meaning of equal education is not that everyone is offered the same thing, but that everyone has the same relative opportunity to learn in an environment which will enable him to learn most effectively.

The Congress has recognized the urgency of making equal education for the handicapped a reality by passing the amendment to the education bill (H.R. 69), sponsored by Senator MATHIAS and myself, which provides over $600 million for educational programs for the handicapped. And the Congress is carrying that work further with an effort to establish a permanent program of educational aid for the handicapped in a bill (S. 6) presently being considered by the Senate Labor and Public Welfare Committee.

Congress is also beginning to recognize the need to institutionalize the principles, procedures, and programs through which the rights of the handicapped are to be defended. A "bill of rights" for the handicapped (S. 3378) is also under consideration in the Senate Labor and Public Welfare Committee.

The other cost of failing to recognize the rights and opportunities for the handicapped is a social and financial cost. It can cost between $30 and $50 a day to care for the handicapped in an institutionalized setting. That is a cost of over $15,000 a year, for the full life of the person who is institutionalized. Most often, there is no need for such institutionalization. The handicapped person can usually achieve some degree of self-reliance.

In some cases he can become fully self-reliant, and serve as a fully productive member of society. It is certainly better to provide a small stipend on a program which enables a handicapped person to become fully self-reliant, or to provide a modest stipend on a permanent basis to a person who is thereby able to become partially independent and to be productive in at least a limited way, than it is to foot the bill for permanent, high cost incapacity and institutionalization. This, of course, is the whole idea behind sheltered workshops and work activity centers.

Sheltered workshops and work activity centers provide a productive work environment for the handicapped person who is not able on a regular and continuing basis, because of his handicap, to meet the demands of employment at which he could earn the minimum wage. But there are considerable problems in the present operations of such workshops, and it is quite often impossible for the handicapped worker in a workshop to support himself.

What my proposal provides for is a series of pilot programs to study the advantages of a system of wage supplements which simultaneously provide an incentive to the worker to increase his productivity—if feasible, to a level which would enable him to leave the workshop—and a means to become self-sustaining.

We need to examine the feasibility and effectiveness of such a program on a nationwide basis. The Department of Health, Education, and Welfare is presently beginning a study of such a program which they plan to complete in 2 years. But this study is going to have to be theoretical unless we provide some demonstration projects for the Department to examine. I think we need to see how these programs operate in the flesh.

Specifically, this measure would specify the following mechanisms for wage supplements:

Every handicapped worker in a sheltered workshop would be provided with a wage supplement of $1 per hour in addition to his wage, up to and including the point where his wage reaches 70 percent of the minimum wage. For wages above that point, the wage supplement will be reduced 7 cents for each additional 10-cent increment in wages, with the entire wage supplements to be eliminated for any wage in excess of 140 percent of the minimum wage.

The wage supplement is to be provided separately from payment for work produced, so that it will be clear that the supplement is not part of the wage. And wages are to be paid on a basis equivalent to what a nonhandicapped worker would be paid for producing the same volume of work per hour.

The payment of a wage supplement is not to affect the payment of social security or retirement benefits.

The great advantage of this formula is that there is no sudden cutoff point for the wage supplement, so that there is continuous incentive for the handicapped worker to increase his productivity, and this incentive may well encourage him to achieve a level of productivity where he no longer requires the support of a sheltered workshop.

One further provision of this legislation is that the activities of the workshops themselves are monitored, and the workshops are encouraged to make a positive contribution to the self-improvement of the handicapped workers.

Because we live in a culture which is oriented to the nonhandicapped, it is necessary to provide certain special services to meet the needs of handicapped workers to enable them to earn a living wage and to lead a meaningful life. This proposal is aimed at assisting handicapped workers who are already employed and who need a further supplement to meet the economic needs of daily living.

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

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

S. 3884

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this Act may be cited as the "Wage Supplements for Handicapped Individuals Act".

SEC. 2. Title IV of the Rehabilitation Act of 1973 is amended by adding at the end thereof the following new section:

"WAGE SUPPLEMENTS FOR HANDICAPPED INDIVIDUALS

"SEC. 408. (a) In order to demonstrate the feasibility of the payment of wage supplements to handicapped individuals and severely handicapped individuals who are employed on a long-term basis in rehabilitation facilities which are sheltered workshops or work activity centers, there are authorized to be appropriated $2,200,000, for the fiscal year ending June 30, 1975, $4,800,000, for the fiscal year ending June 30, 1976 and $9,600,000, for the fiscal year ending June 30, 1977.

"(b)(1) The Secretary is authorized to conduct demonstration projects either directly or by way of grant, contract, or other arrangement with public or private nonprofit agencies or organizations under which wage supplements are paid to handicapped individuals or severely handicapped individuals who are emloyed in rehabilitation facilities which are sheltered workshops or work activity centers in accordance with the provisions of this section.

"(2) The Secretary shall carry out the program authorized by this section so as

to determine the feasibility of the payment of wage supplements for such individuals on a nationwide basis and so as to assure that such payments are made in each region throughout the United States.

"(c) No wage supplement payment may be made under this section unless an application is made by the appropriate public or private nonprofit agency or organization. Each such application shall contain provisions to assure—

"(1) that the rehabilitation facility in which the handicapped or severely handicapped individual is employed is a sheltered workshop or work activity center or other similar facility which is eligible for obtaining certification for handicapped individuals under section 14(d) of the Fair Labor Standards Act of 1938;

"(2) that the wage supplement payable to any qualified handicapped worker be set aside and not included as a part of the income of the handicapped worker earned under provisions of section 14 of the Fair Labor Standards Act;

"(3) that when the earned income of the handicapped worker is 70 percent or less of the hourly minimum wage, he shall receive a wage supplement of $1.00 per hour, and that for each additional ten cents per hour of earned income, seven cents per hour shall be subtracted from the handicapped worker's wage supplement, the wage supplement to be eliminated entirely when the earned income is in excess of 140 percent of the minimum wage;

"(4) that wage supplement payments will be determined over a six-month period of sustained work effort in a rehabilitation facility meeting the requirements of paragraph (1) under which the handicapped individual or severely handicapped individual has engaged in a work program of at least thirty hours during each week, except that the payment of any wage supplement may be made on an estimated basis, on a weekly or monthly basis pursuant to an agreement between the applicant and the Secretary;

"(5) that each wage supplement payment to a handicapped individual or severely handicapped individual will be made separately from payment of the earned wages to that individual; and

"(6) that each applicant shall maintain such fiscal control and fund accounting procedures as the Secretary determines necessary to insure the proper disbursement of wage supplements payable under this section, and shall make such reasonable reports as the Secretary may require to carry out his functions under this section and shall keep such records and afford such access thereto as the Secretary may find necessary to assure the correctness and verification of such reports.

"(d) No handicapped individual or severely handicapped individual shall be eligible for a wage supplement payment under this section unless such individual—

"(1) is employed in a rehabilitation facility which is a sheltered workshop or a work activity center which meets the requirements of paragraph (1) of the preceding subsection;

"(2) has attained sixteen years of age;

"(3) has an earning capacity which is sufficiently impaired that such an individual is unable to obtain and hold employment compensated at a rate at the minimum wage applicable under section 6 of the Fair Labor Standards Act of 1938 without regard to any exclusion in that Act; and is not otherwise engaged in a training or evaluation program under this Act, pursuant to regulations promulgated by the Secretary, which involves either activities or such a significant portion of the time of the individual as to be inconsistent with the provisions of this section.

"(e) In order to assist public agencies and private nonprofit organizations which are employing handicapped individuals and which meet the requirements of paragraph (1) of subsection (b) of this section, to participate in the program authorized by this section, the Secretary is authorized to make a grant to each such participating agency or organization in an amount not to exceed 10 per centum of all wage supplement payments in that fiscal year made to individuals of that agency or organization. For the fiscal years ending June 30, 1976, and June 30, 1977, the Secretary is authorized to enter into an agreement with any such agency or organization to make an increased payment under this section based upon the success which such agency or organization has in reducing reliance by handicapped individuals and severely handicapped individuals upon wage supplements by an increased reliance upon earned wages by such individuals.

"(f) In carrying out the provisions of this section, the Secretary is authorized, jointly by regulation with the Secretary of Labor, to provide further requirements for the certification of a rehabilitation facility pursuant to paragraph (1) of subsection (b) of this section. Any such regulations may contain provisions requiring—

"(1) that each such facility shall pay to individuals eligible for assistance under this section wages at a rate equal to wages paid to nonhandicapped workers in industry in the vicinity for essentially the same type, quality, and quantity of work performed, except as prescribed under paragraphs (2) and (3) of section 14(d) of the Fair Labor Standards Act of 1938;

"(2) that each such facility will not compete unfairly in obtaining work or in the sale of products or the furnishing of services; and

"(3) such other reasonable requirements for the maximum efficient operation of any such facility as the Secretary and the Secretary of Labor may require.

"(g) Notwithstanding any other provision of law, the payment of a wage supplement to a handicapped individual or a severely handicapped individual under this section shall not affect the eligibility of any such individual to receive payments under the Social Security Act or any other similar retirement or public assistance payments.

"(h) Not later than April 1, 1977, the Secretary is authorized to prepare and submit to the Congress a report on programs authorized by this section together with such recommendations for additional legislation as he determines desirable."

SEC. 3. The table of contents of title IV of the Rehabilitation Act of 1973 is amended by adding at the end thereof the following new item:

"SEC. 408. Wage supplements for handicapped individuals.".

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By Mr. CRANSTON:

S. 3886. A bill to amend the Small Business Investment Act of 1958 to increase a pollution control financing program for small business. Referred to the Committee on Banking, Housing and Urban Affairs.

A POLLUTION-CONTROL FINANCING PROGRAM FOR SMALL BUSINESSES

Mr. CRANSTON. Mr. President, a rising number of small businesses are being forced to shut down because of their inability to obtain long-term financing at reasonable cost to purchase pollution-abatement equipment. Large businesses, on the other hand, have been increasingly satisfying such financing requirements through the issuance in their behalf of tax-exempt pollution control revenue bonds by State or local agencies. I am introducing today legislation that will open the same revenue-bond alternative to small businesses by means of a self-supporting lease guarantee program administered by the Small Business Administration. With this lease guarantee backup, small businesses would be able to tap the tax-exempt bond market on a reasonable parity with larger firms.

American industry in the next 5 to 10 years will spend well in excess of $30 billion on pollution control equipment and systems to meet existing Federal legislation. Recognizing that capital outlays of this magnitude have a negative impact on individual companies, industry and the economy as a whole, the Treasury specifically amended its regulations on the permissible size of industrial-revenue bond issues to allow for the unlimited issuance of tax-exempt industrial revenue bonds to finance pollution-abatement facilities. The majority of States have followed with special legislation to implement this type of financing.

Under the program, a State or local pollution control authority issues tax-exempt pollution control revenue bonds in behalf of a private corporation. The facilities financed from bond proceeds are then leased to the corporation, whose lease payments to the authority provide the funds to meet principal and interest on the bonds. In 1973, $1.8 billion in revenue bonds were issued by State and local authorities to finance pollution abatement projects. The Daily Bond Buyer reveals not a single small business has been the beneficiary of these financings.

Pollution control bond financing has been a major factor in accelerating compliance with environmental standards by industry. In addition, it has been a decisive factor in enabling many corporations to continue operations of marginal facilities in critical areas of employment and to maintain production of vital goods and materials. Since pollution control revenue bonds are secured solely by the lease payments between the public authority and the private corporation, bondholders look to the corporation as the ultimate security for the bonds. The bonds of large businesses have found broad acceptance among institutional investors because of their national recognition and established creditworthiness, as evidenced by credit ratings from Moody's and Standard & Poor. Moreover, the liquidity of these bonds afforded by the large size of the issues and the recognition of the issuer's name by dealers enhance the attractiveness of these bonds to institutional investors.

Small businesses, on the other hand, lacking these advantages, have been effectively eliminated from the long-term tax-exempt bond market. There is no institutional investor support for small, unrated issues of local corporations, nor sufficient investment banking interest to develop business and arrange the financing.

Accordingly, small businesses have been forced to borrow at higher rates for shorter time periods, seriously impacting upon their cash flow. Overall costs to small businesses are additionally increased because the pollution control expenditures are higher per unit of output than for large businesses which benefit from economies of scale. Equally important is the typical lack among small businesses of highly specialized environmental management and engineering skills which might otherwise aid in the planning and sizing of pollution-abatement projects.

The resulting economic gap between large and small businesses could cause a further deterioration in the position of small businesses in the Nation's industrial structure. Given the position of small businesses as a major source of industrial employment and a principal supplier of raw materials for processed goods, their prospective shutdown would impact on a substantial segment of the U.S. economy and workforce. The extent of this potential impact is illustrated by California where 72 percent of the State's workforce is employed by the small business sector and 20,000 firms in that sector have been ordered to meet State pollution abatement standards.

The following is a list of those industries in which small businesses will most seriously be affected by environmental regulations:

LIST OF INDUSTRIES MOST AFFECTED BY ENVIRONMENTAL REGULATIONS

1. Grey Iron Foundries.
2. Metal Plating.
3. Feed Lots.
4. Food and Agricultural Processing.
5. Stone, Clay, and Glass.
6. Secondary Metal Processing.
7. Paper and Pulp.
8. Mining.
9. Asphalt Production.
10. Leather Tanning.
11. Chemical and Petroleum Processing.
12. Textiles.
13. Transportation.

The responsibility for implementing a viable pollution-financing program for small businesses rests in the Small Business Administration, as indicated by the Federal Water Pollution Control Act Amendments of 1972. The SBA reviewed for more than 1 year the needs of small businesses in the context of existing programs and the time pressures associated with meeting EPA standards. It was concluded that a new financing alternative was required which would insure:

First. Ready availability of funds.

Second. Maximum borrowing costs.

Third. Maximum repayment terms consistent with the economic life of the purchased facilities or equipment.

Fourth. Minimum leadtime to activate the new program.

Fifth. Maximum participation by the private sector.

Sixth. Minimum outlay of Federal funds for program support and use of Federal personnel.

Seventh. Establishment of a self-supporting program with minimum loss risk.

This proposed legislation meets these criteria, and provides small businesses with equal access to the low cost, long term financing now available to big business. This legislation, in brief, calls for grouping the financial requirements of a number of small businesses within a given State into individual bond issues which would be sold by the appropriate State or local authority. The bond proceeds would be used to construct the facilities needed by the firms and leased back to them. The lease payments would provide the funds to meet bond principal and interest. The SBA, under authority of this legislation, would insure the individual lease payments for a fee adequate to cover operating costs and projected losses.

Passage of this legislation would uniquely enable small businesses to obtain adequate funds for their needs at reasonable rates and terms because of: First, the established institutional market for industrial revenue bonds; second, the investment-grade quality which the SBA lease guarantee program provides; third, the tax-exempt status of the bond offerings; fourth, sufficient repayment period, by reason of the longer term bond schedule, and fifth the obligatory virtue of almost immediate operability, considering the existence of enabling legislation in most States.

The program benefits additionally from the fact that there is a complex infrastructure already in place for this type of financing which would assure the Federal Government of proper utilization of funds and careful financial review. Moreover, there would be an absolute minimum outlay of Federal funds to support the program owing to its self-supporting nature, coupled with only a modest manpower requirement to oversee the financing which would largely be done at the State, local, and private levels. This proposed financing program offers still other advantages to small businesses. By grouping the small businesses, it will be possible to provide them with significant savings in engineering design and environmental management costs. In addition, it provides an opportunity for small businesses in the same pollution basin area to finance a common treatment facility on a joint basis.

The SBA-guaranteed/tax-exempt bond program for small businesses is clearly the cheapest and most efficient method of accommodating their pollution-control financing needs. Creditworthiness, and a prime investment rating, would be assured. Rates, accordingly, would be low. Issue size, for liquidity purposes, would be large. Equity, in terms of major corporations, would be restored. And with the promise of a receptive institutional market for the bonds, the necessary incentive to investment bankers to assemble such issues would be fully and effectively provided.

I ask unanimous consent that the bill be printed in the RECORD.

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

S. 3886

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 403 of the Small Business Investment Act of 1958 is amended—

(1) in the first sentence thereof by striking out "and part B of this title";

(2) by striking out "$10,000,000" and inserting in lieu thereof "$25,000,000"; and

(3) by striking out "programs" each time it appears therein and inserting in lieu thereof "program".

SEC. 2. Title IV of the Small Business Investment Act of 1958 is amended by adding at the end thereof the following new section:

"SEC. 404. (a) For purposes of this section, the term—

"(1) 'pollution control facilities' means such property (both real and personal) as the Administration in its discretion determines is likely to help reduce, abate or control air or water pollution or contamination by removing, altering, disposing, or storing pollutants, contaminants, wastes, or heat, and such property (both real and personal) as the Administration determines will be used for the collection, storage, treatment, utilization, processing, or final disposal of solid waste.

"(2) 'qualified contract' means a lease, sublease, loan agreement, installment sales contract, or similar instrument, entered into between a small business concern and any person.

"(b) Whenever the Administration determines that small business concerns are or are likely to be at an operational or financing disadvantage with other business concerns with respect to the planning, design, or installation of pollution control facilities, or the obtaining of private financing therefor (including financing by means of revenue bonds issued by States, political subdivisions thereof, or other public bodies), it may guarantee, upon such terms and conditions as the Administration may prescribe, either directly or in cooperation with a qualified surety company or other qualified company through a participation agreement with such company, the payment of rentals or other amounts due under qualified contracts, and any such guarantee shall be for the full amount of the payments due under such qualified contract. Any guarantee made by the Administration pursuant to this section shall be a full faith and credit obligation of the United States.

"(c) The Administration shall fix a uniform fee which it deems reasonable and necessary for any guarantee issued under this section, to be payable at such time and under such conditions as may be determined by the Administration. Such fee shall be subject to periodic review in order that the lowest fee that experience under the program shows to be justified will be placed into effect. The Administration may also fix such uniform fees for the processing of applications for guarantees under this section as it determines are reasonable and necessary to pay administrative expenses incurred in connection therewith. The Administration may require that an amount, not to exceed one-fourth of the average annual payments for which a guarantee is issued under this section, be placed in escrow upon such terms and conditions as the Administration may prescribe.

"(d) Any guarantee issued under this section may be assigned with the permission of the Administration by the person to whom the payments under qualified contracts are due.

"(e) Section 402 shall apply to the administration of this section."

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By Mr. JOHNSTON (for himself and Mr. CHILES):

S. 3887. A bill to protect consumers and domestic producers of shrimp by requiring that imported shrimp and food

products made in whole or in part of imported shrimp bear marking showing the country of origin of such imported shrimp. Referred to the Committee on Finance.

Mr. JOHNSTON. Mr. President, for myself and Senator CHILES, I am introducing today a bill to close a loophole in our import laws which has deprived the American consumer of essential marketplace information and, at the same time, struck a devastating blow against our domestic shrimp industry.

Each year, millions of pounds of shrimp are imported into the United States. For example, in the first 5 months of 1974, some 96.9 million pounds entered from 15 major exporting countries. This represents an increase of nearly 30 percent from import levels during the same months of 1973.

Surprisingly, there is no requirement of existing law that shrimp caught and processed abroad be so labelled when they are sold to American consumers. Consumer Reports, in its March 1974 issue, tested frozen shrimp; but the magazine was unable to reach any firm conclusions about the relative quality of imported and domestically produced shrimp because labelling did not reliably state the country of origin.

Mr. President, American consumers need to know, and have a right to know, the country of origin of a food product as vulnerable as shrimp.

"Once the delicate shrimp are swept out of the sea," Consumer Reports observes, "they are prey to mishandling." At every leg of the shrimp's long journey to the supermarket or restaurant table, there are risks of deterioration and contamination.

Obviously, Mr. President, American processing plants are subject to inspection by the Food and Drug Administration. Foreign plants are not. The American consumer is entitled to know what he is buying, and to opt for American health standards.

Furthermore, I believe that the consumer is entitled to show his support for our domestic shrimp industry by insisting upon American shrimp. I know the good people of my own State of Louisiana would rally to the support of the Louisiana shrimp industry if they were given a fair and open chance to do so.

Indeed, the absence of adequate labeling makes it impossible for officials of the Departments of Agriculture and Defense to determine whether they are complying with other provisions of law which require the Government to purchase American food products.

This situation cannot be permitted to continue.

You may ask: How can it possibly be that shrimp are imported into the United States and sold without proper country of origin labeling? Under the Tariff Act of 1930, all products imported into the United States must be labeled as to country of origin until such products reach "an ultimate purchaser in the United States."

The answer, Mr. President, is simple: The Bureau of Customs has engrafted onto the Tariff Act an exception to the general requirement of labeling to the ultimate purchaser. The Bureau has said that anyone who effects a "substantial transformation" of an imported product is himself an ultimate purchaser. Country of origin labeling stops with a person who effects a substantial transformation.

In the case of shrimp, this has meant that anyone who processes imported shrimp is usually the first but also the last person to know that he is dealing with imported merchandise. This applies not only to shrimp food products, like TV dinners; but as well to processors who simply thaw, bread, and repackage frozen shrimp. Amazingly, as a result of the so-called "J-list," there does not even seem to be a labelling requirement for "processors" who simply import bulk frozen shrimp and repackage them without cooking or preparation of any kind.

The bill I introduce today, Mr. President, would put an end to this practice. It would declare, in no uncertain terms, that shrimp must be labelled by country of origin until they reach the ultimate purchaser—defined to mean only a person who obtains shrimp or shrimp products with no intent to sell or exchange them.

My bill would, in effect, overrule the J-list and the "substantial transformation" doctrine as it is now applied to imported shrimp.

I might also add, Mr. President, that my bill would require imported shrimp to be so labelled when they are sold in restaurants. Of course, the bill permits labelling in this instance by means of a menu designation or bill of fare. Since more than half of all shrimp in this country are consumed away from home, in the restaurant, it is essential that full disclosure be extended to this level.

Mr. President, I see nothing in this legislation which is unduly burdensome to the processors and distributors and restauranteurs of this country. But I realize that this legislation will require some adjustments of labelling and packaging, and in the case of the restaurants, some reprinting or remarking of existing menus.

Consequently, the bill does not become effective until 120 days after its enactment.

There is one additional feature of the bill that deserves specific mention. Because the bill requires labeling of imported shrimp long after they are released from customs, it might well be asked whether the Bureau of Customs is competent to enforce labeling requirements in the supermarkets and restaurants of this Nation. For this reason, the bill specifically requires customs officials—to ensure that the shrimp will be adequately marked from importation to the ultimate purchaser before releasing the shrimp from customs custody and—to enter into agreements with other Federal agencies if such agreements are necessary to enforce the requirements of the bill.

Finally, Mr. President, I would emphasize again the severe plight of the shrimp fishermen in this country. While costs for diesel fuel, netting, labor and other essential inputs have risen rapidly the shrimp fisherman is getting dockside prices for smaller shrimp that are less than half of 1973 price levels. Many fishermen are in imminent danger of losing their boats because they cannot pay off their boat loans from the proceeds of below-cost sales of shrimp. Time and time again, these proud people have asked me why the staggering imports of shrimp into this country are not at least labeled so the consumer can exercise an intelligent choice.

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By Mr. DOMINICK:

S. 3888. A bill to clarify authorization for the approval by the Administrator of the Federal Aviation Agency of the exchange of a portion of real property conveyed to the city of Grand Junction, Colo., for airport purposes. Referred to the Committee on Commerce.

Mr. DOMINICK. Mr. President, it is my pleasure to introduce today a bill granting special relief for the airport serving Grand Junction, Colo. This bill is needed to enable the airport authorities to complete the acquisition of land necessary for the operation and possible expansion of the airport. A few years ago the airport authorities arranged to exchange a part of the land they had acquired from the Federal Government for a tract of private land. Due only to a technicality in the law under which Grand Junction acquired the Federal land, the airport cannot complete this trade. When the Government granted the land, the law stipulated that if any of the land was not used for airport purposes, ownership of the "misused" land would revert to the Government. We repealed this reverter provision in 1970; nevertheless, the General Counsel of the Federal Aviation Agency has ruled that it still applies to the Grand Junction case.

Because of this FAA ruling, I am asking that this bill be passed to exempt the Grand Junction airport from the reverter provision. This bill does not, however, release the airport authorities to use their federally granted land any way they wish. In place of the old reverter provision, I am asking that the airport be placed under the authority of a law which instructs the Administrator of the FAA to determine in individual cases whether land granted for an airport can be used for nonairport purposes. In this way, the FAA can insure, before releasing the Grand Junction land for exchange, that it is no longer necessary for the safety of airport users.

Mr. President, because of the important location of the Grand Junction Airport—it is in the heart of Colorado's oil shale area and is the only airport between Denver and Salt Lake City serving big commercial jets—I would ask speedy consideration of this bill.

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

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

S. 3888

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That, notwithstanding section 16 of the Federal Airport Act, the Administrator of the Federal

Aviation Agency is authorized, subject to the provisions of section 4 of the Act of October 1, 1949 (50 App. U.S.C. 1622c), to grant releases from any of the terms, conditions, reservations, and restrictions contained in the deed of conveyance dated September 14, 1951, under which the United States conveyed certain property to the city of Grand Junction, Colorado, for airport purposes.

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By Mr. RIBICOFF (for himself and Mr. HARTKE):

S. 3890. A bill to amend title 38, United States Code, to provide hospital and medical care to certain members of the Armed Forces of nations allied or associated with the United States in World War I or World War II. Referred to the Committee on Veterans' Affairs.

Mr. RIBICOFF. Mr. President, today I am introducing legislation to assure Polish and Czechoslovakian war veterans living in the United States of veterans' medical benefits.

This proposal would provide hospital, domiciliary care and medical services by the Veterans' Administration to those who served in combat during World Wars I or II as members of the Czechoslovakian or Polish armed services as allies of the United States. They must have been American citizens for at least 10 years to qualify and they must not be entitled to equivalent care or services provided by a foreign government or ally of the United States.

We must help these courageous freedom fighters. Unlike others who fought with great courage against the enemies of the United States, these veterans could not return to their homes because communism had taken over in their native lands. They chose America as their new home and we must not turn our backs on them when they need medical care.

Several allied countries, including Canada, Britain, Australia, and New Zealand have already granted full veterans' privileges to the Polish veterans who settled in their land. The United States has not yet done so, despite the fact that we already provide medical and hospital benefits to World War I veterans of the Philippine Armed Forces.

It is estimated that 35,000 veterans are potentially eligible for benefits under this bill.

A similar bill cosponsored by Congresswoman ELLA GRASSO, passed the House on Monday. I am pleased that my bill is cosponsored by Senator VANCE HARTKE, chairman of the Senate Veterans Committee.

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By Mr. STEVENS:

S. 3891. A bill to establish a Fisheries Manpower Development Program and for other purposes. Referred jointly by unanimous consent to the Committee on Commerce and the Committee on Labor and Public Welfare.

Mr. STEVENS. Mr. President, the legislation I introduce today, the "Fisheries Manpower Education Act of 1974," would initiate a means for U.S. fishermen, fisheries technicians, engineers, and scientists, now and in the future, to acquire the skills needed to harvest our Nation's share of the world's food fish stocks.

On February 7, 1973, this body passed Senate Concurrent Resolution 11, expressing a national policy of support of the U.S. fishing industry. The legislation later passed the House. Senate Concurrent Resolution 11 cited some of the reasons the United States, which led the world in fish production a few years ago, now ranks sixth or seventh and must import 60 percent of our food fish needs from other nations. Mentioned were such factors as intensive foreign fishing off our coasts, rising operating costs, obsolescence of equipment and methods.

The validity of the premises of Senate Concurrent Resolution 11, and the serious need for increased support of our fisheries industry have been documented in Commerce Committee hearings in various coastal regions of the United States and here in Washington on whether or not our Nation should extend its fisheries jurisdiction to 200 miles. We have repeatedly heard in those hearings that unrestrained foreign fishing operations off our shores will surely result in permanent loss of one species after another unless effective conservation-management practices are imposed on foreign fishermen, as they already have been on our own.

We have heard that much of our fleet is deteriorating because the domestic fisherman cannot see his way clear to invest the large sums of money necesary to upgrade his equipment when the resource is swiftly being destroyed.

Most of the facts arising from these hearings are grim ones. Yet, there also has been a distinct note of promise. In general the fishermen we have heard are far from defeated. The proud spirit which has led the American fisherman to the sea for generations is alive and well. He is confident that if he is allowed to compete on equal terms, under equitable rules and regulations, with his foreign adversaries, he will run them off the water.

Mr. President, I have every confidence that the commitment of Senate Concurrent Resolution 11 will be honored by the Congress, and that piece-by-piece the economic and regulatory requirements will be provided. The Fisheries Manpower Education Act of 1974 is a very important one of those pieces. In fact, it rightly should be one of the first considered, because education takes time; and skilled manpower must be available on a timely basis to keep pace with the development of the industry.

Two of the more obvious questions to be explored as this legislation is considered are: First, can and will the industry employ additional trained people, and second, can our educational community as it exists today provide the necessary training?

I first learned that there is a problem in the fisheries manpower field when a progressive fisheries company in Alaska ventured into a major expansion necessitating the use of much larger and more modern vessels than previously needed. It soon found that the proven fisherman-skippers who had grown with the company had no practical way of acquiring the necessary skills to make the transition into the new vessels. Skippers from traditional maritime sources, on the other hand, knew nothing of fishing. After hearing testimony from and talking to fishermen from other States, I find that this situation is widespread. Statistics published by the National Marine Fisheries Service show that the number of U.S. vessels exceeding 5 net tons increased from 5,562 in 1940, to 11,496 in 1950, to 13,591 in 1970, despite the serious deterences I have noted. Moreover, I think there is no doubt that extended U.S. fisheries jurisdiction will be achieved soon either through international agreement or interim unilateral action, and that there will be a consequent increase in the larger, more modern vessels and gear. Inevitably, our fisheries labor force, reported by NMFS to include 140,538 fishermen and 86,813 processing and wholesaler workers, has now and will have a growing need for upgrade and entry training.

In order to learn what is being done now in the field of education the Subcommittee on Oceans and Atmosphere, with the assistance of the U.S. Office of Education, in the fall of 1973, conducted a survey of education and training resources in the United States which prepare manpower for the scientific fishing industry. The focus of the survey was on programs that directly produced trained technicians for modernized fishing fleets.

Each chief State school officer was asked to identify such institutions and programs in the State and to include the number of students trained in 1972, the numbers currently enrolled, and the occupation for which training is provided.

That initial survey tends to confirm the view that the output of trained manpower in scientific fishing techniques for U.S. fishing fleets is grossly inadequate for current and projected fish harvesting needs.

In several States having extensive coastlines, Connecticut and Maryland, for example, the industry primarily relies on a father-and-son type of business where training is part of the family way of life. The increasing importance of fish protein to the United States and to the world points to the long-range need to supplement such informal training systems with more extensive and planned programs of training in scientific fish harvesting methods.

The United States training resources are currently concentrated in the nine States of Alaska, California, Florida, Maine, New Jersey, Oregon, Rhode Island, South Carolina and Washington State. In addition, the four States of Connecticut, Georgia, Mississippi and Texas reported limited training resources at the present time.

Most of the instruction in scientific fishing techniques is taking place in public education facilities such as area vocational-technical schools, high schools, community, and junior colleges and universities having programs such as the University of Rhode Island's fisheries and marine technology program. Another good example is seen in my own State of Alaska. In the spring of each year, Kodiak Community College holds a fisheries institute lasting 5 days at 8 hours per day. A total of 1,400 attended

in 1972; attendance was 424 in 1973; and this past spring totaled 724 persons.

Not all, however, are public education agencies. In Maine, the Fisheries Extension Division of the Department of Sea and Shore Fisheries has an extension service which conducts research in marine gear and works with fishermen and fishing associations in the use and operation of marine gear used in the fishing industry.

Most of the States reported other important programs that directly and indirectly support the U.S. fishing industry. Included in these are baccalaureate and graduate programs in the marine sciences, high school and post-secondary programs in marine technology, as well as marine research programs that support the seafood/fishing industries. The Virginia Institute of Marine Science at Gloucester Point engages in an extensive program of public education in the marine sciences in addition to work in research and developmental activities related to the State's seafood industry. Oregon State University's Marine Science Center has similar public education and research programs. In Connecticut, the Marine Science Institutes at Avery Point and at Noank conduct programs of research and training related to the management of commercial fisheries. These are primarily at the graduate level.

In summarizing the results of the survey, the U.S. Office of Education said:

As vital as these related programs are to the industry, there remains the problem of a shortage of technicians trained in the most up-to-date harvesting methods. Here the Federal Government has a vital role to play in stimulating and, if necessary, providing the resources to establish required training facilities and programs.

Mr. President, last summer I traveled as a representative of the Senate Commerce Committee to the Soviet Union, specifically to observe the means through which that nation prepares the necessary manpower for its gigantic global fishing operations. As you know, the U.S.S.R. has assigned a top priority for fisheries because of the vast national need for protein. The Soviet Union now ranks second only to Japan in fisheries and shows no sign of slowing down. The educational system necessary to maintain the vast labor force of the fisheries endeavor provides some 10,000 newly trained personnel annually. I visited 2 of the 23 regional fisheries academies which offer 2- to 3-year technical courses leading to junior officer qualifications for graduates. I was most impressed by the work-oriented practical nature of the training, which utilizes 30 training vessels, and by the reported small dropout rates, near 100-percent employment opportunity for graduates, and obvious high prestige enjoyed by Soviet fishermen. The technical academies and three fisheries universities, I was told by fisheries officials in Moscow, are but part of a complex system through which an individual who has completed elementary school may follow any of a number of combinations of institutional schooling, on-job training and correspondence programs and, depending on his abilities and aspirations, eventually qualify as a fishing vessel crewman, officer, master, administrator, engineer or scientist.

The proposal I introduce today is to help stimulate the interest of American youth in fisheries careers, and to provide the best possible technical education for them and for working fishermen.

The act fundamentally would involve the National Marine Fisheries Service and qualified advisers from the fisheries community to assure a practical type of training. It would establish within the National Marine Fisheries Service a Fisheries Manpower Development Office which would be responsible for the development of four basic programs. The first of these would be an orientation program, including visual aids, publications, motion pictures, and other materials designed to stimulate the interest of elementary and secondary school students, of coastal communities, in fisheries. I have in mind a fisheries counterpart to in-school programs such as Future Farmers of America. At the next level would be pilot programs, one each in four major fisheries regions of the United States to provide 2-year high school accredited technical training programs at 11th and 12th grade levels for youths 16 to 19 years of age. Also provided would be upgrade training, both institutional and correspondence, for working fishermen in the major fishing regions. Finally, there would be provision for scholarships for selected, motivated individuals planning to pursue fisheries management, engineering, and scientific careers.

Mr. President, I ask unanimous consent that the bill be jointly referred to the Committee on Commerce and the Committee on Labor and Public Welfare.

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

Mr. STEVENS. Mr. President, I commend the "Fisheries Manpower Education Act of 1974" for the consideration of my colleagues as a necessary adjunct to a revitalized U.S. fishing industry and ask unanimous consent that the bill be printed in full in the RECORD.

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

S. 3891

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* To authorize the Secretary of Commerce to take action necessary to implement this Act which may be cited as the "Fisheries Manpower Education Act of 1974".

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds that—

(1) the highly mechanized distant water fishing fleets of foreign nations have, in recent years, massively harvested North American fish species without regard to the need to sustain the species;

(2) the United States fishing industry, which prior to heavy foreign fishing off our coasts, had little need for large, modern fishing vessels to harvest nearby stocks, must modernize because it is unable to effectively compete against foreign fleets;

(3) interest in fisheries careers is declining among young Americans;

(4) there is inadequate formal educational opportunity available to working fishermen to enable them to keep pace with technological advances and qualify for the more responsible jobs in the industry;

(5) a largely expanded zone of United States fisheries jurisdiction is possible within the near future either through international treaty or domestic legislation;

(6) Possible United States assumption of management authority over an expanded fisheries zone mandates a United States responsibility to assure optimum harvest of fish to help meet the protein needs of mankind, while sustaining the species; and

(7) optimum harvest of the species necessitates a modernization of United States fisheries equipment and methods to an extent not within the present capacity of the fisheries labor market.

(b) It is therefore the purpose of this Act to undertake a pilot program designed to promote the interest of American youth in careers in the fishing industry and designed to develop improved educational opportunities for advancement by such youths and individuals now engaged in commercial fisheries consistent with their personal aspirations and abilities and the needs of the fisheries.

DEFINITIONS

SEC. 3. As used in this Act the term—

(1) "Advisory Council" means the National Advisory Council on Fisheries Manpower Education;

(2) "elementary school" means any such school as defined in section 801(c) of the Elementary and Secondary Education Act of 1965;

(3) "institution of higher education" means any such institution as defined in section 1201(a) of the Higher Education Act of 1965;

(4) "local educational agency" means any such agency as defined in section 801(f) of the Elementary and Secondary Education Act of 1965;

(5) "Office" means the Fisheries Manpower Development Office established under section 4;

(6) "private vocational training institution" means any institution as defined in section 108(11) of the Vocatfonal Education Act of 1963;

(7) "secondary school" means any such school as defined in section 801(h) of the Elementary and Secondary Education Act of 1965;

(8) "Secretary" means the Secretary of Commerce;

(9) "State educational agency" means any such agency as defined in section 801(k) of the Elementary and Secondary Education Act of 1965;

(10) "vocational school" means any area vocational education school as defined in section 108(2) of the Vocational Education Act of 1963; and

(11) "community college" means any such school as defined in section 1018 of the Higher Education Act of 1965.

ESTABLISHMENT OF THE FISHERIES MANPOWER DEVELOPMENT OFFICE

SEC. 4. (a) The Secretary shall establish within the National Marine Fisheries Service a Fisheries Manpower Development Office. The Office shall be headed by a Director who shall be appointed by the Secretary.

(b) The Secretary shall administer the provisions of this Act through the Office established under this section.

ORIENTATION PROGRAM

SEC. 5. (a) The Secretary is authorized and directed to develop and carry out an orientation program for use in the public elementary and secondary schools of the coastal States of the United States designed to acquaint American youths with the nation's commercial fishing industry and to stimulate tneir interest in a fisheries career.

(b) The Secretary is authorized and directed to make available to local educational

agencies in coastal States such materials developed pursuant to subsection (a) of this section as he finds will promote the purpose of this Act.

(c) The Secretary is authorized and directed to make grants to and enter into contracts with local educational agencies for the furnishing to such agencies of promotional and instructional materials (including motion pictures, texts and other materials) designed to carry out the orientation program developed under this section.

TECHNICAL FISHERIES TRAINING

SEC. 6. (a)(1) The Secretary is authorized to enter into contracts with any vocational school, community college or private vocational training institution for the establishment and operation of not to exceed four pilot projects under which technical training for a fisheries career will be provided for a two-year period to youths who have attained 16 years of age but are not 20 years of age. Wherever appropriate the training project conducted pursuant to a contract entered into under this subsection shall provide for in-residence training. Such training shall include appropriate training aboard a vessel actively engaged in harvesting fish.

(2) At least one such contract shall be entered into with a vocational school, community college or private vocational training institution located in the States bordering the East Coast of the United States, one in a school or institution located in the States bordering the Gulf of Mexico, one in a school or institution located in States bordering the Pacific Coast of the United States and one in a school or institution located in Alaska.

(b) Each contract entered into pursuant to this section shall provide for the recruitment, counseling, training, job development, and supportive services of the youths who are enrolled in the project assisted under this section. Supportive services shall include subsistence and housing, books and supplies, medical and dental service, and transportation costs and all other costs related to such recruitment, counseling, training, job development, and supportive services, and where appropriate, uniforms.

(c)(1) No youth shall be eligible to be enrolled in a project assisted under this section who has not completed at least 10 grades of elementary and secondary education and who shall further agree to complete a high school diploma or its equivalent subsequent to enrollment. Under criteria established by the Secretary the requirement of this paragraph may be waived in appropriate cases.

(2) Each contract entered into under this section shall contain provisions adequate to assure the vocational school, community college or private vocational training institution will establish an appropriate board consisting of officials of that school or institution (including officials of the State or local educational agency concerned) and fishing vessel operators and fishermen to establish the requirements for the enrollment of youths in the project assisted pursuant to that contract.

(d) The Secretary shall give priority to contracts entered into with vocational schools, community colleges, or private vocational training institutions in which the youths enrolled will be completing the requirements for a certificate of graduation from a school providing secondary education or the recognized equivalent of such a certificate.

UPGRADING TRAINING

SEC. 7. (a)(1) The Secretary is authorized to enter into contracts with any vocational school, community college or private vocational training institution for the establishment and operation of not to exceed four (4) pilot projects under which working fishermen may acquire additional skills in order to keep pace with technological advances and qualify for more responsible jobs in the industry.

(2) Such training shall be designed in appropriate modules in order to permit flexible entry into the program and exit upon completion of a desired training goal, and may include off-season institutional training and year-round correspondence programs.

(b) At least one such contract shall be entered into with a vocational school, community college or private vocational training institution located in the States bordering the East Coast of the United States, one in a school or institution located in the States bordering the Gulf of Mexico, one in a school or institution located in States bordering the Pacific Coast of the United States and one in a school or institution located in Alaska.

(c) Each contract entered into pursuant to this section shall provide for the recruitment, counselling, training, job development, and supportive services as required of the working fishermen w o are enrolled in the project assisted under this section.

(d) Each contract entered into under this section shall contain provisions adequate to assure the vocational school, community college or private vocational training institution will establish an appropriate board consisting of officials of that school or institution (including officials of the State or local educational agency concerned) and fishing vessel operators and fishermen to establist the requirements for the enrollment of working fishermen in the project assisted pursuant to that contract.

SCHOLARSHIP PROGRAM

SEC. 8. (a) In cooperation with the administration of the National Sea Grant Program the Secretary is authorized to award scholarships for study at institutions of higher education for both graduate and undergraduate study for persons who plan to pursue a career in the engineering, management, or scientific fields related to the development of the nation's fisheries.

(b) The Secretary shall allocate fellowships awarded under this section among institutions of higher education in such manner and according to such plan as will, insofar as practicable, (1) provide an equitable distribution of fellowships throughout the United States with particular consideration of institutions located in coastal States, and (2) attract individuals to pursue such a career.

(c)(1) The Secretary shall pay to persons awarded fellowships under this section such stipends (including such allowances for subsistence and other expenses for such persons and their dependents) as he may determine to be consistent with prevailing practices under comparable federally supported programs.

(2) The Secretary shall (in addition to the stipends paid to persons under subsection (c)(1)) pay to the institution of higher education at which such person is pursuing his course of study, in lieu of tuition charged such person, such amounts as the Secretary may determine to be consistent with prevailing practices under comparable federally supported programs.

(d)(1) A person awarded a fellowship under the provisions of this part shall continue to receive payments provided in subsection (c) only during such periods as the Secretary finds that he is maintaining satisfactory proficiency in, and devoting essentially full time to, study or research in the field in which such fellowship was awarded, in an institution of higher education, and is not engaging in gainful employment other than part-time employment by such institution in teaching, research, or similar activities, approved by the Secretary.

(2) The Secretary is authorized to require reports containing such information in such form and to be filed at such times as he determines necessary from any person awarded a fellowship under the provisions of this part. Such reports shall be accompanied by a certificate from an appropriate official at the institution of higher education, library, archive, or other research center approved by the Secretary, stating that such person is making satisfactory progress in, and is devoting essentially full time to, the program for which the fellowship was awarded.

REPORT

SEC. 9. Not later than six months after the termination of programs authorized by this Act, the Secretary shall prepare and furnish to the President and the Congress a report on all programs authorized by this Act. Such report shall include an evaluation of each program and shall include recommendations for additional legislation as he deems necessary and appropriate.

PAYMENTS

SEC. 10. Payments made pursuant to grants or contracts under this Act may be made in installments, and in advance or by way of reimbursement with necessary adjustments on account of overpayments or underpayments, as the Secretary may determine.

WITHHOLDING

SEC. 11. Whenever the Secretary after giving reasonable notice and opportunity for a hearing to any contractee or grantee under this Act finds—

(1) that the program or project for which payments under such grant or contract was made has been so changed that it no longer complies with the provisions of this Act; or

(2) that in the operation of the program or project there is a failure to comply substantially with any such provision;

the Secretary shall notify such grantee or contractee of his findings and no further payments may be made to such grantee or contractee by the Secretary until he is satisfied that such noncompliance has been, or will promptly be, corrected. The Secretary may authorize the continuation of payments with respect to any program or project assisted pursuant to this Act which is being carried out by such grantee or contractee and which is not involved in the noncompliance.

ADMINISTRATIVE PROVISIONS

SEC. 12. (a) In order to carry out his functions under this Act the Secretary is authorized to—

(1) procure temporary and intermittent services to the same extent as authorized by section 3109 of title 5, United States Code;

(2) secure from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality of the United States Government, or of any State, or political subdivision thereof, information, estimates, and statistics required in the performance of his functions under this Act;

(3) enter into and perform such contracts, leases, cooperative agreements or other arrangements as may be advisable without regard to section 3709 of the Revised Statutes (41 U.S.C. 5) and other provisions of law relating to competitive bidding; and

(4) appoint such regional advisory councils as he deems appropriate; and

(5) accept and use with their consent, with reimbursement, such services, equipment and facilities of other Federal agencies as are necessary to carry out such functions efficiently and such agencies are authorized to loan, with reimbursement, such services, equipment and facilities to the Department of Commerce.

(b) Each such department, bureau, agency, board, commission, office, independent establishment, or instrumentality is authorized and directed to furnish such information, estimates, and statistics directly to the De-

partment of Commerce upon written request made by the Secretary.

NATIONAL ADVISORY COUNCIL ON FISHERIES MANPOWER EDUCATION

SEC. 13. (a) There is established an Advisory Council on Fisheries Manpower Education composed of 20 members appointed by the President from among individuals who are widely recognized by reason of experience, education, or training as specially qualified to serve on such Council. In making such appointments the President shall give due consideration to individuals representing coastal States.

(b) The Advisory Council shall make recommendations to the Secretary relative to the carrying out of his duties under this Act.

(c) The Advisory Council shall select its own Chairman and Vice Chairman.

(d) Each member of the Advisory Council who is appointed from private life shall receive $125 per diem (including travel time) for each day during which he is engaged in the actual performance of his duties as a member of the Council. A member of the Council who is in the legislative, executive, or judicial branch of the United States Government shall serve without additional compensation. All members of the Council shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of such duties.

AUTHORIZATION

SEC. 14. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act not to exceed three years from the date of enactment.

## ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 796

At the request of Mr. PELL, the Senator from Kansas (Mr. DOLE) was added as a cosponsor of S. 796, a bill to improve museum services.

S. 3649

At the request of Mr. PELL, the Senator from Pennsylvania (Mr. SCHWEIKER) was added as a cosponsor of S. 3649, the Social Security Recipients Fairness Act.

S. 3753

At the request of Mr. MCCLURE, the Senator from Wyoming (Mr. HANSEN), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Wisconsin (Mr. NELSON), the Senator from Tennessee (Mr. BROCK), the Senator from South Carolina (Mr. THURMOND), and the Senator from Hawaii (Mr. INOUYE) were added as cosponsors of S. 3753, a bill to provide memorial transportation and living expense benefits to the families of deceased servicemen classified as POW's or MIA's.

S. 3798

At the request of Mr. JAVITS, the Senator from Indiana (Mr. BAYH) was added as a cosponsor of S. 3798, the Economic Opportunity and Community Partnership Act of 1974.

S. 3863

At the request of Mr. PERCY, the Senator from Nebraska (Mr. CURTIS), the Senator from North Dakota (Mr. YOUNG), and the Senator from South Dakota (Mr. MCGOVERN) were added as cosponsors of S. 3863, a bill to name the synthetic gas pilot plant in Rapid City, S. Dak., the "Karl E. Mundt Gasification Pilot Plant."

S. 3864

At the request of Mr. MCGOVERN, the Senator from Minnesota (Mr. HUMPHREY) was added as a cosponsor of S. 3864, the National Nutrition Education Act of 1974.

SENATE JOINT RESOLUTION 231

At the request of Mr. EAGLETON, the Senator from Maine (Mr. HATHAWAY) was added as a cosponsor of Senate Joint Resolution 231, establishing an emergency task force on the economy.

## AMTRAK IMPROVEMENT ACT OF 1974—AMENDMENT

AMENDMENT NO. 1783

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

Mr. MAGNUSON. Mr. President, today I am submitting, along with Senators JACKSON, HARTKE, and BEALL, an amendment to S. 3569, the Amtrak Improvement Act of 1974, that will fill an important void in Federal leadership by creating a much needed program to restore, rehabilitate, and use the many railroad stations of historic and architectural merit which might otherwise fall to the wrecker's ball.

Over 40,000 railroad stations were built in the United States since the first station in the United States was erected in 1830, at Mount Clare, in Baltimore. The National Endowment for the Arts has estimated that approximately 20,000 of them still stand, many of which are sturdy, handsome structures of considerable architectural merit. Unfortunately, time is running out for many of these worthwhile structures. Most of the stations still standing are owned by various railroad companies, who frequently have little need for them. Typically, they are given minimal maintenance at best, and in many cases they have been effectively abandoned altogether. A recent report on "Reusing Railroad Stations," funded by the National Endowment for the Arts, observed that:

As each day passes, water seeps deeper beneath roof piles, cracks increase between stones, and a little more plasterwork decomposes. It is essential to act quickly if railroad stations are not to pass into memory along with those who built them.

This report concludes that:

The scope of required action, especially for saving the larger stations, is so great that the federal government must provide leadership.

Mr. President, the amendment I am introducing today along with my distinguished colleagues would provide the badly needed Federal leadership to meet the needs that have been identified by the National Endowment for the Arts and others. Senator HARTKE, for instance, has been deeply involved in attempting to secure adequate station facilities for the use of rail passengers here in our Nation's Capital. The provisions regarding Union Station contained in section 12 of S. 3569 are well thought out responses to the need to assure adequate facilities for the increasing numbers of rail passengers here in Washington. This amendment will assure that the commitment of the Federal Government to wisely using rail stations extends beyond Washington, D.C., and the identification of the problems and the cosponsorship of this amendment is typical of Senator HARTKE's leadership in this area.

If the reuse of rail stations is to be successful, however, it will require not just the commitment of the Federal Government. The actions and commitments of individuals, communities, private industry, foundations, and government at all levels is needed to assure that this valuable resource is not lost. This amendment is structured to assure the maximum input from all those sources. Additionally, the Rail Passenger Service Act would be amended to insure that Amtrak takes into account the historical and architectural integrity of the available buildings when considering what type of station should be used for present day rail passenger service. Amtrak has done an excellent job of retaining and cleaning some of the finest stations in the country; Philadelphia, 30th Street; Chicago, Union Station; Los Angeles; and, Indianapolis are but three examples of outstanding stations that are still used by Amtrak and which deserve preservation on the basis of architectural integrity. However, in several cases, Amtrak has turned to small plastic prefabs for new passenger stations rather than tackling the rising maintenance costs of old structures; frequently maintenance or other costs make this the only prudent choice. This legislation may foster the sort of multiple use in combination with Federal assistance that will change the economics of those situations. I am hopeful that Amtrak will give every consideration to the possibility of leasing or otherwise acquiring what space is needed in stations that can be used for a multiplicity of purposes in order to both facilitate the retention of architecturally worthwhile buildings and continue their use as railroad stations wherever possible.

Mr. President, I am hopeful for favorable consideration by the Senate of this proposal as quickly as possible. There is no time to lose in beginning a rational program to preserve what still remains of the architectural heritage that exists in railroad stations. Mr. President, I request unanimous consent that this amendment be printed in the CONGRESSIONAL RECORD at the conclusion of my remarks and those of my colleagues.

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

Mr. JACKSON. Mr. President, I am pleased to cosponsor this amendment with the distinguished chairman of the Senate Commerce Committee, Mr. MAGNUSON, and the distinguished chairman of the Surface Transportation Subcommittee (Mr. HARTKE) and the distinguished Senator from Maryland (Mr. BEALL).

As chairman of the Interior Committee, I have long had a strong interest in the preservation of the natural landscape of the United States. For instance, it has been recognized for some time now that such unique resources as the Grand Canyon, the North Cascades, and Cape Cod should be kept from destruction or abuse through our National Park, National Seashore, and National Forest

system. The despoilment of our natural environment has also become a major issue with which most Americans are readily conversant. Unfortunately, while the foolishness of fouling our own life support systems with waste of various kinds is becoming increasingly recognized, we have been too slow in recognizing that we are quickly destroying another important human resource—railroad stations.

As Senator MAGNUSON has pointed out, already the number of stations in existence in the United States has been approximately cut in half, and many of these structures are of considerable architectural and historic merit. At the moment, less than 60 of the remaining 20,000 stations are on the National Register of Historic Places, and as each day passes, we come closer to losing some of the finest examples of 19th and 20th century American architecture. The fact that there have been over 6,500 applications of railroad stations to be placed on the National Register so far is indicative of the quality of many of the remaining stations. The most tragic aspect of the continuing destruction of many of these fine old buildings is that the proper Federal leadership in cooperation with communities, States, individuals, philanthropic organizations, and private enterprise can convert many of these unused or underused facilities into useful productive buildings that would not only preserve our priceless architectural heritage, but give valuable service to the communities in which they are located. The provisions of this amendment that incorporate the contributions that can be made by the Advisory Council on Historic Preservation, established by the Congress in 1966, and the National Endowment for the Arts, which recently funded a national workshop and report on reusing railroad stations, will help to assure that the preservation and reuse of these facilities will be accomplished in a tasteful manner.

Mr. President, I am pleased to cosponsor this amendment, and would urge its adoption by the full Senate.

Mr. HARTKE. Mr. President, I am pleased to join with my distinguished colleagues, Senator JACKSON, Senator MAGNUSON, and Senator BEALL, in sponsoring this amendment to the Amtrak Improvement Act of 1974. As chairman of the Surface Transportation Subcommittee, I have first-hand knowledge of the outstanding example of American architecture that is exemplified in many of the railroad stations still in existence throughout the United States. They are very much worth preserving and reusing, and provide a unique opportunity to combine the worthwhile preservation of an architecture and construction that cannot be feasibly duplicated today, while at the same time converting them to multimodal transportation use and other uses that will provide substantial community benefits.

This amendment will not result in simply preserving these fine buildings that exist all across the United States, however worthwhile that may be; it also contemplates the productive use of these structures by the communities in which they are located. The best possible use of a station is to continue the use for which it was originally designed—rail passenger service. The amendment requires Amtrak to use these structures whenever feasible. But that will not be enough in all cases, because of the diminished—but increasing—volume of rail passenger traffic since the period in which most of these buildings were erected. Many of these fine old stations can be profitably used for both today's rail passenger service while at the same time serving other modes of transport, such as intercity and urban bus systems, other forms of urban mass transit, airport transportation connections, and other forms of transit. Where the transit needs of a community do not fully utilize the station resources, there are many other innovative uses to which they can be put. A good example is the current proposal to reuse the outstanding Union Station in Indianapolis, in my own State of Indiana. The station will continue to be used for rail passenger service and possibly for other modes, but in addition many shops and other commercial enterprises are expected to locate within it. This will contribute to the continued viable commercial use of a structure that could never be reproduced today.

Mr. President, the National Endowment for the Arts, in conjunction with the Educational Facilities Laboratories of New York, recently organized a national meeting on saving old railroad stations that was held in Indianapolis. There was an unexpectedly large turnout at the meeting, and I am advised that not only were a number of mayors and other government representatives present but the private sector has shown an unprecedented amount of interest in the reuse of railroad stations. I am also pleased that the meeting was held in Indianapolis because the renovation of Union Station there is a showcase of the preservation and sensitive adaptation of a beautiful structure to today's uses. I am hopeful that this amendment will contribute to the preservation and productive use of many more of these structures, and hope that the Senate acts expeditiously on it. There is no time to lose.

AMENDMENT NO. 1783

On page 16, line 22, delete "new subsection" and insert in lieu thereof "two new subsections".

On page 18, line 6, delete " "." at the end thereof.

On page 18, between lines 6 and 7 insert the following:

"(i) (1) The Secretary shall provide financial, technical and advisory assistance in accordance with this subsection for the purpose of (A) promoting on a feasibility demonstration basis the conversion of not less than three railroad passenger terminals into intermodal transportation terminals; (B) preserving railroad passenger terminals that have a reasonable likelihood of being converted or otherwise maintained pending the formulation of plans for reuse; and

(C) stimulating State and local governments, local and regional transportation authorities, common carriers, philanthropic organizations, and other responsible persons to develop plans for the conversion of railroad passenger terminals into intermodal transportation terminals and civic and cultural activity centers.

"(2) Financial assistance for the purpose set forth in paragraph (1)(A) of this subsection shall be granted in accordance with the following criteria: (A) the railroad passenger terminal can be converted to accommodate such other modes of transportation as the Secretary deems appropriate, including motor bus transportation, mass transit (rail or rubber tire), and airline ticket offices and passenger terminal providing direct transportation to area airports; (B) the railroad passenger terminal is listed on the National Register of Historic Places maintained by the Secretary of the Interior; (C) the architectural integrity of the railroad passenger terminal will be preserved and such judgment is concurred in by consultants recommended by the Chairman of the National Endowment of the Arts and the Advisory Council on Historic Preservation and retained for this purpose by the Secretary; (D) to the extent practicable, the use of station facilities for transportation purposes may be combined with use for other civic and cultural activities, especially when such use is recommended by the Advisory Council on Historic Preservation or the Chairman of the National Endowment for the Arts, or the consultants retained by the Secretary upon their recommendation; and (E) the railroad passenger terminal and the conversion project meet such other criteria as the Secretary shall develop and promulgate in consultation with the Chairman of the National Endowment of the Arts and the Advisory Council on Historic Preservation. The Secretary shall make grants not later than July 1, 1976. The amount of the Federal share of any grant under this paragraph shall not exceed 80 per centum of the total cost of conversion of a railroad passenger terminal into an intermodal transportation terminal.

"(3) Financial assistance for the purpose set forth in paragraph (1)(B) of this subsection may be granted in accordance with regulations, to any responsible person (including a governmental entity) who is empowered by applicable law, qualified, prepared and committed, on an interim basis pending the formulation of plans for reuse, to maintain (and present the demolition, dismantling, or further deterioration of) a railroad passenger terminal: *Provided*, That (A) such terminal has, in the opinion of the Secretary, a reasonable likelihood of being converted to or continued for reuse as an intermodal transportation terminal, a civic or cultural activities center, or both; and (B) planning activity aimed at conversion or reuse has commenced and is proceeding in a competent manner. Funds appropriated for the purpose of this paragraph and paragraph (1)(B) of this subsection shall be expended in the manner most likely to maximize the preservation of railroad passenger terminals capable reasonably of conversion to intermodal transportation terminals or which are listed in the National Register of Historic Places maintained by the Secretary of the Interior or which are recommended (on the basis of architectural integrity and quality) by the Chairman of the National Endowment for the Arts or the Advisory Council on Historic Preservation. The amount of the Federal share of any grant under this paragraph shall not exceed 90 per centum of the total cost of such interim maintenance for a period not to exceed 5 years.

"(4) Financial assistance for the purpose set forth in paragraph (1)(C) of this subsection may be granted, in accordance with regulations, to a qualified person (including a governmental entity) who is prepared to develop practicable plans meeting the zoning, land-use, and other requirements of the applicable State and local jurisdictions in which the railroad passenger terminal is located as well as requirements under this subsection; who shall incorporate into the designs and plans proposed for the conversion of such terminal into an intermodal transportation terminal, a civic or cultural

center, or both, features which reasonably appear likely to attract private investors willing to undertake the implementation of such planned conversion and its subsequent maintenance and operation; and who shall complete the designs and plans for such conversion within 2 years following the approval of the application for Federal financial assistance under this subsection. In making grants under this paragraph, the Secretary shall give preferential consideration to applicants whose completed designs and plans will be implemented and effectuated within 3 years after the date of completion. Funds appropriated for the purpose of this paragraph and paragraph (1)(C) of this subsection shall be expended in the manner most likely to maximize the conversion and continued public use of railroad passenger terminals which are listed in the National Register of Historic Places maintained by the Secretary of the Interior or which are recommended (on the basis of architectural integrity and quality) by the Advisory Council on Historic Preservation or the Chairman of the National Endowment for the Arts. The amount of the Federal share of any grant under this paragraph shall not exceed 90 per centum of the total cost of the project or undertaking for which the financial assistance is provided.

"(5) Within 90 days after the date of enactment of this subsection, the Secretary shall issue, and may from time to time amend, regulations with respect to financial assistance under this subsection and procedures for the award of such assistance. Each application for assistance under this subsection shall be made in writing in such form and with such content and other submissions as the Secretary shall require.

"(6) The National Railroad Passenger Corporation shall give preference to using station facilities that would preserve buildings of historical and architectural significance.

"(7) Each recipient of financial assistance under this subsection shall keep such records as the Secretary shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance was given or used, the amount of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit. Until the expiration of 3 years after completion of such project or undertaking, the Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of such receipts which, in the opinion of the Secretary or the Comptroller General, may be related or pertinent to such financial assistance.

"(8) There is authorized to be appropriated to the Secretary for the purpose set forth in paragraph (1)(A) of this subsection sums not to exceed $80,000,000; (B) for the purpose set forth in paragraph (1)(B) of this subsection sums not to exceed $10,000,000; and, (C) for the purpose set forth in paragraph (1)(C) of this subsection sums not to exceed $10,000,000. Such sums as are appropriated shall remain available until expended.

"(9) As used in this subsection, "civic and cultural activities" include, but are not limited to, libraries, musical and dramatic presentations, art exhibitions, adult education programs, public meeting place for community groups, convention visitors, and others, and facilities for carrying on activities supported in whole or in part under Federal law.

"(10) Nothing in this subsection shall be construed to invalidate the eligibility of any station for funds designed to assist in its preservation or reuse under any other federal program or statute.".

## CONSUMER PROTECTION—AGENCY FOR CONSUMER ADVOCACY—AMENDMENT

AMENDMENT NO. 1784

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

Mr. McCLURE submitted an amendment intended to be proposed by him to Amendment No. 1647, intended to be proposed by Mr. HELMS, to 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.

## ADDITIONAL COSPONSORS OF AMENDMENTS

AMENDMENT NO. 1613

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the following Senators' names be added as cosponsors of my Amendment No. 1613, which I intend to propose to the military construction authorization bill, S. 3471: Mr. ABOUREZK, Mr. BAKER, Mr. BAYH, Mr. BROCK, Mr. BROOKE, Mr. BURDICK, Mr. CHILES, Mr. DOLE, Mr. EASTLAND, Mr. HART, Mr. HELMS, Mr. INOUYE, Mr. MATHIAS, Mr. MONDALE, Mr. NELSON, Mr. PACKWOOD, Mr. PROXMIRE, Mr. RIBICOFF, Mr. HUGH SCOTT, Mr. THURMOND, and Mr. TUNNEY.

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

Mr. HOLLINGS. Mr. President, the distinguished Senator from California (Mr. CRANSTON) joined in cosponsorship of this amendment at the time it was introduced.

AMENDMENT NO. 1748

At the request of Mr. HARTKE, the Senator from Kansas (Mr. PEARSON) was added as a cosponsor of Amendment No. 1748, intended to be proposed to the bill (S. 1950) to provide for the licensing of automotive repair shops and damage appraisers.

## CORPORATE DISCLOSURE HEARINGS SCHEDULED

Mr. METCALF. Mr. President, the Government Operations Committee Subcommittee on Budgeting, Management, and Expenditures and the Subcommittee on Intergovernmental Relations will resume joint oversight hearings next week on Federal agency collection, tabulation, and publication of information and data from regulated firms.

On Wednesday, August 14, beginning at 10 a.m., in room 3302 Dirksen Senate Office Building, the subcommittees will receive testimony from Representative MICHAEL HARRINGTON, Democrat of Massachusetts, and Prof. Martin E. Lybecker.

Further information regarding these hearings may be obtained by calling the Subcommittee on Budgeting, Management, and Expenditures at 225–1474, majority office, or 225–1480, minority office or the Subcommittee on Intergovernmental Relations at 225–4718.

## ADDITIONAL STATEMENTS

### LET THE CONSTITUTIONAL PROCESS WORK ITS WILL

Mr. ROBERT C. BYRD. Mr. President, on May 13, I spoke out against the demands for resignation of the President which had risen with intensity in the early days of that month.

On Monday, August 5, the day before yesterday, President Nixon announced his decision to make public the transcripts of three recorded conversations with H. R. Haldeman of June 23, 1972. The public has reacted at the content of these recorded conversations with great shock. Calls for his resignation are now coming from some of his erstwhile strongest defenders.

I, too, have been greatly surprised and saddened at the revelation that the President, once again, has issued a statement at variance with previous statements and admitting serious acts of omission in not informing his staff or counsel or the American people fully and truthfully of the contents of some of the taped conversations being turned over to Judge Sirica as part of the process of compliance with the recent Supreme Court ruling.

I have been critical of the tactics employed by the President throughout the Watergate crisis, including the delaying tactics employed by his attorneys to impede the investigation by the special prosecutors and the House Judiciary Committee. I have no defense to make for the President in his having deceived his counsel, his staff, the Congress, and the American people, as revealed in the transcripts of the three recorded conversations made public the day before yesterday.

However, I feel compelled to raise my voice against the rising tide of calls for the President's resignation.

Without in any way intending anything in derogation of those who are now calling upon Mr. Nixon to bow out, I feel that there is altogether too much of a stampede psychology at work.

Mr. Nixon released his most recent statements from the tapes relating to the Watergate coverup in the full knowledge that those statements would be damaging to his case. By his own admission he said that the statements would hurt him.

At the same time he said that, taken in the complete context of this tragic affair in our country's history, he believes himself to be not guilty of any offense that warrants impeachment and removal from office.

Resignation in the circumstances now prevailing would be tantamount to an admission of guilt, but unless there would be an explicit admission of guilt, some people would always have doubts and would feel that the President had been drummed out of office. A presumption of innocence may strain credulity at this point. Nevertheless, I continue to believe that the constitutional processes

that have been set in motion must be carried to their logical conclusion. They should not be aborted in the mistaken belief that there is an easier way.

If the President's position is that, when all evidence and all factors are finally considered, his part in the disgraceful and totally unacceptable Watergate events do not warrant his conviction by the Senate, then he should have his day in court in the same way that any other citizen would be given the opportunity to defend his actions in a formal trial.

Despite the fact that the preponderance of the evidence now appears to weigh conclusively against the President, I do not believe that any shortcuts should be resorted to simply in order to bring the matter to a quicker resolution.

I do not relish the prospect of having to go through an impeachment trial. But neither do I buy the specious argument that the country would be better served in the long run by forcing the President out of office by public clamor.

My attitude, Mr. President, can best be summed up by saying that the guilt or innocence of Richard Nixon, and his continuance in office or his removal, should be determined in the manner prescribed by the Constitution. It is my considered judgment that only in that way can respect for and confidence in our constitutional processes be maintained.

## TELEVISION BROADCASTING OF IMPEACHMENT TRIALS

Mr. GRIFFIN. Mr. President, yesterday the senior Senator from Ohio, Mr. TAFT, made an excellent statement before the Senate Committee on Rules and Administration. His remarks concerning televising of a possible impeachment trial in the Senate deserve the attention of every Senator.

I ask, therefore, that Senator TAFT's statement be printed in the RECORD.

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

STATEMENT OF SENATOR ROBERT TAFT, JR., BEFORE THE SENATE RULES COMMITTEE—AUGUST 6, 1974

At the outset, I would like to commend the members of this committee for reviewing at this early point the procedural rules which would apply if the President is brought to an impeachment trial in the Senate. If such a trial does occur, the Senate will sit as both Judge and jury, ruling on the facts, on the law and on the procedures to be followed. Procedural decisions such as the role of the Chief Justice as Presiding Officer, rules of evidence, standards of proof, television coverage of the trial, and other points, will, in these circumstances, carry enormous substantive and political weight. How the Senate decides to proceed could go a long way toward determining not just the atmosphere of the trial, but, possibly the trial's outcome and the extent to which the public sees that outcome as just and acceptable. I appreciate your giving me the opportunity to present my views on two very important aspects of that procedure—television coverage of the trial and the burden of proof necessary to convict in such a trial.

Before proceeding to testify on either of these subjects, I would like to make it abundantly clear that I have taken no position with regard to impeachment or trial in the event of an impeachment, and in accordance with our Constitutional duties, I do not intend to do so until all of the evidence is presented, if a trial occurs. I am also entirely uncertain as to whether or not television coverage of an impeachment trial would be favorable or unfavorable to the respondent, although the tenor of authorities which will be mentioned later would seem to sustain the likelihood that the respondent would be prejudiced in his case.

I would also like to clarify that while I have had in the past, and my family and I still have, some commercial interest in the television media, what I say here today is totally without relation to what might be the favorable or unfavorable effect upon that media of the decision by this committee except that I believe it would be de minimus as to any monetary effect to me personally.

My position is also taken without regard to what decision I might suggest as to permitting general television coverage of sessions of the Senate or of its committees. The objections that will be discussed with regard to coverage of a possible trial, do not, in my opinion, exist as to these questions; and generally, as in the case of the vote of the Senate Banking Committee last year, I favor opening of all committee sessions to fullest media coverage.

All of us who have been elected to public office are aware of the revolutionary effect television has had on American politics and government. In the 1950's, I ran for State Legislature without any use of television in my campaign and even with little use of it in my campaign for Congress at large from Ohio as late as 1962. I felt that it was expensive and that it was not needed. In 1964, I ran for the United States Senate in the same year that our Colleague Barry Goldwater ran for the Presidency. Who can forget the little girl disappearing in the infamous mushroom cloud, or the East Coast Saw-Off Ads which the Johnson Campaign played on television? The impact on the Goldwater Campaign was devastating. I didn't change my mode of campaigning nor did I make any special preparation prior to debating Senator Steve Young on television that year. Without professional make-up or preparational foremat, I argued the issues and, largely on the basis of youth, expected to look better than Steve Young. On the contrary, Steve Young was prepared by professionals and with their help he came off extremely well. It became quite clear that something has happened since that period when my father was cornered by Lawrence Spivac on "Meet the Press" about certain polls that indicated that Dwight D. Eisenhower was more popular with the voters, after which statement my father affronted the camera head on and replied, "The Gallup Poll is Rigged!"

In my Congressional Campaigns in 1966 and 1968, I got smarter and looked for professional assistance. I practiced before the television cameras in a class at the CBS Studios along with Gerald Ford, Bill Steiger and House Colleagues.

In my 1970 Senatorial Campaign, my campaign staff wisely demanded that I get the treatment, with coaching by Bob Goodman, Roger Ailes, and others. We went the full route: How you sit down, how you look down to move to another camera. How you get up, how you check your floor lighting. Watch out for close stripes and other diversions, empty your pockets, no confusing check suits or close stripe shirts, bold ties not blotchy ones. How you look for a chance to put in your three or four zingers into a debate. How you introduce your family. I'm still not good at it, but to be even tolerable takes practicing and conditioning. We all know it! And, eventually, it becomes second nature—with little direct thought.

How I suggest that even more happens inside the head than outside. You become an actor. You speak, act and think in relation to your audience if you are any good, and few candidates are elected who aren't.

I ask you now to reflect what this means in a trial in the Senate. What chance is there that most members of the Senate will truly forget for one second the presence of TV cameras—no matter how sequestered, boxed, or limited. How unavoidable will it be that some of us will inevitably slip in whole or in part into the role of presenting our own case to a jury of the TV audience—to support our eventual or predetermined individual judgment as to how each of us votes.

Let's provide for procedures which will allow us to evaluate the facts in the calm, dignity and true light of reason, not the blinding seering klieg lights of television cameras. Let any trial be full and open, but let it be fair. Fairness and television coverage are mutually exclusive.

In the early days of television, the famous Kefauver hearings were covered on live television. This prompted the late Judge Thurman Arnold to write a penetrating and provocative essay in the June, 1951 issue of the Atlantic Monthly entitled "Mob, Justice, and Television." Some of Judge Arnold's points seem appropriate today:

"The vice of this television proceeding is not in the way this particular committee conducted itself but in the proceeding itself. Any tribunal which takes on the trappings and aspects of the judicial hearing, particularly where there is compulsory examination of witnesses, must conform to our judicial traditions, or sooner or later it will develop into a monstrosity that demands reform. Those traditions are: 1. It must be public and at the same time not a device for publicity. 2. It must protect the innocent even at the cost of letting the guilty escape. Television has no place in such a picture. For witnesses it is an ordeal not unlike the third degree. On those who sit as judges, it imposes the demoralizing necessity of also being actors. For the accused it offers no protection whatever."

Mr. Chairman, with these considerations in mind, it is no wonder that the Senate by its own rules and good sense generally prohibits TV coverage of its proceedings regardless of how crucial or important a particular debate may be. The intrusion of television in our proceedings involves the substantial risk of undermining the reliability of the system designed to protect fair trial, and I submit this rationale is equally applicable to an impeachment trial involving the President. When we have allowed it, as in the Watergate Hearings, it is for a non-judicial, investigatory function. The Senate ban is in harmony with the rules and practices prevailing in Federal courts which prohibit the televising and photographing of a judicial proceeding. Furthermore, all but two of fifty states, presently operate under the same restrictions. In addition, Canon 35 of the Judicial Canons of the American Bar Association although having no binding effect on courts nevertheless reflects the view that judges should ban television cameras except for purely ceremonial events and proceedings which are to be shown only in educational institutions and after the case is over and all direct appeals exhausted.

I submit that this is persuasive evidence that our concepts of a fair trial do not accommodate such an indulgence. Furthermore, it is submitted that if there is to be a change in the Senate rule banning TV or a suspension thereof it should not come vis-a-vis an impeachment trial. Unquestionably issues and allegations of partisanship would arise which would be most difficult to rebut under the circumstances.

In support of my position that TV coverage of Senate impeachment proceedings is not appropriate, I submit it is not necessary to reach a determination whether this trial is essentially a legal proceeding versus a potitical process or some hybrid combina-

tion. It is a fact that by Constitutional mandate, the President having been accused by the House of committing impeachable offenses warranting his removal, is entitled to a trial by the Senate. At the very least this trial is a quasi-judicial proceeding which commands safeguards necessary to ensure that the President obtains a fair hearing.

As Mr. Charles L. Black, Jr. has written in his book Impeachment on page 10 thereof, and I quote:

"In function, then the 'trial' (referring to an impeachment trial) in the Senate is, as its name implies, at least quasi-judicial The important thing is not the name given but the thing desired—total impartiality, at least resembling that of a faithful judge or juror."

In fashioning rules for the conduct of the proceeding, the Senate cannot compromise the principle of affording a fair trial because to do so is to undermine Constitutional guarantees and to risk the public's distrust in our system of government. Moreover, even in assuming for argument's sake that the proceedings may not be criminal in nature because the ultimate penalty imposed may be only the removal from office, the nature of the penalty should not diminish our task of affording a fair hearing in all respects together with a resulting just judgment.

In reaching my conclusion, I am not unmindful that maximum freedoms must be permitted in allowing the press to exercise its function of fully covering every aspect of this impeachment proceeding and communicating with our constituents regarding each development. However, this freedom to inform and the public's right to be informed must be balanced against the maintenance of absolute fairness required in this judicial or quasi-judicial process. In my view, televising this proceeding is inherently violative of the President's right to a fair hearing. We could argue, and I shall, at length, on the legalities, precedents, and legal, moral, and governmental principles involved for and against television coverage, but for myself, I know, and for most other Senators, I have a strong conviction that the conduct we follow, the thinking we do and therefore the conclusions we reach will be affected deeply by the presence of television coverage. There is nothing we can do to prevent this from being true, but let us recognize it as the truth, and recognize that it interferes disastrously with the prospects of a fair trial in a trial where fairness may be the most crucial test of all to be applied by history. The charges are extremely serious, but they will be minimized as compared to a judgment of time that partisanship, self-aggrandizement, or personal political advantage dominated the procedures of the Senate.

As Senators, we should want no part of it. The public will be informed and fully, without TV coverage of the Chamber, as we know well, but let us carry out our duties as we will swear to do—to judge the case impartially to the best of our ability, to allow the accused due process of law in these deliberations, without the omnipresent mind-corrupting aura of grease paint *affecting our duties and deliberations.*

The most definitive decision dealing with the effects of televising courtroom proceedings in a defendant's criminal trial appears in *Estes* v. *Texas*, 381 U.S. 256. There the Supreme Court recognized the inherent invalidity of televising the accused's criminal trial as infringing upon his fundamental right to a fair trial guaranteed by the due process clause of the 14th Amendment.

Some will challenge the applicability of the Court's decision in *Estes* to impeachment proceedings, saying that impeachment is not a judicial forum; hence the *Estes* rationale is not controlling. I disagree. As the Court in *Estes* emphasized, the function of our judicial machinery is to ascertain the truth. Without question, this is the function of our impeachment inquiry. Our Senate rules must be geared toward this objective. As was stated by the majority in *Estes, the use of television, however, cannot be said to contribute materially to this objective.* I agree that this pronouncement is applicable to the instant matter. I know that inherent in TV coverage, by its very nature, is a potential adverse impact upon we Senators who sit in judgment. This is a unique historical occasion where we directly participate in a major history-making event. As such, and in our individual searches for the truth, we must confine our mind to the factfinding process. We must never be dissuaded from this function by our conscious or unconscious yielding to the effects of a nationwide television coverage of our solemn proceedings. We are elected officials and as such we can never dispel the feeling that our constituents have their eyes upon us. Experience dictates that it is not only possible, but most probable that it will have direct bearing on how we vote as to the ultimate issues. I submit that it can have no other effect.

Television coverage opens the door to a myriad of irrelevant influences. Ambitious participants, publicity minded counsel and witnesses may do what comes naturally in order to carry off a satisfactory TV performance.

Moreover, the minute any of us step on that TV covered floor, we will then instantly be out of our proper role, charged by the Constitution, of judging impartially the allegations that the President has committed high crimes and misdemeanors sufficiently serious to justify his removal from office. Gentlemen, it is human nature that our eyes will be fixed on the camera and our minds distracted with the telecasting rather than with the testimony and ascertainment of the truth of the ultimate issues for our decision. We cannot afford to divide our attention in this proceeding for it would not only deny the accused due process but also undercut confidence in the guilt-determining aspect of this procedure.

In the wake of the pervasive pre-trial publicity including televising the Watergate Committee and Judiciary Committee, I feel the intensity of public emotion created by TV coverage of the trial.

Television coverage will play havoc with our decision-making process. It will provide us with more public exposure than anyone of us could otherwise expect. It creates unparalleled opportunity to create a favorable impression on our constituents. It places us in the role of presenting our own case to a jury consisting of the TV audience in support of our eventual or predetermined individual judgment as to how each of us votes. As such, TV coverage can only impede or unduly delay the proceedings to the prejudice of the President and the American people.

It affects the nature of the questions we propose or fail to propose because of our preoccupation with knowing that our questions are being monitored by our constituents and friends. If our constituents are hostile to the President, a televised Senator-juror, realizing he must return to the people who elect and support him, may well be lead to what the Court in Estes realized, "not to hold the balance nice and clear and true between the State and the accused." It is also true that we, as elected jurors, will be subjected to reviewing selected parts of the proceedings which the requirements of broadcasters determined must be emphasized and telecast. This would subconsciously influence us more by seeing this reenacted selected testimony and is yet another inherent problem of which I am extremely concerned.

The adverse impact of TV on us as jurors is sufficient in and of itself to eliminate the use of it in this quasi-judicial courtroom setting. The potential for abuse and the temptations presented to us which detract from our Constitutional oath are the kinds of dangers referred to by Mr. Justice Douglas when he warned that ". . . it (TV) is dangerous because of the insidious influences which it puts to work in the administration of justice." 46 ABAJ841 (1960). And as Chief Justice Taft wrote in *Tumey* v. *Ohio,* 273 U.S. 527, ". . . the requirement of due process of law in judicial procedure is not satisfied by the argument that men of the highest honor and the greatest self-sacrifice could carry it on without danger of injustice. Every procedure which would offer a possible temptation to the average man as a judge to forget the burden of proof required to convict the respondent, or which might lead him not to hold the balance nice, clear and true between the State and the accused, denies the latter due process of law."

Actually, because of the pervasive amount of pretrial publicity the respondent has experienced through the televising of the Judiciary Committee, Senate Watergate Committee hearings, and the extensive coverage prior to those hearings, it will be extremely difficult to guarantee due process of law in the Senate even now. See *Shepherd* v. *Maxwell,* 384 U.S. 333 (1966). An editorial in the August 5th edition of The Cincinnati Enquirer has focused upon the problem of pervasive pre-trial publicity in this impeachment proceeding. The article in relevant part states, and I quote:

"In the high drama of the televised sessions, the eloquent language in which charges were made and the measured tones in which votes were cast, it is easy to get the impression that there is a preponderance of evidence against Mr. Nixon and that the actions of the Judiciary Committee in recommending impeachment are based on conviction alone.

"For many members, that may well have been the case. But there is more to it than that."

I believe television of impeachment proceedings in the Senate offers such temptations and in accordance with the *Tumey, Estes* and *Shepherd* rationale ought not to be allowed. As Mr. Justice Black so succintly stated in, *In Re Murchison, et al.,* 349 U.S. 405 at 136, "But our system of law has always endeavored to prevent even the probability of unfairness . . . justice might satisfy the appearance of justice." Not even the dissenters in *Estes* suggested that televising trials was affirmatively desirable. On the contrary, Mr. Justice Stewart (with whom Justices Black, Brennan and White joined wrote:

"I think that the introduction of television into a courtroom is at least in the present state of the art, an extremely unwise policy." 381 U.S. at 601

Not only is there adverse impact on us as jurors in this proceeding, but also television coverage must affect and impair the nature of testimony given. Witnesses will act and respond to the coverage differently. Some may be over-confident, cocky and be given to overstatement; others shaken by the fear of national coverage may become demoralized and falter under the 3rd degree atmosphere knowing his voice and difficulties are being viewed by the whole world. Witnesses may be reluctant to testify thereby impairing the search for truth.

Also of serious concern is that a potential witness may, by watching the testimony of others on television, build his own testimony on a foundation of which he has no direct knowledge. Or, in the alternative, he may refuse to tell his version of what he knows to be true for fear that it contradicts the weight of testimony given by others before him. He could so shape his testimony as to make its impact crucial.

The Supreme Court recognizing this problem in *Estes* stated, "The impact upon a witness of the knowledge that he is being

viewed by a vast audience, is simply incalculable." The presence and participation of a vast audience creates a tense atmosphere and places great pressures upon the witnesses. It is not conducive to a quiet search for the truth, which this impeachment proceeding must be.

Moreover, an analysis of the *United States v. Kleinman, et al.*, 107 F. Supp. 407, leads me to conclude that witnesses may not be compelled to testify by contempt proceedings before Congress where TV coverage has created an atmosphere nullifying a thoughtful, calm, considered, truthful, factual disclosure. The Court explained its reasoning as follows:

(4) The only reason for having a witness on the stand, either before a committee of Congress or before a court, is to get a thoughtful, calm, considered and, it is to be hoped, truthful disclosure of facts. That is not always accomplished, even under the best of circumstances. But at least the atmosphere of the forum should lend itself to that end.

In the cases now to be decided, the stipulation of facts discloses that there were, in close proximity to the witness, television cameras, newsreel cameras, news photographers with their concomitant flashbulbs, radio microphones, a large and crowded hearing room with spectators standing along the walls, etc. The obdurate stand taken by these two defendants must be viewed in the context of all of these conditions. The concentration of all of these elements seems to me necessarily so to disturb and distract any witness to the point that he might say today something that next week he will realize was erroneous. And the mistake could get him in trouble all over again.

Under the circumstances clearly delineated here, the court holds that the refusal of the defendants to testify was justified and it is hereby adjudged that they are not guilty.

As an additional factor against television coverage, the presence of television will yet place another burden and responsibility upon the jurors thus rendering our task even more complex and difficult. Physical intrusion including the presence and the operation of the television equipment will be an impediment in the conduct of the proceedings. This point is supported by the fact that the Senate is required to make this television decision first because other rules which must be subsequently agreed upon will be in accommodation to the fact that there is television coverage.

Certainly we should not ignore the impact of television on the accused. Although he need not be present at the impeachment trial if he desires to be present, he should be free from the mental and emotional harassment which is inherent in television coverage, and atmosphere not that of a police line-up or 3rd degree. One cannot doubt that television will magnify the impact of public opinion on the trial. The inevitable close ups of his gestures, expressions and conferences with counsel will transgress his personal sensibilities, cause the President embarrassment, affront his dignity and sensibilities, and interrupt concentration on the proceedings which should be free from distraction. As long as Mr. Nixon remains our Chief of State, he is entitled to be free from the detrimental effects of television coverage in the defense of his cause.

Eliminating the TV cameras will not deprive the public of its right to know. It is our tradition and the precedent of the Andrew Johnson trial to permit the fullest coverage by the press of any impeachment, and this coverage will be continuing as free and extensive as necessary to inform viewers. Recognizing that there will be indeed adequate coverage of the event, which all citizens have a right to have, I believe that the prejudicial aspects of television coverage to Mr. Nixon outweighs the desirability for national TV coverage. The intrusion of television into this trial of the President involves the risk of undermining the integrity of the trial process thus jeopardizing our national need to emerge from this domestic crisis unimpaired. I recommend against it.

The second issue I wish to address is the sufficiency of proof necessary to convict the President in a possible ensuing impeachment trial. Some Senators, including the distinguished Senate Majority Leadership, has suggested that the Senate should reduce the burden of proof under which the President could be convicted from "beyond a reasonable doubt" to a "clear and convincing evidence" standard.

For the reasons I will discuss, I respectfully submit to this Committee that the measure of persuasion for any impeachment trial must and should be that of "beyond a reasonable doubt". The Congress has always required proof beyond a reasonable doubt for impeachment proceedings and no justification for deviation from the standard exists in this case.

The Constitution states that the Senate shall have ". . . the sole power to try all impeachments." Art I, Section 3, Clause 6. In carrying out that quasi-criminal function, the Constitution provides that ". . . no person shall be convicted without the concurrence of two thirds of the members present," Art. I, Section 3, Clause 6. Finally, the Constitution expressly provides that such a verdict "shall not extend further than to remove from office," and the President can receive further "punishment according to law." Art. I, Section 3, Clause 7.

The only trial of an incumbent President occurred as the result of an impeachment resolution passed on Tuesday, February 25, 1868, which led to the passage of eleven articles of impeachment on March 2, 1868. ("The Great Impeachment and Trial of Andrew Johnson," T. B. Peterson & Brothers (1868), reprinted in 1974 by Dover. All citations to the Dover edition hereinafter will be referred to as "Dover ———," and the page numbers are those of the 1974 reprint.) In connection with that trial, the Senators knew that proof had to be "beyond a reasonable doubt" to afford a conviction. As General Benjamin F. Butler, counsel for the House of Representatives, conceded, if the Senate was acting as a court, and not the Senate, then:

". . . The Managers of the House of Representatives must conform to those rules as they would be applicable to public or private prosecutors of crime in courts, and that the accused may claim the benefit of the rule in criminal cases, that he may only be convicted *when the evidence makes the fact clear beyond reasonable doubt, instead of by a preponderance of the evidence.*" (Emphasis added). Dover ed., p. 48, March 30, 1968)

General Butler thus squarely put the question before the Senate, and the transcript shows that the Senate did not accept the argument that it was merely acting as a legislative body. Instead, on strenuous opposition, the Senate adopted rules which used phrases and procedures borrowed from the criminal courts (See the following Rules, now printed as part of the "Rules and Manual of the United States Senate"; Rule IV (Chief Justice not President pro tem shall "preside . . . during the consideration of said articles and upon the trial", Rule VIII ("accused" not answering shall be deemed to have entered "a plea of not guilty"), Rule XI (a "trial"), Rule XV (Senate shall deliberate its "decision" with the doors "closed"), Rule XXIII (Final question shall lead to judgment of "acquittal", or "convict(ion)).

Furthermore, by its very conduct in permitting the Chief Justice to act as a presiding judge, the Senate clearly moved from its legislative function into that special form of Court which can best be seen as quasi-criminal. Indeed, by the end of the trial, it was stated without contradiction that where the Senate had so acted, the President was entitled to the highest standard of persuasion. As the Counsel for the President, Mr. Groesbeck of Ohio, stated on Saturday, April 25, 1868, during his closing arguments the accused ". . . can only be convicted *when the evidence makes the case clear beyond a reasonable doubt . . .*" (Dover, p. 207) (Emphasis added). Nothing that occurred thereafter changed that position, and the Senate acquiesced and agreed *to this very day that such was the required measure of persuasion.*[1]

See also Vol. 9, Wigmore on Evidence, Section 2497, pgs. 327–325. As Judge Bingham, one of the House Managers, said in his closing argument on May 4, 1868, ". . . The Senate . . . sitting on the trial of an impeachment, is the highest judicial tribune in the land." (Dover, p. 264).

A standard of "clear and convincing" evidence would be an unconstitutional *ex post facto* action. The Constitution explicitly limits the Congressional power to enact all necessary rules of its proceedings, Art. I, Section 5, Clause 2, by prohibiting "ex post facto" action. Art. I, Section 9, Clause 3. In the landmark case of *Calder* v. *Bull*, 3 Dall (U.S.) 386, 1 L.ed 648(1798), the Supreme Court defined the phrase "ex post facto" within the meaning of the Constitution and explicitly held that the following legislative acts were prohibited:

1st. Every law that makes an action done before the passing of the law, and which was innocent when done, criminal; and punishes such action, 2d. Every law that *aggravates a crime, or makes it greater* than it was, when committed. 3d. Every law that changes the punishment, and inflicts a greater punishment, than the law annexed to the crime, when committed, 4th. *Every law that alters the lead rules of evidence and receives less, or different, testimony, than the law required at the time* of the commission of the offence in order to convict the offender. *All of these, and similar laws, are manifestly unjust and oppressive. (1 L.ed at p. 650.) (Emphasis added.)

Thus, requiring *less* persuasion to find the facts under a "clear and convincing" standard violates the Constitution by virtue of the fact that such a change in the standard would occur *after* the President took the actions sought to be charged in the Articles of Impeachment. That an impeachment conviction is "punishment" within the scope of prohibited *ex post facto* legislation is obvious. An excellent analogy is that of disbarment from the practice of law. As the Supreme Court held in *Ex Parte Garland*, 71 U.S. (4 Wall. 3, (1867) ". . . exclusion from any of the professions or any of the ordinary avocation professions or any of the ordinary avocation of life for past conduct can be regarded in no other light than as punishment for such conduct."

The principle that prohibits alteration of the legal rules of evidence so as to require less proof than when the offense was committed has been explicitly affirmed in *Hopt v. Utah*, 110 U.S. 574, 28 L.ed 262(1884) (". . . alter degree, or lessen the amount or measure of the proof . . . necessary to conviction . . . " 28 L.ed at p. 268) and *Beazell v. State of Ohio*, 269 U.S. 167, 70 L.ed 216 (1925) (quantum and kind of proof to establish guilt or innocence must remain

[1] The standard for the ordinary civil action is proof by a "preponderance of evidence." Wigmore, *supra*, p. 325. In certain *civil cases*, the standard of "clear and convincing proof" is used to show fraud, undue influence, parol gifts, mutual mistakes, etc. Wigmore, *supra*, pgs. 329–334. That standard has been closely confined to such equitable cases, and was never even suggested during the Johnson trial.

the same). In *Landay v. United States,* 108 F.2d. 698, 705 (6th Cir. 1939), cert. den. 309 U.S. 681(1940), the Sixth Circuit stated that:

" . . If the statute authorizes conviction upon proof *less in amount or degree* than when the offense was committed, it is ex post facto, and unconstitutional." (108 F. 2d at p. 705) (Empahis added).

Surely this Senate will not deny the protection of the Constitution to a trial of the President.

Not only would such a rule be unconstitutional, it might lead to another constitutional conflict of grave dimensions; the President might seek a writ from a lower, appellate, or intermediate court (under the "all writs statute" (28 U.S.C. Sec. 1651) or as a matter of the original jurisdiction of the Supmeme Court under Article III, Section 1 and 2. While it seems clear that a writ can issue to prevent a judicial body from acting beyond its constitutional limits see e.g. *Phillips v. Hart,* 83 F.Supp. 935, 939 (D.C. Del. 1949) (District Courts); *Ex Parte Republic of Peru,* 318 US. 578, 87 L.ed. 1014 (Supreme Court), and were the Senate trial an ordinary Article III proceeding, the remedy would be appropriate; 63 Am Jur.2d, prohibition, Sec. 6. Here, however, I believe the Supreme Court of some lower court could do great damage to the principle of separation of powers were it to intervene before the trial occurred ro during it. During the Johnson trial, it was asserted without contradiction that the Court could not control the Senate body. See closing argument of Judge Bingham, May 4, 1868 (Dover, p. 265). But a recent commentator disagrees on the premise that the Court was weak and divided at the time of the Johnson trial. 'Impeachment, the Constitution Problems," Chapter III (Judicial Review), Berger, Raoul (Harvard University Press, 1974). If Berger's argument that appeal lies to the Supreme Court is correct, then the President has at least a colorable right to ask the Federal judiciary to issue a writ" . . . in aid of their respective jurisdiction . . ." 28 U.S.C. Sec. 1651.

In conclusion, the Constitution abhors the passage or application of *ex post facto* rules. Public passion is not sufficient reason to disagree in this regard, and, indeed, now is the time to regard these rights most preciously. (See, e.g., Senator Robert A. Taft's argument that the death sentence at Nuremberg in 1946 ". . . violate that fundamental principle of American law that a man cannot be tried under an ex post facto statute" and that to do so would ". . . clothe vengence in the forms of legal procedure." (New York Times, p. 1, Sunday, October 6, 1946).

I respectfully submit to this Committee that the measure of persuasion for any impeachment trial of President Nixon must and should be that of "beyond a reasonable doubt."

## DR. KISSINGER'S ROLE IN WIRETAPPING

Mr. FULBRIGHT. Mr. President, I ask unanimous consent that there be printed in the RECORD the report of the Committee on Foreign Relations on the inquiry concerning Dr. Kissinger's role in wiretapping 1969–71.

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

REPORT ON THE INQUIRY CONCERNING DR. KISSINGER'S ROLE IN WIRETAPPING 1969–71, SUMMARY

At the request of Secretary of State Henry A. Kissinger, the Committee on Foreign Relations has re-examined his role in the wiretapping of certain newsmen and government officials in the period 1969–1971. After reviewing the additional documentation now available, hearing testimony from all appropriate and available witnesses, and interviewing other knowledgeable persons, the Committee has concluded that there are no significant discrepancies between the new information developed and Dr. Kissinger's testimony before the Committee during the confirmation hearings last year. The Committee reaffirms the conclusion stated in its report on his nomination (S. Ex. Rept. 93–15) that ". . . Mr. Kissinger's role in the wiretapping of 17 government officials and newsmen did not constitute grounds to bar his confirmation as Secretary of State."

CONSIDERATION OF THE WIRETAP ISSUE DURING THE CONFIRMATION PROCESS

The wiretap issue was considered by the Committee at length during the hearings on Dr. Kissinger's nomination. However, the Committee did not at that time have access to the basic FBI documents involved in the wiretaps, documents which were the basis for a number of recent news stories raising questions concerning Secretary Kissinger's previous testimony.

During the confirmation hearings the Committee heard Dr. Kissinger in public session on September 7, 10 and 11, 1973. On September 10 Members discussed the wiretap issue in executive session with Attorney General Richardson and Deputy Attorney General Ruckelshaus. Following that discussion the Committee appointed two members to meet with Mr. Richardson and Mr. Ruckelshaus to obtain additional information. On September 11 Senators Sparkman and Case, along with Dr. Carl Marcy of the Committee staff, examined, and discussed with Dr. Kissinger, Mr. Richardson, and Mr. Ruckelshaus, a 29-page FBI summary of the wiretap program dated June 25, 1973, which had been prepared for Mr. Ruckelshaus while he was acting director of the FBI. Two other documents were shown to Senators Sparkman and Case at that time, a letter from Mr. Hoover to Dr. Kissinger dated May 13, 1969, and a memorandum of talking points prepared for Dr. Kissinger by the then Colonel Haig for a June 4, 1969, meeting with Mr. Hoover.

The Subcommittee reported to the full Committee that it ". . . is of the opinion that Dr. Kissinger's role in the surveillance was not such as to bar him from confirmation by the Senate." After receiving the Subcommittee report the full Committee discussed the wiretap issue at length with Dr. Kissinger in two executive sessions on September 17.

Those hearings and the transcript of the earlier executive session with Attorney General Richardson and Deputy Attorney General Ruckelshaus were sanitized and released to the public. The Committee is now releasing additional portions of those transcripts in order to expand to the maximum extent possible the public record of what was told to the Committee last year.

The full Committee agreed with the Subcommittee's findings and concluded that "Mr. Kissinger's role in the wiretapping of 17 government officials and newsmen did not constitute grounds to bar his confirmation as Secretary of State." His nomination was approved by the Committee by a vote of 16 to 1 on September 18 and was confirmed by the Senate on September 21 by a vote of 78 to 7.

The Committee was concerned over the use of "national security" or foreign policy as a justification for wiretapping and stated that it intended to keep the wiretapping policy under review to insure that neither officers nor employees of the Department of State, the National Security Council, or any other agency, nor private citizens, would be subjected to the treatment to which officers of the Department of State and the NSC and members of the press were exposed during the wiretap operation and to see what could be done to prevent abuses under the guise of a "national security" label.

At the meeting when Dr. Kissinger's nomination was approved, the Committee unanimously adopted a resolution to "undertake a full examination of the use of electronic and other means of surveillance of American citizens in connection with alleged intelligence gathering or other activities related to . . . foreign policy. . . ."

Subsequently, a Subcommittee on Surveillance was appointed to carry out the Committee's mandate for a study of the general issues involved in warrantless wiretapping, with Senator Muskie as Chairman. This Subcommittee has held a number of hearings on wiretapping jointly with two subcommittees of the Committee on the Judiciary.

The Committee on Foreign Relations is still very much concerned about the broader issues posed by the 17 wiretaps and hopes that the efforts of these three subcommittees will ultimately result in the enactment of effective statutory safeguards to govern the use of wiretaps for foreing policy or related purposes.

THE CURRENT INQUIRY

The current controversy arose from the publication of a number of news reports and editorials which questioned portions of Dr. Kissinger's testimony before the Committee last year relative to his role in the wiretapping program. The news reports and comments, based largely on FBI documents not then released to the public and a garbled excerpt from a tape of a Presidential conversation on February 28, 1973, created some public concern that the Secretary had not been truthful with the Committee in describing his role in the initiation and conduct of the wiretap program.

On June 10, 1974, Secretary Kissinger sent a letter to the Chairman of the Committee stating that the news reports and editorial comment ". . . involve fundamental issues concerning the truthfulness and completeness of my testimony; hence they raise issues of public confidence and directly affect the conduct of our foreign policy." He asked that the Committee review the matter, stating ". . . at this sensitive period I feel it important that the Committee which first examined the evidence, and which has a special concern with the conduct of foreign affairs, should have an opportunity to review it (i.e., his testimony) once again." The Committee agreed unanimously to the Secretary's request for a review.

During the current inquiry the Committee received excellent cooperation from the Department of Justice, which furnished the Committee with all of the documents in its files bearing on Dr. Kissinger's role in the wiretapping, a vast amount of materials which were not available during the confirmation hearings. However, no documents were received from the White House and the Committee was told that none had been found relative to the wiretapping program. Executive Branch officials have said that the FBI documents are the only official records that exist concerning the wiretap program.

However, answers to written inquiries were obtained from former Attorney General Mitchell, who, through his attorney, declined an invitation to testify. In addition, Mr. William C. Sullivan, a former FBI official who was a key participant in the program, provided extensive written answers to Committee inquiries. Mr. Sullivan, who suffered a heart attack recently, was anxious to testify personally but was prohibited by his doctor from doing so.

The Committee held six hearings during the inquiry, receiving testimony from Attorney General William Saxbe; FBI Director Clarence Kelley and his associates; Mr. Bernard Wells, a retired FBI agent who handled much of the paperwork on the wiretaps; Secretary Kissinger; former Secretary of State Dean Rusk; and General Alexander

M. Haig, Jr., Assistant to the President. In addition, numerous informal interviews were conducted. All of the hearings were in executive session since discussion of individual wiretap cases was necessary to bring out essential facts from each of the witnesses except that in the case of former Secretary Rusk other considerations were involved. The hearing transcripts have been sanitized, leaving in as much as possible, so that the record will speak for itself.

COMMITTEE OBSERVATIONS AND CONCLUSIONS

The purpose of the Committee's inquiry was not to investigate the wiretap operation per se. Nor does the Committee consider it necessary to make definitive findings of fact on each of the allegations that have been made concerning Dr. Kissinger's role in the wiretapping. In fact, this new record may raise additional questions about certain aspects of the wiretap program. But, we believe it should lay to rest the major questions raised about Secretary Kissinger's role.

The Committee had no illusions about the difficulty of establishing precisely what took place in the wiretap program. There are some discrepancies between the FBI documents and the testimony of participants in the program. Probably it will never be possible to determine exactly what took place. More than five years have passed since the wiretaps were initiated and time has taken its toll in life, memory, health, and records.

Some questions can be answered only by President Nixon.

Others could be answered only by the late J. Edgar Hoover.

Some inconsistencies between the testimony and the FBI documents can be resolved only by Mr. William C. Sullivan, who is physically unable to testify.

Other aspects will remain a mystery due to apparent gaps in the FBI documents.

Recollections of participants have become hazy and uncertain with the lapse of time.

Realizing the impossibility of laying to rest every question about the wiretap program and Secretary Kissinger's role in it, the Committee set a more modest and realistic objective. The Committee approached this inquiry with two questions in mind:

1. Is there a basis in ascertainable fact to conclude that Dr. Kissinger misrepresented his role in the wiretapping during his testimony last year?

2. Would the Committee, with all of the information it now has concerning the wiretapping program, reach the same conclusion it did last September that ". . . Dr. Kissinger's role in the wiretapping of 17 government officials and newsmen did not constitute grounds to bar his confirmation as Secretary of State?"

After considering all of the testimony and relevant materials, the Committee has concluded that the answer to the first is "No," and the answer to the second is "Yes".

In making this inquiry the Committee has not addressed itself to the legality of the wiretaps involved. It is neither passing judgment on the constitutionality of warrantless wiretaps for foreign/national security purposes nor on whether these individual wiretaps were properly justified if, in fact, warrantless wiretaps for such purposes were legal at the time. These are matters for the courts to decide.

But it should be noted that Dr. Kissinger's participation in the wiretapping came after assurances by the Attorney General that such wiretaps were lawful and by Mr. Hoover that similar wiretaps were carried out under previous Administrations. It is highly unlikely that anyone with Dr. Kissinger's background, largely within the academic world, would question assurances of legality and precedents from the nation's chief law enforcement officers. In carrying out his orders from the President, Dr. Kissinger was acting on the assumption, backed by Attorney General Mitchell and FBI Director Hoover, that the wiretaps were perfectly legal.

The Committee has not found any significant inconsistencies between Dr. Kissinger's testimony of last year as to his role in wiretapping and the new evidence now available. It matters little whether the President's decision to use wiretaps in an effort to trace the source of leaks was made on April 25, 1969, as now appears to be the case, or May 9, 1969, as Dr. Kissinger had thought when he testified last year. None of the discrepancies that has emerged pierce the heart of the issue here: Is there solid reason to doubt that Dr. Kissinger was truthful last year in describing his role?

To be sure, there are inconsistencies between the FBI documents and the testimony. For example, in the documents, there is a letter from Mr. Sullivan to Mr. Hoover dated May 20, 1969, which states that Dr. Kissinger came to Mr. Sullivan's office that morning and ". . . read all the logs." Dr. Kissinger cannot recall such a visit, and Mr. Sullivan assured the Committee that he neither saw nor talked to Dr. Kissinger during the entire time the wiretap program was in operation.

Much of the recent controversy over Dr. Kissinger's role seems to be a question of semantics, particularly over the meaning of the words "initiate" and "request" in relation to his participation in the wiretapping. Words in FBI documents or on Presidential tapes cannot be considered as definitive statements either of what transpired or of Dr. Kissinger's part in the overall program. They should be considered only in relation to the framework of the overall policy ordered by the President and the total evidence now available.

Did Dr. Kissinger *initiate* the wiretap program by urging it on the President? Or, did he merely *participate* in the wiretapping, carrying out a program ordered by the President, as he testified last year?

In a letter to the Committee dated July 12, 1974 in response to a Committee request for additional information, the President wrote:

"I ordered the use of the most effective investigative procedures possible, including wiretaps, to deal with certain critically important national security problems. Where supporting evidence was available, I personally directed the surveillance, including wiretapping, of certain specific individuals.

I am familiar with the testimony given by Secretary Kissinger before your Committee to the effect that he performed the function, at my request, of furnishing information about individuals within investigative categories that I established so that an appropriate and effective investigation could be conducted in each case. This testimony is entirely correct; and I wish to affirm categorically that Secretary Kissinger and others involved in various aspects of this investigation were operating under my specific authority and were carrying out my express orders."

None of the FBI documents relates to the meeting at which the decision was made to use wiretaps to check for leaks. Representatives of the White House advised the Committee that there are no records of what occurred at the decision-making meeting, which apparently took place on April 25, 1969.

Secretary Kissinger told the Committee ". . . I did not initiate the program, I did not recommend the program, and I had nothing to do with its establishment. I then participated in the program, once it was established, according to criteria that had been laid down in the President's office." The President stated that he initiated the program. Dr. Kissinger's role, as he described it last year and again this year, was that of assisting in implementing a program ordered and directed by the President. The Committee has received no new information which contradicts that description of his role.

Semantic problems arise again in the question of whether or not Dr. Kissinger "initiated" individual wiretaps. Secretary Kissinger testified last year that he supplied names to the FBI of those fitting the criteria agreed upon in the meeting with the President but that ". . . in supplying the names we did not specifically request a tap, although we knew, of course, that this could be, was a probable outcome." In testimony this year he explained that: "Insofar as the submission of a name triggered a series of events which resulted in a wiretap, it could be said that the submission 'initiated' the tap."

There are unexplained contraditions between the testimony and the documents relative to the wording of individual wiretap requests. Documents concerning "requests" for wiretaps were generally prepared without the benefit of personal contact between the drafter and the "requester," whose real identity is sometimes doubtful. Upon questioning, Mr. Bernard Wells, the FBI agent who handled the preparation of most of the papers relative to the program slated that the wording on the individual request forms could not be taken literally.

The Committee was unable to settle to its satisfaction some questions about the initiation and termination of certain wiretaps. But it did establish to its satisfaction that Secretary Kissinger's role in the program was essentially as he described it in testimony last year.

In summary, the Committee is of the opinion that it has appropriately inquired into Dr. Kissinger's role in the wiretapping, pursuant to his request following the recent controversy, and the Committee now concludes that there are no contradictions between what Dr. Kissinger told the Committee last year and the totality of the new information available. The Committee reaffirms its position of last year that his role in the wiretapping ". . . did not constitute grounds to bar his confirmation as Secretary of State." If the Committee knew then what it knows now it would have nonetheless reported the nomination favorably to the Senate.

## TUITION ASSISTANCE TO VIETNAM VETERANS

Mr. INOUYE. Mr. President, I understand that the House and Senate Veterans Affairs Committee met in conference yesterday afternoon to consider the fate of the Vietnam Era Veterans Readjustment Assistance Act of 1974. Because of opposition from certain members of the House conferees progress on final agreement on this important bill has been hampered. In light of that fact, I respectfully urge those Members of the House Conference committee who have stated their opposition to the tuition grant provision to heed the good counsel of subcommittee Chairman HENRY HELSTOSKI and ranking minority member MARGARET HECKLER of the House Veterans Affairs Subcommitteee on Education and Training. Both Representatives HELSTOSKI and HECKLER, who have been studying the need for a tuition program in their subcommittee, have expressed their support for it, as has Speaker ALBERT and a large number of other Representatives. I further urge the conferees to read, absorb and accept the unanimous report of the Senate Veterans Affairs Committee and to consider the 91 to 0 vote on the Senate floor in favor of this legislative proposal.

I urge the members to recall the findings of the study undertaken on behalf of the Veterans' Administration by the Educational Testing Service and the final report of the National League of Cities/U.S. Conference of Mayors Special Veterans Opportunity Committee. Both these studies documented the essential need for variable tuition assistance to Vietnam veterans. I urge the conferees to listen to the pleadings of the leaders of the American Legion, the National Association of Concerned Veterans, and several other veterans groups for such necessary aid to our veterans. And finally, I urge the conferees to take note of the thousands of letters from Vietnam veterans who have eloquently stated their belief that without the kind of assistance provided in the Senate version of this new GI bill an equal opportunity to higher education will continue to elude them.

I have been disturbed by the tenure of the debate over the tuition proposal. Numerous spurious arguments against the proposal have been advanced that fall on their face when the true facts about the effectiveness of our present GI bill are brought forth. The Senate version of this bill has been called an income attractive measure. Such a characterization is an insult to those veterans who risked life and limb in the jungles of Southeast Asia on our behalf. These soldiers did not join our Armed Forces either as draftees or as volunteer recruits in an effort seek the easy way out. They will not utilize the GI bill to rip off our Government. They will use it for what it was intended; that is, to gain the education necessary to become productive members of our advanced economy.

It has been said that the tuition provision will provide a subsidy to high-cost schools. A hard look at the statistics of participation rates indicates that in no instance do Vietnam veterans make up a large enough potential student body for any institution of higher learning to gear their tuition costs toward luring veterans through their doors at the expense of other students and the American taxpayer. The $720 provided in tuition under the Senate bill may make up much of the difference between high- and low-cost public schools, but not the thousands of dollars difference between public and private colleges.

The simple facts are that veterans who are poor, disadvantaged, and/or married with dependents cannot utilize their present benefits. This is especially the case depending on the State in which the veteran lives. When our veterans joined the service, they were promised that upon their discharge we would give them adequate assistance to get a good education.

Our present GI bill does not fulfill that promise. That commitment was not contingent upon where a GI resided. Are we really willing to cut and run from that commitment? I do not believe so.

The President, in his unfortunate letter of June 30 to Chairman HARTKE, maintained that the tuition provision and other elements of the proposed new GI bill are—

Clearly inflationary and unnecessary for our Nation's veterans to prepare themselves for productive lives.

Yet, he admits that 5 million of our veterans have not been able to utilize their benefits, so obviously these proposed changes are necessary.

I do not believe that they are inflationary because in my view the cost of these educational programs actually constitute an investment which is low risk and high yield. We all know that for every dollar spent on the GI bill for World War II veterans, between $6 and $8 in increased income tax revenues were returned to the Federal Treasury out of the increased incomes of these better educated veterans. Tomorrow's return on today's expenditures will be even greater. Additionally, any short-run benefits to the Nation as a whole resulting from placing the burden of inflation on today's veterans will be wiped out in the long run as these veterans live less productive lives, unable to conrtibute their full share of skill and ability in our economy because of the education we deny them. The money for veterans programs can be found. What is needed is the will to look for it.

Obviously, I am firmly committee to the Senate version of this essential and vital piece of legislation. The Senate conferees are aware that in the event they return from the conference with a less than viable bill, the Senate will insist that they return to conference and come back with a bill that will meet the needs of the veteran. I would support and lead such an effort on the Senate floor. But I am confident that such a move will be unnecessary because, in the final analysis, I am confident that Chairman HARTKE and the Senate conferees will stand firm in their commitment and that wisdom and fairness will prevail with the Members of the House. I look forward to a quick agreement on a bill which includes improved benefits and a tuition provision. I am hopeful that such a bill can be placed on the President's desk in the very near future.

## POLICIES OF THE SOVIET UNION

Mr. THURMOND. Mr. President, several articles published recently should be helpful to those who might interpret détente as a basic change in Soviet purposes or Communist ideology.

An article entitled "Détente? Of What Kind" by Zbigniew Brzezinski appeared in the August 4 issue of the Washington Post. This article, which is excerpted from Mr. Brzezinski's testimony before the Senate Foreign Relations Subcommittee, deserves careful study by the Members of Congress.

Another article by Philip Nobile, Universal Press Syndicate, appeared in the July 24 issue of the Omaha World-Herald. It is entitled "Russia's Ministry of Fear" and also illuminates current behavior in the Soviet Union.

Mr. President, I ask unanimous consent that both of these articles be printed in the RECORD at the conclusion of my remarks.

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

DÉTENTE? OF WHAT KIND

(By Zbigniew Brzezinski)

Brzezinski is director of Columbia University's Research Institute on Communist Affairs, on leave as director of the Trilateral Commission in New York. The following is excerpted from his recent testimony before the Senate Foreign Relations subcommittee on multinational corporations.

It has often been said—and rightly so—that there is no alternative to détente. But it is also true that there can be different kinds of détente. The Soviet leaders have made it quite plain that they have a very clear concept of the kind of détente they desire and—by and large—they have so far succeeded in shapping U.S.-Soviet relations accordingly.

The Soviet view of detente—explicitly and openly articulated by Soviet leaders—is that of a limited and expedient arrangement, which in no way terminates the ideological conflict even as it yields tangible economic benefits. On the contrary, it has been emphasized over and over again that "peaceful coexistence" is a form of class struggle and that ideological conflict, far from abating, is to intensify during detente. This intensified ideological hostility, however, is not to stand in the way of economic cooperation, for—as stated by Prof. Marshall Shulman in his testimony before the Senate Banking Committee on April 25, 1974—"rather than face the politically painful choice of instituting fundamental economic reforms, the Soviet leadership has opted for a massive effort to overcome its shortcomings by increasing the flow of trade, advanced technology, capital and management experience from abroad."

To be sure, such a limited détente is better than no détente, and it can be viewed as a necessary way station on the road towards a more comprehensive détente. Yet it must be recognized, especially if the existing détente is to be accompanied by large-scale and long-range U.S. investments in the Soviet Union, that such a limited détente is potentially quite unstable. Ideological hostility, artificially kept alive by deliberate impediments to more extensive contacts, can itself become a source of tension, while changes in leadership, be it American or Soviet, can bring to the fore individuals and groups less favorably disposed even to the existing limited détente, a détente then rather susceptible, given its limited scope, to easy reversal.

Were that to happen, and especially if that should happen after a period of sustained U.S. investment in the Soviet economy, with heavy Soviet indebtedness, a rather undesirable situation could develop. One can certainly conceive of a Soviet leadership being tempted to use both its indebtedness to the United States and American dependence on Soviet raw materials for political ends. Moreover, the very scale of Soviet indebtedness would, paradoxically, give the Soviet leadership additional bargaining leverage.

This is why it is clearly in the U.S. interest and that of peace in general, deliberately to seek a more comprehensive and therefore a more enduring U.S.-Soviet détente which is not artificially compartmentalized to economics alone and which is not offset by officially sustained ideological antagonism. Such a more comprehensive détente—which should be our explicit goal—would involve a broader social, cultural and political accommodation, the shaping of more extensive social links, the expansion of political collaboration especially in regard to the many new global problems, the adoption not only of the principle but also of the practice of true reciprocity in our relations, and a rejection of the harmful and antiquated concept of an intensifying ideological and class struggle being part of the détente relationship.

But current Soviet behavior in at least five areas is not consistent with progress toward

such a more comprehensive and enduring détente:

1. IDEOLOGICAL HOSTILITY

As noted, the Soviet emphasis on continued and intensifying ideological hostility contradicts the spirit of détente, and it does create a potential threat to it.

2. STRATEGIC SECRECY

The secrecy surrounding Soviet military planning, development and deployment stimulates understandable anxieties and engenders legitimate concerns regarding the extent and depth of Soviet commitment to détente. It certainly poses the question whether détente is not viewed by at least some Soviet leaders merely as a breathing spell, designed to lull the United States while the Soviet Union attempts to move from parity toward something which could be translated into political superiority. This is what makes an equitable SALT II a major litmus test of Soviet intention. This is also what makes current U.S. R&D aid to the Soviet Union so difficult to justify, given its obvious military applications. I have particularly in mind the U.S.-Soviet space venture, which has become a vehicle for one-sided transfer of U.S. space technology to the Soviet side.

3. GLOBAL INDIFFERENCE

The Soviet Union remains remarkably insensitive to global issues which cry out for greater cooperation among the advanced countries. Despite the fact that the Soviet Union is one of the key beneficiaries of the higher commodity prices, it has not been particularly responsive to the need for massive aid to the less developed countries most afflicted by the higher energy-food costs. Moreover, the Soviet Union has been relatively passive on other global issues, and it has shown a tactically cynical indifference to the threat of nuclear proliferation generated by India's atomic explosion.

4. HUMAN RIGHTS

The Soviet record on the issue of human rights leaves much to be desired. While President Nixon and Secretary of State Henry Kissinger are right when they say that we cannot insist that other governments alter their systems to please us, to assert that proposition is to skirt the real issue. It is a political fact that many Americans do have a direct and highly personal concern for at least those Soviet citizens who wish to leave the Soviet Union, and in that sense the issue is not only a domestic one; it affects adversely and directly Soviet-American relations much in the same manner that any U.S. limitations on the right of Americans wishing to leave for the Soviet Union—were such limitations to exist—would affect American-Soviet relations. (The spurious argument of domestic non-intervention did not prevent—correctly—the Soviet leaders from condemning Nazi anti-Semitic practices and, more recently, it has affected Soviet-Chilean relations.) Moreover, given this country's traditions, the adoption of a posture of amorality is to give up something very precious, something which should not be given up lightly.

5. RECIPROCITY OF TREATMENT

U.S. diplomats, businessmen, tourists, newspapermen and scholars are subjected to incomparably more harassment than are their Soviet counterparts in the United States. American scholars have been not only harassed but even excluded from the Soviet Union—in marked contrast of the welcome extended here to Soviet specialists. The Soviet side is free to lobby in the United States, and even to promote joint U.S.-Soviet lobbies in America, whereas American access even to the Soviet elite is strictly circumscribed. Almost every day produces some example of highly asymmetrical treatment, most recently in the form of direct physical interference by Soviet police with the right of access to the U.S. Embassy in Moscow. Such non-reciprocity of treatment is a basic violation of the concept of détente.

(It should be noted that the above list does not include any reference to divergent U.S. and Soviet positions on important regional issues, such as the Middle East or Europe. It is only natural that the two major powers, each in a different geopolitical situation, would have diverse and occasionally conflicting estimates of their regional interests.)

The foregoing five considerations should be borne in mind when defining the U.S. attitude towards investment in the Soviet Union and especially U.S. credits for Soviet economic development. Progress towards greater accommodation on the five issues mentioned above would justify more extensive American commitments and credits; indeed, some commitments might be made to encourage such progress, but even in that case the existing level of U.S. concessionary credits to the U.S.S.R. appears to me to be sufficient.

We should also not lose sight of the fact that U.S.-Soviet economic relations are politically calibrated on the Soviet side, with its system of state economy. For the United States with its relatively free market economy, it is difficult to infuse a sense of political purpose into U.S.-Soviet economic relations, yet without such an effort it will continue to be the Soviet side which will derive more marked political advantages. Accordingly, Congress should explore some means of creating a more formal instrument, perhaps even some joint executive legislative coordinating organ, designed to monitor this important economic relationship so that U.S. political interests are not slighted. It simply does not follow that what is good for some U.S. business is automatically good for the United States.

Comprehensive reciprocity in U.S. and social relations—political, strategic, and social—is the only solid base for an enduring détente. Until we obtain such reciprocity, we would be wise to cultivate détente prudently, not allowing the economic relationship to become its primary blossom. In brief, the time is not yet ripe for a high-risk U.S. portfolio in the Soviet Union.

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## RUSSIA'S MINISTRY OF FEAR: INTERVIEW WITH JOHN BARRON

(By Philip Nobile)

Universal Press Syndicate

John Barron is senior editor of Reader's Digest. He once served as a naval intelligence officer in Berlin, but his penetration of the Soviet Union's secret police has been more journalistic than undercover. He spent four years interviewing counter-espionage agents and gained the confidence of KGB defectors. The result is published in "KGB: The Secret Work of Soviet Secret Agents, a Scholarly Thriller Fit for the Average Anti-Communist."

Russia is a police state. In the rush toward detente we seem to be ignoring the totalitarian character of our Soviet friends. It is far more diplomatic (and perhaps more fruitful) to dismiss Solzhenitsyn's "Gulag Archipelago" and sip champagne with its ultimate warden Leonid Brezhnev.

But still it doesn't hurt to know how the running dogs of Russian Communism keep their country on the leash. The KGB, or Committee for State Security, is the Soviet ministry of fear. Not only does the KGB ride herd on Russian society, but it executes foreign policy as well. Soviet embassies and trade missions abroad are packed with KGB agents bent on international dirty tricks.

Q. How powerful is the KGB? It appears to be a CIA, FBI and military intelligence wrapped into one.

A. You can't compare the KGB to any Western organization or complex of organizations because only the KGB has been entrusted with such enormous power over a society. Were the CIA and FBI summarily abolished tomorrow we wouldn't perceive any changes whatsoever in our daily lives. Americans wouldn't be more free to speak, travel, study, worship or emigrate. But if the KGB suddenly disappeared, all Soviet society would perforce change rather rapidly.

Q. The KGB must have quite a payroll then.

A. Nobody in the West has precise data on KGB personnel. The best estimate is a staff of half a million and to this you must add a myriad number or part-time spies and informants who permeate Russian institutions.

Q. How does the KGB manage its totalitarianism?

A. Apart from exile, concentration camps and the new technique of declaring enemies of the state insane, the heart of the KGB's control rests in fear. The KGB runs the Soviet Union according to the principles of tyranny enunciated by Aristotle 2500 years ago. Aristotle said that a successful tyranny depended on isolating citizens from each other and making them feel powerless against the state. And that's precisely what the KGB has done, by creating a spy society in which ordinary Russians are afraid to confide their true thoughts to others. Political opposition is therefore inhibited.

Q. Is the KGB the tail that wags the Russian dog?

A. No. The KGB faithfully executes the policies of the Politburo, the ruling body of the Soviet government. Generally, it does what it's told. But that's why its actions are so frightening. The KGB represents calculated, considered policy decisions of the Soviet leadership.

Q. Other dictatorships survive without the security overkill of a KGB. Why is Russia so scared?

A. The Communist dictatorship today is in exactly the same position that the Bolsheviks were in after winning the revolution in 1917. They don't govern with the consent of the governed. They have no basis for their power except force. No wonder then that the Politburo relies on the KGB so heavily.

Q. That doesn't explain the KGB aggressiveness abroad.

A. The Soviet Union remains wedded, if we can believe what they continuously proclaim to us and to their own people, to the projection of the Communist system into the whole world. But they can't achieve this policy aim by popular appeal or by outright aggression without risking nuclear war. So they must pursue expansionism through the essentially clandestine means of the KGB.

Q. How good is the KGB in espionage?

A. The KGB is very effective for two reasons 1) massive size and 2) the willingness of the Soviets to accept high losses and embarrassing publicity in spy operations. On the whole, the KGB is probably no better, and perhaps not even as good as its competition, especially when you consider that it is operating in a far easier clime. Spying, after all, is not as arduous in free societies as it is in closed ones. In terms of covert operations, the KGB achieves far more than the CIA.

Q. Are you implying that the CIA is less eager, less venturesome than the KGB?

A. In most areas of the world, U.S. selfish interests are served by stability. But the opposite is true for the KGB. The objectives of the services are not the same.

Q. What have been the KGB's greatest hits?

A. Its biggest success is the continuing subjugation of the Soviet people. To maintain a society of one hundred nationalities—with a total population of 240 million—in complete servility is an almost epic accomplishment.

In foreign affairs, perhaps only the KGB is aware of its grandest successes. However, we do know that they made possible the erec-

tion of the Berlin Wall after stealing U.S. contingency plans which showed they could probably get away with it.

But by and large, the KGB has failed in Egypt, Africa and South America.

Q. Has the CIA penetrated the KGB?

A. Yes, but whether those penetrations continue, I couldn't say. Had any intelligence service in the West suffered the penetrations and defections the KGB has, there would be an enormous clamor to abolish that service. Yet the KGB, immune to public outcry, goes on enduring its losses.

Q. Why do Western countries allow the Russians to stock their embassies with KGB agents?

A. In the honest desire to develop more productive relations with Russia, men of good will in the West are fearful of seeming antagonistic. Russia has discerned this attitude of ours and protests loudly when actions are taken against the KGB.

On the contrary, I believe the expulsion of known KGB personnel from Western countries would have a very salutary effect on detente.

Q. If we meet a Russian national in the U.S., should we presume he's a KGB agent?

A. Not necessarily. But if you meet a Soviet citizen and he continues to see you, then it's a fair assumption he's with the KGB or has come under its control. No Russian is allowed prolonged contact with any foreigners unless the KGB assents.

Q. Well, why does Russia risk endangering the era of good feeling between herself and the U.S. by keeping the KGB on the go?

A. To the Soviets, detente means the resolution of certain issues and an agreement not to blow each other up. But it doesn't for a moment abate, or much less halt, what they call "the ideological struggle." So they see no inconsistency between supporting clandestine warfare and detente.

## TIME IS RUNNING OUT FOR THE NEW RIVER

Mr. ERVIN. Mr. President, on May 28, 1974, the Senate by a vote of 49–19 passed a bill to designate the New River, in North Carolina and Virginia, as a potential component of the National Wild and Scenic Rivers System. Despite the Senate's determination that this beautiful river—the second oldest river in the world—should be studied for possible inclusion in the Wild and Scenic Rivers System, the Federal Power Commission on June 14, 1974, issued a license for the construction of a hydroelectric project on the New River to become effective January 2, 1975. This hydroelectric project would destroy forever the scenic and recreational value of the New River.

S. 2439, the Senate-passed bill, is now pending before the House Interior Committee. It has been favorably reported to the full committee by the Subcommittee on National Parks and Recreation, chaired by Congressman ROY TAYLOR, of North Carolina. Mr. President, in view of the January 2, 1975, deadline for legislative action to save the New River—imposed on the Congress by the Federal Power Commission—it is now absolutely essential that Congress enact S. 2439 during this session. The people of North Carolina through their elected officials have expressed strong opposition to the construction of this power project. In an editorial of August 7, 1974, the Raleigh News and Observer expressed this strong feeling and urged action by the House of Representatives to save the New River from destruction. I ask unanimous consent that this editorial, entitled "House Should Act Now on New River," be printed in the RECORD.

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

HOUSE SHOULD ACT NOW ON NEW RIVER

Action by the House of Representatives to clear the decks for impeachment has endangered a measure important to North Carolina. The bill would delay a hydroelectric project that threatens to turn America's oldest river into a reservoir rimmed by mudflats, flood 40,000 acres of farmland and force evacuation of 800 homes. Unless the House approves the bill shortly, Appalachian Power Co. will be free to loose its bulldozers on the New River Valley.

The measure would designate a 70-mile stretch of the river in the northwestern North Carolina counties of Alleghany, Ashe and Watauga and southwestern Virginia for study and possible protection under the Wild and Scenic Rivers Act. The Senate already has passed the proposal as a result of the work of Senators Sam Ervin and Jesse Helms. Robert Morgan, the Democratic nominee for Senator Ervin's seat, has endorsed it. Rep. Roy A. Taylor, D-N.C., whose subcommittee on National Parks and Recreation has handled the legislation in the House, is sympathetic to it.

Despite this broad congressional support, the New River bill and the New River may fall victims to the necessity for moving on to the impeachment debate. The loss would be tragic. For a power dam with an estimated life span of only 50 years, the nation would trade a river 100 million years old—second oldest in the world to Egypt's Nile. With it would go one of the state's few remaining reaches of unpolluted, free-flowing water, a unique blend of northern and southern flora and fauna and 68 varieties of fish.

Surely the nation can afford to wait the two years specified in this measure before deciding if the New River is to be destroyed, finally and forever.

## FINANCIAL DISCLOSURE BY SENATOR TUNNEY

Mr. TUNNEY. Mr. President, a number of my colleagues recently have made public disclosure of their personal income, taxes, and financial holdings.

I commend them for doing so. I share their belief that public office is a public trust. Our constituents have the right to know the sources and the amount of our income. And they have a right to public disclosure and assurances that our tax bills have been paid and that we have met the obligation that falls on every citizen of this Nation.

Accordingly, I am making public my personal financial statement. I ask unanimous consent that it be printed in the RECORD.

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

1973

| | |
|---|---|
| Income (gross): | |
| Salary from United States Senate | $42,500 |
| Honorariums | 22,943 |
| Stocks and bonds: | |
| Capital Gains and Dividends: (Alexander & Alexander, Amerada Hess; Bets Laboratories; Heublein Inc.; Holiday Inns; Johnson & Johnson; Lowe's Companies; Reynolds Industries; The Washington Group) | **73,595 |
| Taxes paid for 1973: | |
| Federal | $25,662 |
| California | 6,262 |
| Current real estate interests: | |
| Residence: Northwest, Washington, D.C. | |
| Residence: Los Angeles, Calif. | |
| Two mortgages at Riggs National Bank; Washington, D.C. | |
| Real estate taxes: | |
| Washington | 2,317.50 |
| California | 2,309.86 |

**Bulk of proceeds of sale placed in Blind Trust at G. H. Walker, Laird, % Mr. Thatcher Brown, Jr.; 55 Water Street, New York, New York.

## THE MIDDLE EAST

Mr. BROCK. Mr. President, we meet today amid increased reports of renewed military buildup in the Midlle East. These reports ignite fears that a situation which we had come to look on as changing for the better, may be deteriorating. This would be tragic. Only a month and a half ago, President Nixon was exchanging toasts with President Hafez Assad of Syria. The exchange was historic, for this was the first time that an American President had visited Syria and it was to underline the beginning of permanent and positive relations between the Syrian Arab Republic and the United States.

During this historic exchange of toasts President Assad stressed his hope that a just and lasting peace in the Middle East would allow Syria to "play an appropriate role in the activities of the international community wherewith to serve both themselves and humanity at large." The recognition of this wider responsibility indicates a strong personal commitment by President Assad to move Syria to new levels of responsibility in the international community.

Anyone with the most superficial acquaintance of Middle East history and politics can attest to the strains and pressures exerted on Syria, Iran, Iraq, Saudi Arabia, Jordan and, of course, Egypt as they were catapulted into the era of contemporary power politics. Each amateur historian has searched the faces of changing Arab leadership and examined closely their actions for that leader who could endure these pressures. Restoring honest and favorable relations among the Arab and the American people has been a concern of Congress and will continue to be in the future.

For peace and its accompanying benefits were in the past as they are today—the single objective and policy of the Government. I am deeply hopeful that the current leadership in Syria, as well as throughout the Arab world, will join us in this new attempt at peace, for President Hafez Assad has before him an opportunity to maintain the momentum of good will which began with the now famous Kissinger shuttles of May.

We, in the U.S. Senate, are about to consider the confirmation of a new ambassador to Syria. Seldom in the confirmation process has one so steeped in knowledge of the Mideast been elevated to this post. On Tuesday of this week, the Senate Foreign Relations Committee heard testimony from Mr. Richard W.

Murphy, nominated by the administration to be Ambassador to the Syrian Arab Republic. Fluent in Arabic and French, he served in his last foreign assignment as Ambassador to Mauretanea.

The Senate has now in this nomination a singular talent in statescraft and foreign relations. Mr. Murphy has served in previous posts throughout the Middle East, in particular in Jordan, Saudi Arabia, and in Syria, as well as acting as the State Departmental Personnel Director for Near Eastern and South Asian Affairs. I hope that the Senate Foreign Relations Committee will act quickly and favorably to recommend speedy confirmation by the full Senate.

Confirmation of an ambassador is urgently needed to revive that spirit which characterized United States-Syrian relations only a month and a half ago. One measure of U.S. efforts to retain that momentum was our participation in what is the oldest trade fair in one of the oldest countries in the world. Beginning on July 25 and running through August 20 the Damascus International Fair has served as a vehicle to move closer to normalization of relations. To this fair the State Department has sent as ambassadors of good will the 155 members of the Florida State Marching Band. As we all recognize, there are no greater ambassadors of good will than our youth.

This initiative, however, cannot be sustained by U.S. efforts alone. President Assad has pledged his desire to begin a "new phase of relations between our two countries—a phase based on mutual respect, unselfish cooperation and adherence to the provisions of the United Nations Charter." One element of that charter is held most precious to all Americans, that is the universal declaration of human rights adopted by the United Nations general assembly on December 10, 1948. I would like to quote from the article of that declaration:

ARTICLE 2

Everyone is entitled to all the rights and freedoms set forth in this Declaration, without distinction of any kind, such as race, colour, sex, language, religion, political or other opinion, national or social origin, property, birth or other status.

ARTICLE 13

1. Everyone has the right to freedom of movement and residence within the borders of each state.

2. Everyone has the right to leave any country, including his own, and to return to his country.

ARTICLE 14

1. Everyone has the right to seek and to enjoy in other countries asylum from prosecution.

Over the last 2 years, reports reaching this country from many sources indicate what may be a government policy which has departed from this. Although many Arab countries have allowed freedom of travel, the Jews of the Syrian Arab Republic, some 5,000 in number, have, in effect, been denied civil rights, and suffered crippling restrictions on their freedom of movement, prosecutions and arbitrary arrests. Latest available reports indicate that the right of exit is totally withheld—even from Jews with foreign passports. Jews are herded into ghettos, barred from movement beyond a four kilometric distance from their homes. Homes of Jews in the city of Karieshliya are blatantly marked with a sign in red. Entry into the demarcated Jewish quarter in Damascus is forbidden to foreigners and all Jewish schools and most synogogues have been closed down. This is clearly an unnecessary impediment to better relations between the two governments and their peoples.

The same enlightenment, which led to a cease-fire and which I continue to believe will stifle the fires of war in the Mideast, as exercised by President Assad should be exercised in Syrian relations with the Syrian Jewish Community. Americans of Syrian descent, I am certain, join me in the desire to maintain the pace of movement toward peace in the Mideast. Tennesseans of Jewish and Arab heritage are confirmed in their recognition of the need to remove barriers which impede any furtherance of that movement.

## WIND POWER

Mr. METCALF. Mr. President, when the bipartisan Solar Energy Congressional Conference was held on June 10, one of the more interesting pieces of literature distributed was an article on wind power from a Special Alternative Energy Issue of the Mother Earth News. It told of the lifelong efforts of Marcellus Jacobs to perfect the wind generator, a device in which interest is being revived because of the energy crisis.

According to the interviewer, Marcellus Jacobs "is the man who almost singlehandedly invented the first practical wind powered electrical generating system. He is the man who originated nearly all the noteworthy advances in the field from 1930 to 1956. And he is the man who dominated this specialized mini-industry until the day he decided to move on to other interests."

Mr. President, Marcellus Jacobs began his experiments in wind power generation on his father's ranch near Wolf Point, Mont. In time, he and his brother formed a Montana corporation for production of what he calls "windplants," and eventually moved the business to Minneapolis.

Because I think this fascinating story will contribute greatly to an understanding of the potential of wind power, I ask unanimous consent that it be printed in the RECORD.

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

THE PLOWBOY INTERVIEW—MARCELLUS JACOBS

NOTE.—On June 2nd and 3rd, 1973 a Wind Energy Conversion Workshop was held in Washington, D.C. The gathering was sponsored by the National Science Foundation and implemented by the National Aeronautics and Space Administration.

Well sir . . . conferences and symposiums and workshops and all the other fancy meetings held to "study" a problem are all right, I suppose. But a fellow sometimes wonders if they're worth the trouble it takes to organize them.

This particular assembly was no exception. For, we're told, after nearly two days of absorbing reports and addresses from people who've experimented with and used wind power . . . many of the "experts" and "engineers" there still didn't have what you could call a grasp of the energy source's potential. "You mean you really run all your lights and appliances and a typewriter and stereo and TV on electricity produced by a windplant? You mean you're doing that right now?" one incredulous engineer asked Henry Clews. "I mean, if this thing actually works we should find out if it's practical enough to put into production."

It was then that an authoritative-looking 70-year-old gentleman rose to his feet in the audience and said, in effect: "Why, you young whippersnapper. You're trying to reinvent the wheel. Not only will windplants work . . . not only can they be put into production . . . and not only can they be manufactured and sold profitably . . . but I personally built and marketed approximately 50 million dollars worth of the units from the early 30's to the mid-50's. We were already in full swing before you were born."

Now I hasten to add that genial, polite Marcellus Jacobs didn't address the young and well-meaning (but somewhat ignorant) engineer quite so abruptly. Mr. Jacobs did, however, leave no doubt that windplants could be made to work. And he should know: Marcellus Jacobs is the man who almost singlehandedly invented the first practical wind-powered electrical generating system. He's the man who originated nearly all the noteworthy advances in the field from 1930 to 1956. And he's the man who dominated this specialized mini-industry until the day he decided to move on to other interests.

Marcellus Jacobs hasn't manufactured a windplant since 1956 . . . but people who know still fight to find one of his old second or third hand units. Why? Well, Admiral Byrd set up one of the Jacobs systems at the South Pole in 1933. On June 17, 1955, Richard E. Byrd, Jr., wrote a letter to Mr. Jacobs in which he said:

I thought it might interest you to know that the wind generator installed (by my father) . . . at the original Little America, was still intact this year after almost a quarter of a century . . . The blades were still turning in the breeze (and) show little signs of weathering. Much of the paint is intact."

Marcellus Jacobs, in short, designed good windplants. He built 'em good too . . . and he built 'em to last.

Mr. Jacobs now lives and works on other environmentally oriented projects in Florida and Steve Weichelt recently visited him there. During the course of their conversation, Steve asked Jacobs to describe the development of his plants and to comment on the future he sees for wind power.

PLOWBOY. Mr. Jacobs, when and where were you born?

JACOBS. I was born in 1903 in Cando, North Dakota . . . up near the Canadian border. Then dad moved to a ranch in Montana south of Wolf Point . . . thirty miles from the Fort Peck Dam on the Missouri River. Wheat and cattle country.

PLOWBOY. Where did you go to school?

JACOBS. Everywhere. I didn't graduate from any university but I went to school in several different places. After I left high school I took one year of electrical training in Indiana and a special six-month course in electricity in Kansas City. Most of my education, though, just came from studying on my own. I got the books and picked up what I could from them, and thought the rest out for myself.

PLOWBOY. Which came first? Did your interest in electricity lead you to find that you could produce this form of power from the wind . . . or did you set out to do something useful with moving air masses, and end up harnessing them to electrical generators?

JACOBS. It was a little bit of both. When I was still in high school I built and sold

little peanut radios that operated on storage batteries . . . and pretty soon we wanted motors and welders and drill presses and what have you that operated on current. At the same time, I had always been intrigued by the wind. It was natural, I suppose, to put the two interests together.

PLOWBOY. I take it then that you used the wind to produce the first electrical power you generated?

JACOBS. Oh no. Our ranch was 40 miles from town and in them days, of course, there wasn't any Rural Electrification Administration lines running all over the country. We—there were eight children in our family—had to make do with kerosene lamps and so on . . . but we soon got tired of that. So we rigged up an old secondhand engine to run a little DC generator. But it fluctuated every time the load changed so we hooked the generator up to some old car batteries to balance the system some and that worked pretty well. Along about then, though, we started a hand forge and put a motor on that and we needed more current than our engine-driven generator would produce. This was about 1922.

PLOWBOY. And that's when you began experimenting with windplants.

JACOBS. Yes. I first tried to use a fan off one of the regular water-pumping windmills we had there on the ranch. I took a Ford Model T rear axle and cut the side shaft off where one of the wheels was supposed to go and I put the big fan on instead. Then I mounted the tail vane out where the other wheel should be . . . and I extended the drive shaft down to the ground where I had my generator. I just locked the differential with a pin so that as the wind turned the fan it would drive the shaft.

PLOWBOY. Did it work?

JACOBS. Oh yes, after a fashion. But there were several things wrong with the setup. It wasn't efficient, you know . . . there was no real gain. One of those big water-pumping windmill wheels is designed to catch all the wind in its diameter right at the start. Otherwise it'll never go. It'll just sit there. Unless the pump has lost its prime, that wheel has to lift water right from the instant it begins turning. It needs a lot of starting torque . . . and that's why it has so many large blades.

Once the wheel gets up some speed, however, about 80% of those blades get in each other's way. They begin fighting each other. In fact, a water-pumping windmill needs all the power it generates just to run *itself* in an 18 or 20 mph wind. You can pull the pump rod loose and the wheel won't run away. It can't. The force of the wind during a storm may blow the wheel into the tower and push the tower over . . . but the fan won't over-rev and tear itself apart.

The wheel we finally came up with for a windplant, now, is altogether different. There's no load on it at the beginning, you see . . . just the very slight drag of two ball bearings. The three little blades sticking out of the wheel's hub are all you need to start the thing turning in a two mph breeze. And those narrow blades are also all you need to catch every bit of air that moves through the wheel's diameter when the wind blows 20 mph. They'll do it better than all those sails on a water-pumping windmill's fan too. A three-bladed windplant propeller may develop between six and eight horsepower in an 18 mph wind, while an ordinary windmill wheel of the same diameter sitting right beside it won't produce much over two.

PLOWBOY. How long did you experiment with the old water-pumping windmill fans before you gave up on them?

JACOBS. Well, we messed around for three years or so. We even made a governor that turned every one of the blades—to feather them—on such a wheel . . . but there were just too many other factors working against the design. To put it very simply: If you can catch all the wind that moves through a certain diameter with three blades, there's no need to have fifty of them hanging out there. The extras just get in the way.

PLOWBOY. But why *three?* Why not two blades? Or four?

JACOBS. We tried them. We tried those other numbers. See, I learned to fly in 1926 or '27 and that gave me the idea that an airplane-type propeller was what we wanted. Most of those props, of course had only two blades so that's what we used.

PLOWBOY. You took one right off an airplane?

JACOBS. They didn't have the right pitch. But we made some windplant propellers that were quite similar to the ones used on aircraft. We didn't stay with them long, though. I discovered—very early in the game—that a two-bladed propeller has vibration problems that a prop with three blades doesn't have.

PLOWBOY. But we're still using two-bladers on airplanes!

JACOBS. Not always. When Curtiss-Wright developed some of that company's first really big engines at the start of World War Two, they found that the powerplants tore themselves right out of their mounts when the planes were kicked into an abrupt turn. I won't go into a long, confusing explanation of why this happens. It's enough to say that the Curtiss-Wright engineers and test pilots wrecked a bunch of aircraft before they finally solved the problem by going to three-bladed propellers . . . something I had done years earlier with my windplants.

See, this potentially destructive situation always exists with propellers that have two blades. It's always there but most of the time it doesn't give airplanes any trouble. I mean . . . when you make a turn with a plane, how large a curve do you usually fly? A quarter mile? Half mile? That's not nearly sharp enough to cause a problem. But a windplant supported in its center on a bearing whips right around, doesn't it? There just isn't any way to make a two-bladed wheel hold up on a windplant. Sooner or later—and probably sooner—it'll snap off at the hub . . . or one of the blades will let go.

PLOWBOY. But a three-blader won't.

JACOBS. No.

PLOWBOY. OK. Why wouldn't four blades be better yet?

JACOBS. Well, there'd be no object in going to four.

Look. It doesn't matter if you have one blade or a dozen . . . if you design them right you can make that wheel catch all the wind that comes through it. You can stand behind those spinning blades and strike a match and it'll hardly blow out. You're catching all the wind, you see, and slowing it down and changing its direction. One blade is just as good as four or five or more.

The only trouble with one blade, however, is that you can't balance it . . . and two blades have the vibration problem I've mentioned. A wheel with three blades nicely solves both these problems and you'd be foolish to add any more.

PLOWBOY. Why?

JACOBS. Because the tips of that wheel are moving through the air at 125 mph and every time you put on another tip you're adding unnecessary drag. It takes a lot of enregy to push something through the air at 125 mph, you know. That's a waste of power.

There's another factor involved too. We wanted our windplants—which had 15-foot-diameter propellers—to develop their maximum charging rates in a wind of, say, 20 mph . . . but we didn't want their tip speed to exceed 125 mph. A three-bladed prop met these requirements admirably.

PLOWBOY. All right. This takes us up to about 1927. What happened next?

JACOBS. Well, once we had the propeller design worked out, we still had two main problems: speed and pressure. If you want to get as much power as you can from a light breeze, you've got to have a propeller of large diameter. But when you have a large diameter, you've also got something you can't control in a high wind. You need some way to regulate your propeller's speed and you want to be able to take the pressure of the wind off your blades during a real gale.

So I developed the fly-ball governor. I mounted weights on the hubs of our propellers so the centrifugal force of higher speeds would twist all three blades identically, see, and change their pitch. This automatically feathered the propellers in high winds. It both slowed them down and relieved the pressure against them.

PLOWBOY. There's another kind of governor, you know . . . made by the Zenith Corporation.

JACOBS. They call that a governor! It's like holding the throttle down on your car while you step on the brakes to slow down! Their blade is fixed, you see, and when you apply a brake out here the way they do, you only slow down the propeller. You don't relieve the pressure of the wind blowing against those blades. I've replaced hundreds of those windplants when storms just pushed their blades right into the towers.

PLOWBOY. Your plants never had that trouble?

JACOBS. Never. We set the centrifugal controls so our blades couldn't receive more than the pressure for which they were rated. We've had winds of more than a hundred miles an hour on our plants down there at the South Pole. No problem. We've had plants scattered all over the West Indies and on the Florida Keys, and we've never had one go down in a hurricane yet.

PLOWBOY. Did you patent your governor . . .

JACOBS. Yes, but Curtiss-Wright stole it from me on a technicality.

PLOWBOY. . . . and did you start putting it on windplants?

JACOBS. Oh yes. We built about 20 or 25 plants out there in Montana from 1927 to 1931. They all had our new propellers and governors on them and we sold them to ranchers in the area.

PLOWBOY. What did you use for generators?

JACOBS. We bought our generators from Robbins and Myers and we built both 32- and 110-volt DC systems. I think we got our towers from the Challenge Windmill Company in Batavia, Illinois. The towers, you know, were actually meant for water-pumping windmills. Nobody else was making windplants. We invented the business in North America . . . I guess the world. A few others were playing around with ideas but we were the first to manufacture a practical machine.

In 1931 we sold our ranch holdings—my brother was with me at the time—and I formed a Montana corporation, sold stock and really set up to make windplants. Later, of course, I moved the operation to Minneapolis.

PLOWBOY. Did you go right into production on an assembly line basis back there in 1931?

JACOBS. No, we spent about a year or better designing and building a big generator. There wasn't one available at that time that would produce 2,000 watts of power at our working range of 225 rpm. You couldn't buy one anywhere, so we designed and built one just for our propeller.

Now this was quite important for a couple of reasons: Number one, there's a lot more to good propeller design than most people realize and, number two, the best propeller in the world isn't worth much if the generator it turns isn't exactly matched to the prop.

See, the whole idea of high-speed propeller design is to throw the wind that hits the

blades . . . the whole idea is to throw it out quickly. You don't want it to drag all the way along the back of the blades. That's a tremendous amount of friction—a tremendous force—and you want to eliminate it. Sometimes a very little change—a 64th of an inch—in the curve on the back of a propeller can affect its power output a seemingly immeasurable amount.

Well, forty years ago, I designed a special machine that would let me determine just how efficient a blade design might be. I had a test stand made up that extended out two feet past the end of a propeller and at each foot along the arm we mounted a separate wind pressure gauge. We checked a lot of blades on that stand until we knew exactly how to design a propeller that was as efficient as we could make it.

PLOWBOY. And then you built a generator to match the prop?

JACOBS. Yes. We had to balance the generator's load to match the efficiency of the propeller. If your blades work best at a certain rpm in a 7½ mph breeze, they should turn exactly twice as fast when the wind blows 15 mph, shouldn't they? They won't catch all of that 15 mph wind unless they do, will they?

OK. The trick is to design the generator so that its load increases just fast enough to allow the propeller to double its rpm as the force of the wind doubles. And that's what we did . . . right up to the top speed we wanted, which was 18–20 mph.

Now this wasn't easy, because a conventional generator doubles its output when its speed increases by only something like 25%. Obviously that wasn't a very good match for our propeller . . . so we tried several things until we finally came up with a special alloy for the field poles in the generator. We finally got a combination that made the load of the generator fit the output power curve of the propeller over the entire range of windspeeds up to 22, –3 or –4 miles an hour . . . where the blades were set to feather out.

It was a lot of trouble, but it was worth it. Wincharger, for instance, didn't take the time to balance the components of its plant in this manner and that unit was only one-third as efficient as ours at higher windspeeds.

PLOWBOY. Wow. You really took pains to design and build the best possible windplant, didn't you?

JACOBS. Oh yes. I've only told you a part of it. We came up with our own special brushes in the generator, you know.

It's not too hard to set up a big DC generator and run it with a stationary engine, see, because you've got a fixed speed of operation and you can adjust everything so it's working the best for that rate of output. Now I'm particularly thinking of the commuter arm and its brushes which slide from one wound coil to another inside the generator. Every time those brushes move from coil to coil, you know they want to throw a spark. When you break DC you get an arc . . . and those flashes will bum little rust spots on the commutator and then it'll just grind the brushes off in a matter of months.

What you look for, of course, is the neutral zone . . . the one small area where your brushes will throw the least spark as they leave one coil and go to the next. This isn't too hard to find and when you've got a fixed speed on your engine and generator you can set everything just right to make use of it.

A windplant isn't like that, though. It's set to kick its generator into operation at about 125 rpm and it reaches full output—3,000 watts or whatever—up around 225 rpm. Now that's OK . . . but everytime the rpm varies—and it can change a thousand times a day—the neutral zone shifts. No matter how you adjust your commutator, then, your windplant's brushes are going to be set to throw a much bigger spark than you'd like as they move from coil to coil during the greater part of the plant's operation.

Everyone in the business faced this problem, of course, but none of the others ever licked it. We did. I developed a brush made up of a layer of graphite, then carbon, then graphite, then carbon. This gave us a brush with a high cross-section resistance. The DC current would practically quit flowing before the brush made its jump from one coil to the next and that was just what we wanted.

We tried to get National Carbon to make these special brushes for us but they weren't even interested enough to send a man out to see us. Stackpole couldn't understand what we wanted either but they did build the brushes to our specifications and that licked the commutation problem. We've had plants run ten or fifteen years on their orginal set of brushes. That's unusual. Ask anyone who's operated other manufacturers' windplants.

PLOWBOY. Didn't you also make some noteworthy breakthroughs in the way you regulated the voltage of your units?

JACOBS. Yes. That's another tough situation you have to face with DC. To change the irregular power generated by the wind into a steady flow of current for use, you have to go through batteries. The only trouble is that you can't let your generator feed the same amount of electrical energy to the batteries all the time or you'll burn the storage cells out. As a charge is built in a battery—as the battery becomes more nearly "full"—you want to charge it at a slower and slower rate.

Well, Wincharger and all the others tried this and that but they never came up with the voltage regulators and cutoffs they needed to solve the problem. That's why you always had to get up at two o'clock in the morning or some other unhandy hour and shut those plants off to keep them from burning out their storage banks.

We had the only windplant that didn't have this trouble because ours was the only one which was completely voltage regulated. Our control—we called it the Master Mind—inserted a resistance into the generator fields to weaken their output as the batteries filled up.

Now that was a problem in itself because the Master Mind contained a set of points that had to open and close thousands of times a week. This meant thousands of arcs and flashes. Eventually the points would stick and make the generator begin to run like a motor as soon as the wind died down. That wasn't good, you know, because it would soon drain all the energy stored in the batteries.

We licked that one by developing what we called our "reverse current relay". We ran a little bit of direct current—opposite in polarity to the main flow—right back through the points to make them open with one quick flash instead of just hang there, floating, until they'd burned themselves out. It was a little shunt circuit, actually, that opened and closed the main cutoff with one clean action just when we wanted it to.

PLOWBOY. How long did it take you to figure all this out?

JACOBS. Well, from the time we started fooling with windplants . . . about ten years. Our most important work was done in less than two years . . . from 1931 to 1933. By '33 or '34 we were in pretty good swing. We came up with a few improvements as we went along, of course . . . but after 1936 or '37 we ran for 20 years without making any basic changes in our design.

PLOWBOY. I suppose you brought in an expert from time to time for consultation.

JACOBS. No, because back then there weren't any experts on slow-speed electrical generation. There were no experts on voltage regulation and nobody had ever heard of making an airplane-type propeller for a generator. There were no books on the subject . . . nothing to go by. I developed my own expertise. When you have a problem, you know, you just stick with it until you find a solution. That's how I would up with more than 25 patents. Every one of those patents represents a problem that we solved.

PLOWBOY. Well it seems that there's more than just problem solving involved here. People who know say that yours are still absolutely the finest windplants ever manufactured by anybody anywhere in the world. You must have had strong feelings about the quality of any equipment that bore your name.

JACOBS. Oh sure. I'm kind of a freak, see. I want things to work forever. I built my plants to last a lifetime.

I've had battles with manufacturers all my life. When I started looking for bearings to put in our windplants, I found out that what the companies that made them called "permanent" . . . would last about two years. The bearings themselves were very pretty good, see, but the seals around the races would dry out and let the grease inside get away after a few years. What I did was take some of the bearings used in the rear axle of a car, mount them in a special compartment with a special lubricant and then put my own seal over them. They'll last 20 years that way . . . and 20 years is closer to a lifetime than two.

We've had plants that have run 25 years with no lubrication. I talked to a rancher out in New Mexico last July and he's been using his for *over* 25. He's still using it and he's never done much more than climb up once a year and tighten a few bolts and whatnot.

The brushes on most windplants, as you know, go out all the time. They don't last long at all. Well I got a letter about a year ago from a mission in Africa. The people there bought their plant in 1936 and that letter was their first order for replacement brushes. They've used the generator all that time. Same thing with our blades.

PLOWBOY. Yes! I wanted to get to that. Tell me about the construction of your propellers. Did you make them of metal?

JACOBS. Oh, no. Solid metal—even aluminum—would have been too heavy. Too much centrifugal force. The more flywheel effect you get, see, the more trouble you have shifting the plant around and that means more strain on all the component parts.

We did stamp out some hollow aluminum blades once, but they weren't at all satisfactory in the north country. They had a tendency to sweat. Frost would form on their insides and throw them out of balance . . . and that could shake a plant completely apart.

No. Our old standby was aircraft-quality, vertical grain spruce. Sitka spruce from the West Coast. I used to go out and select the lumber personally and have carloads of it shipped back to the factory. During the war, I had a little trouble getting the quality I wanted.

PLOWBOY. And how did you turn the raw lumber into blades?

JACOBS. We rough-cut the airfoils first—from 2 X 8 planks—on a special machine. Then we put them aside in the kiln-dry rooms for several weeks to make sure they were completely set and weren't going to warp. After that we made our final cuts.

PLOWBOY. Did you hand-sand them?

JACOBS. No, we had a great big sanding machine that worked down both sides of a blade. It was set up like a planer or a duplicating lathe, you know. You clamped your raw blade into mounts on one side and then you ran a set of feeler rollers over a perfectly finished blade that was always mounted on the other side. This guided the application of power sanders to the unfinished airfoil . . . and you could smooth it right down to the exact contours of the

master very quickly, easily and automatically this way.

PLOWBOY. How did you finish the blades?

JACOBS. With an asphalt-base, aluminum paint.

PLOWBOY. And that's all?

JACOBS. That's all they needed. Propellers we built 25 or more years ago are still going strong.

PLOWBOY. I notice that you never put a brake on your plants.

JACOBS. No, our tail vane was enough. We had it hinged so we could lock it straight behind the generator or swung away off to the side. It would remain streamlined to the wind either way, of course, so when it was in the second position it pulled the generator and propeller right around edgeways to the moving air. This took most of the wind off the blades and they'd sit up there and just idle during violent storms.

PLOWBOY. But other manufacturers could swing the tail vanes on their machines to the side too.

JACOBS. Yes, but most of them did it the wrong way. They fastened the vane straight behind the generator with springs and you had to use a line from the ground to pull it around to the side. If that line broke during a gale, there was nothing you could do about it. The windplant would run away and tear itself all to pieces . . . unless you had a brake that you could apply . . . and brakes, for some other reasons, weren't a good idea either.

We set our spring up the other way, see. It always wanted to hold the vane to the side and you had to use a line to pull the tail straight back. This way, if the line broke, the vane would pull the propeller around and make it idle. Ours was designed to protect itself if anything went wrong.

PLOWBOY. So you never used a brake?

JACOBS. We tested some when we were still experimenting out in Montana, and very quickly found that they're a source of trouble. The brake bands freeze up and you have to climb the tower with a hammer and knock them loose. Besides that, it's not very smart to completely stop a windplant propeller. The ice mostly freezes on the lowest blade and that'll wreck your plant if you turn it loose. It's much better to let the propeller swing around a little bit during a winter storm. What ice or frost it collects will be distributed evenly that way and won't give you any trouble.

PLOWBOY. Fantastic. You really checked out all the angles, didn't you? What did this translate to in business?

JACOBS. Oh, I don't know exactly. We must have built about 50 million dollars worth of plants in 25 years.

PLOWBOY. Wow! What was your biggest year?

JACOBS. I can't remember . . . but I think we had 260 employees at one time. We could produce eight to ten plants a day working one shift and during the war we ran three. We ran around the clock in Minneapolis and I even bought another factory in Iowa and ran it for a few years. We didn't build windplants out there but we manufactured similar equipment . . . electrical and magnetic hardware for the Army and Navy. Gear that protected our ships from the Germans' magnetic mines . . . stuff like that.

PLOWBOY. I've heard you once came up with another protective device. Something to do with pipelines.

JACOBS. Yes, I'm quite proud—I'd say justifiably so—of the cathodic protection system I devised in 1933. I don't know if you're familiar with the problem or not, but when you put big pieces of metal in the ground—things like pipelines—they just waste away. They don't rust . . . but the metal is carried into the dirt by electrolysis. It's just eaten up and carried away. The earth, in effect, is electroplated at the expense of the pipeline.

I found that this action can be stopped by putting a little negative direct current—only 3/10 of a volt—on the metal and a little positive DC into the surrounding soil. This discovery has saved the pipeline companies millions upon millions of dollars. All the big bridges are now protected this way too. Every very large steel structure.

PLOWBOY. Have you developed anything else that the ordinary individual would find more directly related to your windplants?

JACOBS. Well we used to sell everything you'd need on the ranch—fans, motors, electric irons, toasters, percolators, freezers, refrigerators, whatever—all built to run on 32-volt DC. Hamilton Beach manufactured them for me to my specifications. I even had a freezer that was so well insulated you could unplug it and it would keep ice cream frozen for four or five days. All this equipment could be powered by our windplants, of course.

PLOWBOY. Do you think those days will ever come back? What future do you see for windplants?

JACOBS. There'll always be a small, scattered market for individual plants—especially in the more remote areas of the world—but the Rural Electrification Administration has pretty well killed the demand for self-contained DC systems in this country. AC is just too readily available everywhere. Alternating current is all over the place . . . often at artificially low prices. That's a tough combination to beat and I quit trying to fight it in the 50's. I could see the handwriting on the wall back around '52, '53, '54 . . . and we closed the factory in 1956.

PLOWBOY. But conditions *are* changing. There *is* an energy crisis now, you know. The AC is going to get more and more expensive and we're going to have to tap some power sources—such as the wind—that we haven't really thought a lot about in the past.

JACOBS. Yes, but I still feel that the individual DC plant is largely a thing of the past. If I were building windplants today, I'd go AC. And I wouldn't concentrate on the small units . . . I'd think about larger ones that could feed directly into the distribution grid that's already set up.

As a matter of fact, I proposed just that idea to Congress in 1952. The power companies, you know, already have a great number of steel towers set up to carry their transmission lines across the country. I added to this the fact that AC generators require almost no maintenance at all . . . and I came up with an idea: Put windplants right on top of the towers.

Pick a stretch—I took Minneapolis to Great Falls for an example—and install a thousand AC windplants on the towers in between. It doesn't matter what the wind does, at least some of the generators will be producing all the time. Just let 'em feed supplemental power into the grid whenever the wind blows.

The beautiful part of this plan is the fact that the wind blows strongest and most steadily when we need it most . . . in the winter. I've talked to the men who manage the power grid and they tell me electric heat has become so popular that they're now forced to keep thousands of dollars' worth of standby diesels on hand . . . just to handle the winter overload.

PLOWBOY. OK. But let's say that someone who reads this doesn't agree with you. Let's say he wants to go into business right now manufacturing essentially the same windplant you produced for 25 years. What happened to your old dies, the old tools? What about your patents?

JACOBS. The equipment is all gone. I stopped in at the factory a while back and it's used for something else now. None of the original setup is there at all. As for the patents . . . quite a few are public property now.

PLOWBOY. All right. Let's get even more basic. What if an individual wants to go out and build his own windplant the way you put your first ones together . . . with materials he finds in junkyards and other odds and ends?

JACOBS. Well I haven't been active in the field for 15 or 18 years now. There's a lot of new stuff I'm not familiar with . . . but I'd say that some of the AC generators and the rectifiers now available should make that pretty easy.

PLOWBOY. You're not actively engaged in windplant work of any kind at this time?

JACOBS. No, I have other interests now.

PLOWBOY. You mean you don't think about wind-driven generators at all?

JACOBS. Well . . . I did buy one of my old plants out in New Mexico this summer . . . and I've still got quite an assortment of DC equipment and appliances packed away. I'm doing it mostly for my son, you know . . . but I imagine I'm going to have a little fun setting that windplant up and running it this winter.

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## DEVELOPMENTS IN GREECE

Mr. KENNEDY. Mr. President, in the few short days since the Greek military junta invited Constantine Karamanlis to assume the office of Premier, he has acted swiftly and surely to begin restoring democracy and human liberties to his troubled nation. He has restored freedom of speech and of the press—the irreducible requirements of democracy. He has released political prisoners, restored Greek citizenship to people who had opposed the old regime, reinstated the Greek constitution, and promised free elections.

These are all constructive and welcome steps that create real hopes that the long night of oppression in Greece will at last be over. Yet the days ahead will be difficult ones for Mr. Karamanlis and for other men and women of democratic belief. The institutions and practices of a free nation cannot be revived overnight; attitudes of cooperation cannot be taken for granted in a nation ruled by an iron fist for most of a decade; the give and take of politics within agreed limits cannot emerge without a period of growing pains.

In this difficult period, Mr. Karamanlis—and other Greek democrats—will need the help and encouragement of people in other countries who are concerned about the freedom of Greece and the renewal of its free institutions and liberties. In the United States, where our Government helped keep in power the military junta that has now been replaced, we bear a special responsibility for encouraging these hopeful developments. I know that my colleagues here in the Senate join me in wishing Mr. Karamanlis well in his efforts. And I urge the administration to act positively in support of Greek democracy.

Mr. President, the New York Times has written a thoughtful editorial on developments in Greece. I ask unanimous consent that it be printed in the RECORD.

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

[From the New York Times, Aug. 5, 1974]

GOOD START IN GREECE

In less than two weeks, Constantine Caramanlis and the wide spectrum of democratic forces supporting his Government of Na-

tional Unity have transformed the political climate in Greece. Mr. Caramanlis is no miracle worker, but—given the political realities in Greece after seven years of military dictatorship, plus the Cyprus crisis—it is difficult to see how the 67-year-old Premier could have progressed any more rapidly toward the restoration of national consensus, freedom and political democracy.

Mr. Caramanlis immediately restored freedom of speech and of the press. He decreed a sweeping political amnesty, releasing thousands who had been jailed and often tortured by the military police. And he restored the citizenship of eminent Greeks who had been stripped of rights for speaking or acting against the corrupt and repressive military regime.

Returning to Greece after eleven years in exile, he was able in a remarkably short time to construct a Cabinet of experienced, qualified ministers representing most democratic tendencies from moderate left to moderate right and including fresh talent that had been imprisoned or exiled by the military rulers. By way of emphasizing the exodus of the armed forces from power, he named as Defense Minister a veteran civilian politician and foe of the fallen junta, former Foreign Minister Evanghelos Averoff.

Mr. Caramanlis has also reinstated Greece's 1952 Constitution, scrapping the junta's 1968 document which attempted to entrench the armed forces in a permanent position of decisive political power, beyond the control of any civilian government. He has reassigned some of the most dubious personnel from the former junta to remote posts far from Athens headquarters.

What Mr. Caramanlis has thus far refused to do is to take drastic punitive action against the officers who overthrew the legitimate Government in 1967 or even against those responsible for the persecutions and torture over the seven years of the dictatorship. The necessity for maintaining as much armed forces unity as possible in light of the Cyprus crisis is probably a factor in the Premier's hesitation on this matter.

Even many Greeks imprisoned or exiled by the junta believe, however, that the armed forces will clean their own house, thoroughly and quite promptly, if they are not subjected to wholesale humiliation for the junta's excesses. The decisive pressure for the withdrawal of Brigadier Ioannides and his henchmen and for the invitation to Mr. Caramanlis to restore civilian rule came, after all, from within the Army.

Senior officers, acutely embarrassed by the repression, might have overthrown the junta at various times during the last seven years had they not been persuaded that its continuation in power was favored by the United States. The report that Washington has now instructed its agencies, including the C.I.A., to keep hands off Greek politics is as welcome as it is overdue.

So far, Mr. Caramanlis's performance—even including his refusal to deal peremptorily with junta leaders and his postponement of any decision on the future of King Constantine and the monarchy—has enjoyed broad support. The only major dissenting voice has been that of Andreas Papandreou, son of the late Prime Minister, who has moved steadily leftward in his years of exile.

Mr. Papandreou will run great risk if he launches all-out political war on the Government of National Unity. There is no reason to doubt that Mr. Caramanlis will make good his pledge to hold free elections, probably within six months, and restore parliamentary democracy at the earliest feasible moment.

Only a return to the bitter political warfare that helped bring on the 1967 coup, or the continuation of Turkey's reckless expansion on Cyprus, would be likely to disrupt the Caramanlis timetable and risk new political intervention by Greece's armed forces. Her allies must make every effort to persuade Turkey to be reasonable. Only Mr. Papandreou can decide if he also will be reasonable.

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## THE SPACE PROGRAM

Mr. HRUSKA. Mr. President, the advance of technology in this country during the past two decades has been a very remarkable story. Chief among the many technological feats has been the development and progress of the space program.

We have witnessed many breakthroughs in the field of science as a result of the resourceful use of our technology which has taken us to the outer reaches of space. One of the most outstanding achievements in this area has been the development of a system to help us live a better life on earth.

On July 23, 1972, the National Aeronautics and Space Administration—NASA—launched the Earth resources technology satellite—ERTS—to provide high-quality photographs of the earth. The satellite was launched to determine if the resource of the Earth could be inventoried using photographs and other data taken from nearly 600 miles in space. Photographs taken from the orbiting satellite allow scientists to make rapid calculations of the amount and condition of large land areas. This is an activity that conventional surveillance methods prohibited because of physical limitations.

The program has proved to be very successful.

On August 7, 1973, I had the distinct pleasure of participating in ceremonies to dedicate the Karl E. Mundt Federal Building near Sioux Falls, S. Dak., which houses the Earth Resources Observation System—EROS—Data Center. Senator MUNDT was instrumental in seeing that the center—which is used to analyze the data obtained from ERTS and other sources—was established in the Midlands.

In the year since that dedication, the EROS Data Center has become the focal point for an increasing number of activities related to the analysis of material which can be applied to very practical uses.

For example, the photographs can be used to detect geologic structures beneath the surface of the Earth. These structures may be able to aid scientists in the search for available mineral deposits, oil and water.

These photographs can be useful in detecting blight on various types of crops. Using this information, more accurate predictions of productivity can be made. Along the same lines, vegetation density can be determined and irrigated land can be measured. In addition, various types of ground cover and plant life can be identified. This is very important in terms of predicting crop volume. On rangeland, overgrazed areas can be detected and burned areas from range fires measured and monitored for recovery. The same principle can be applied for determination of damage in wooded areas from forest fires.

Water runoff and storage and snow pack can be analyzed and the results interpreted to help prevent flooding and facilitate water management decisions.

Land development can be measured to aid in land use planning efforts and the state and quality of the environment can be determined by analysis of air and water pollution revealed in the photographs. The effects of strip mining also can be seen through the use of the ERTS cameras.

The technology that has been developed can provide our scientists with all of this—and even more—vital information. However, the key question is: "How is this data being used?" I am afraid that the answer is: "Very inefficiently."

The purpose of this technology is to aid man. But unless some changes are made, the valuable information that is being provided by ERTS and other Earth-monitoring sources will not be used to its full potential. The mission of the EROS Data Center in Sioux Falls is to process and disseminate this material. However, the timeliness of the information is all-important in many cases. Floods can be prevented, crops saved or fires put out if the situations in which they exist are discovered in time.

Currently, the EROS Data Center has no equipment to receive transmissions from ERTS or other Earth-surveillance systems. The EROS people "borrow" three NASA receiving stations in Maryland, California and Alaska, which are also being used for other programs. Incredibly, in this day of instant communications, the processed data from the satellite is sent by mail to Sioux Falls. It is ironic that material photographed and sent back to Earth by a complex electronic system arrives at its destination in South Dakota like any other piece of mail. Millions of dollars have gone into the development and perfection of the ERTS and the EROS, but much of their effectiveness is lost because of delays. Because of the extraordinary load upon the present reception and processing system, not all of the data relayed from the satellite is made available to those who need it. Currently, as long as 3 months can elapse from the time the information is sent from the satellite to the time it is ready for dissemination by the data center. Of course, by this time, some of the material is outdated and useless.

Clearly, then, there is need for corrective action to make the whole process a viable, beneficial operation.

The consequences of full utilization of these technological resources can be very significant. Using information provided by the ERTS and processed by the EROS, the rising overhead costs of producing food can be reduced. With advanced knowledge of soil conditions, water supplies and other physical factors affecting crop production, our Nation's farmers certainly will be much better prepared to realize maximum benefits. Reduced costs to farmers should in turn mean lower prices for consumers at the supermarket. Everyone should be able to realize a better return for money invested.

Likewise, this Nation is engaged in a program to increase farm production to assure not only that Americans receive

the food they need, but also that the ever-rising demands from the rest of the world for our agricultural products are met.

Agriculture exports for this year are expected to exceed $20 billion. But this record level may have to be increased even more to help offset possible balance-of-payments deficits brought on by our need for foreign aid. The Treasury Department estimates that the United States will pay a record $25 billion for the oil it imports this year.

By utilizing the technological resources available—including the ERTS and the EROS—this country has the capability to produce even greater amounts of grain and other food products to sell to the world.

To help realize these potentials, it is my belief that the role of the EROS Data Center must be upgraded during the next few years.

Although the Appropriations Committee has recommended that the appropriation for the EROS for fiscal year 1975 be maintained at the fiscal year 1974 operating level, I feel that an increased amount of operating funds for the EROS Data Center be made available beginning with the next fiscal year.

Accordingly, I am bringing this proposal to the attention of the Department of the Interior, NASA and the Office of Management and Budget for their early and favorable consideration as the budget estimates for fiscal year 1976 are being prepared. I earnestly commend it to them as a very necessary project for the future development of our technological and natural resources.

It is my estimate that the data center in Sioux Falls would need approximately $45 million over the next 3 fiscal years to realize its potential capabilities. This would include funds for increased personnel, construction of an ERTS receiving and processing station, and a general upgrading of its capability to supply data to users, decrease delivery time and provide data in more usable and suitable forms for interpretation.

I realize this is a large amount of money, but it is a small price to pay for the potential benefit that will result for our great Nation. We have invested billions of dollars to bring the world into the space age. We should not be hesitant to invest a little more so that man may utilize the resources available to him.

## PRIME MINISTER RABIN

Mr. HARTKE. Mr. President, on June 3, 1974, the new Prime Minister of Israel brought to the Knesset—the Israeli Parliament—a new government to lead Israel through the delicate negotiations being conducted in the Middle East to determine the road millions of people shall pursue.

In personality, training and interests, Prime Minister Yitzhak Rabin belongs to the generation whose task it has been first to win and later to defend Israel's freedom. He was born in Jerusalem in 1922, the son of American pioneer Zionists, and pursued a course of study preparing him for a career of pioneer farming.

After graduation with honors from the Kadoorie agricultural school in Lower Gallee, he enlisted in the palmach, a unit of the Israeli Army, to fulfill his defense service. This period was to last for 27 years, rising from underground fighter to Chief of Staff of the Israel Defense Forces and Commander of the Israel Army in the 6-day war. It was then that he was appointed Ambassador Extraordinary and Plenipotentiary to the United States.

Mr. President, the agreements reached in the Middle East are a first and necessary step to the pursuit of peace and prosperity for all the peoples of that area. We in the U.S. Congress who have insisted upon the free communication of principles among the parties while assuring our Israeli friends military adequacy, see now the beginning of mutual understanding between neighbors.

The Rabin approach to settlement of the differences between Israel and her neighbors is the early settlement of differences between Israel and Egypt. With the improvement of relations between Israel and Egypt as a guide, other relations throughout the Middle East would develop through bilateral communication and agreement with multilateral consideration of principles.

Mr. President, I ask unanimous consent to have an article by columnist Crosby S. Noyes, entitled "The Rabin Approach," which appeared in the Washington Star-News, printed in the RECORD following my remarks, and also ask unanimous consent that excerpts of Prime Minister Rabin's remarks of June 3, 1974, to the Israeli Knesset, be printed in the RECORD.

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

THE RABIN APPROACH

(By Crosby S. Noyes)

If Israel's new prime minister, Yitzhak Rabin means what he says, the Middle East peace negotiations will be not only much longer but also quite different than had been generally expected.

What had been expected, following agreement on troop separations between Israel, Egypt and Syria, was the opening of a full-scale peace conference in Geneva in a few weeks or months. The conference would be presided over by the United States and the Soviet Union as joint chairmen. It would be attended by all parties to the conflict—including, presumably some form of representation for the Palestinian Arabs.

Rabin, in his opening address to the Israeli parliament last week, saw things rather differently. The next stage on the road to peace, he said, must be between Egypt and Israel. What Rabin evidently foresaw were essentially bilateral negotiations—perhaps conducted through an intermediary—leading to a further Israeli withdrawal in the Sinai, new agreements on the demilitarization of the area and, ultimately, a full settlement.

The rest, Rabin strongly implied, could come later—perhaps much later. Instead of a single big package-deal to be worked out in the international forum at Geneva, Israel clearly prefers to cope with one problem at a time, starting with the easiest. As for Syria, the new prime minister said, "there is no place for an interim stage," and he doubted "whether Syria is ready to sign a peace treaty with Israel." The same quite evidently applies to the other thorny problems of the area.

This piecemeal approach to a general settlement makes very good sense from the point of view of the Israelis—and perhaps of the Egyptians as well. The Israelis are prepared to return most, if not all, of the Sinai to Egypt as long as the Egyptian army does not reoccupy it. Egyptian President Anwar Sadat gives the impression of being genuinely anxious for a settlement with Israel in order to devote his energies to Egypt's pressing internal problems.

For its part, the United States has long been convinced that an improvement in relations between Israel and Egypt is the key to eventual peace in the Middle East. If both countries see it to their mutual advantage to settle their differences, the danger of a new large-scale war would virtually disappear.

If a solid agreement between Israel and Egypt could be worked out, other problems which now seem completely intractable might ultimately yield to negotiated solutions. Adamant positions now held by all parties on such issues as the Golan Heights, Jerusalem and the solution of the Palestinian problem could change in the context of a permanent and internationally guaranteed peace settlement.

There is, in fact, only one flaw to the Egypt-first, piecemeal approach to an overall settlement favored by the Israelis, and it is a very large flaw. The strategy is certain to be bitterly resisted by other Arab governments and groups—notably the Syrians and Palestinians—and also quite possibly by Sadat himself.

No matter how much the Egyptian president may wish to reach agreements with Israel, he will be under tremendous pressure from the rest of his Arab brethren to make any deals contingent on the solution of other problems, including emphatically Jerusalem and the Palestinians. Any attempt to untie the big package and deal with its component parts separately will be denounced loudly and promptly as a betrayal of the Arab cause.

This will be particularly true of any negotiations conducted within the framework of the Geneva peace conference. In that conspicuous setting, the possibility of any serious negotiations will be minimal and the temptation for making propaganda speeches irresistible. And with the Russians taking an active role in the proceedings, the chances of the kind of honest brokerings that Henry Kissinger specializes in will become exceedingly remote.

Given this prospect, there is at least room to doubt that the much-heralded peace conference will ever get under way, or that if it does, it will provide a forum for genuine negotiations. Israel's suggestion for quiet, bilateral bargaining makes more sense, if some means can be found to overcome the Arabs' suspicions of each other.

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EXCERPTS FROM AN ADDRESS BY PRIME MINISTER YITZHAK RABIN

The Separation of Forces Agreement with Syria is a further stage in the transition from war to pacification in our region. The Separation of Forces Agreement with Egypt has been carried out so far to the complete satisfaction of Israel. We all hope that the Separation of Forces Agreement with Syria will be carried out in a similar fashion.

OUR TASKS

The following tasks will occupy a central place in our lives.

(a) To safeguard Israel's security, to foster the strength and power of the IDF and to strive constantly and persistently for a true peace.

(b) To build a modern, just, free and independent society living a dynamic and culturally rich life in a stable democratic system, with every effort to involve the younger generation in decisions and responsibility.

(c) To ensure social welfare through the application of a special effort by the com-

munity for the advancement of those strata still in distress.

(d) To increase immigration and improve absorption methods in the effort to stimulate tens of thousands of Jews from all countries of the Diaspors to settle in Israel; a constant endeavor to forge closer ties with world Jewry.

(e) To make incessant efforts to consolidate and develop the economy.

(f) To strengthen our international position and the establishment of closer relationships with the nations of the world, first and foremost with the United States.

SAFEGUARDING SECURITY

The maintenance of the strength and power of the IDF is the guarantee of our security. Even when we did not succeed in deterring our enemies from war, the IDF showed the strength to defeat the aggressors on the battlefield.

The new government will do all in its power to foster the army and increase the quantity and the quality of its armaments, with new types of equipment, so that it may be ready for any test.

OUR EFFORTS TOWARD PEACE

The aspiration for peace has guided, and will continue to guide, the policy of the government. Twenty-six years of war have not in any way altered our view of peace with our neighbors as a central goal of our policy. In the future we will continue to strive to reveal every hope and every spark of hope for the advancement of peace. Our policy is clear. We prefer peace to new military victories, a stable peace, a just peace, an honorable peace, but not peace at any price.

The Six-day War gave the State of Israel the greatest military victory in Jewish history.

But we were not intoxicated by victory. The Government of Israel was ready to attain a peace agreement with our neighbors, being prepared for territorial compromise. But this readiness met with no response. Under no circumstances will the Government of Israel agree that threats of war, international pressure and terrorist activity shall compel us to return to the situation and the conditions which existed before the Six-day War. All our efforts—from the end of the Six-day War to the Yom Kippur War—to advance toward peace came to nought.

OBSTACLES TO PEACE

Two obstacles were raised by the Arab states on the road to peace:

(a) The demand for an Israeli commitment to total withdrawal to the lines of 4 June 1967 as a pre-condition for any dialogue.

(b) Opposition to all direct negotiations between the parties, at every stage of negotiations.

The Yom Kippur War has brought about a change in this attitude of our neighbors, and only this change has made it possible to achieve the Separation of Forces Agreements.

ACHIEVING A TRUE PEACE

Israel will continue to strive for true peace. True peace is not merely a peace between diplomatic representatives, but peace between the peoples, a peace which finds expression daily, in open borders, across which contact can be established in all spheres of life.

The question arises whether such a peace can be achieved by a sudden transition from war to peace. I should like to hope and believe that this goal can be obtained. Israel will spare no effort to fulfill this aspiration. At the same time we must soberly view the harsh reality as it is. Therefore, we shall simultaneously seek a way to advance toward peace by stages, to advance toward peace through partial arrangements, which will ensure pacification of the battlefield by means of a flare-up or surprise attack. We must strive for arrangements which will create conditions under which we shall be able to test the intentions of each Arab state, whether it is really bound for peace or not.

The Government of Israel decided as far back as 1971 to examine the possibility of partial settlement with Egypt, involving limited withdrawal. And pursuant to this trend —the Separation of Forces Agreements with Egypt and Syria now should be viewed as part of a comprehensive concept, calling for progress toward peace by stages. Indeed, each of the Agreements on the Separation of Forces contains an explicit statement of a just and lasting peace in the Middle East.

THE NEXT STEP

Now that the Agreements have been signed, the question arises: What next? Where do we go from here?

The policy of the new government will be, in the first place, to watch the fulfillment of the Agreements. First of all we must examine the implementation of the military part of the Agreements, which involves scrupulous observance of the cease-fire on land, at sea and in the air, as well as the thinning-out of forces on the Syrian side, as was done in the Egyptian sector.

But we must examine no less to what degree Egypt will fulfill its intentions regarding the rehabilitation of the towns along the Suez Canal and the opening of the Canal to international navigation. We must also examine Syria's actions: Will she bring back the population of the villages in the salient and in Kuneitra in order that they may become peaceful civilian settlements, living in peace alongside our settlements on the Golan Heights? Only when we are really convinced that Egypt and Syria are intent on full observance of the Separation of Forces Agreement will the chances for continued dialogue toward peace increase.

EGYPT IS THE KEY

Through the years of the State of Israel's existence, it has been proven that the key to proceeding towards war or advancing towards peace lies in the policy of the Arab states towards Israel.

First and foremost, the issue depends on the attitude of Egypt, as the foremost country in the Arab world. There has been no war between the Arab states and Israel in which Egypt was not directly involved. There has been no termination of a war without Egypt being the one to decide on its cessation. Thus was it in the War of Independence, in the Sinai Campaign, in the Six-day War, and this is what happened during and after the Yom Kippur War.

Had Egypt not agreed to a cease-fire, had she not signed the six-point Agreement, sent her representatives to the Geneva Conference and signed the Separation of Forces Agreement, we would not have had an agreement on Separation of Forces with Syria. It follows that the next stage on the road to peace must be between Egypt and Israel.

BILATERAL ARRANGEMENTS

Israel's agreement to participate in the Geneva peace conference was based on the assumption that at this conference the foundation would be laid for arrangements between Israel and each of her neighbors. The issues in dispute between Israel and each of her neighbors are different. Each arrangement must be on a bilateral basis. Each arrangement must be founded on the undertaking of explicit mutual commitments between Egypt and Israel, between Syria and Israel, between Jordan and Israel, and between Lebanon and Israel. There is no place for any further element constituting a party to the negotiations for peace.

With regard to relations between Egypt and Israel, two possibilities are discernible:

The first—transition from a state of Separation of Forces to a contractual peace for the elimination, once and for all, of the war and the conclusion of true peace between our peoples and countries.

The second—proceeding to a further stage on the road towards peace, whereby Egypt will forego maintenance of the state of belligerency.

SYRIA

As for Syria, after attainment of the Separation of Forces Agreement and its implementation to the letter, there is no place for an interim stage. Once we achieve further progress in a settlement with Egypt, the question will arise whether Syria is indeed ready to sign a peace treaty with Israel, and it is essential that the leaders of the neighboring countries realize that Israel is entitled to defensible borders. Israel will not return—even within the context of a peace treaty—to the 4 June 1967 lines. These lines are not defensible borders, and they constitute a temptation for aggression against us, as has been proven in the past.

JORDAN

We shall be prepared to discuss with the Government of Jordan the problems between us. We are interested in concluding peace negotiations with Jordan. We aim at a peace treaty with Jordan which will be founded on the existence of the two independent States: Israel with United Jerusalem as its capital and an Arab State to the east of Israel. In the neighboring Jordanian-Palestinian state, the independent identity of the Palestinian and Jordanian Arabs can find expression in peace and good-neighborliness with Israel. Israel rejects the establishment of a further separate Arab state west of the Jordan.

During the discussions on the establishment of the outgoing government, the question arose as to how the government should act if, after negotiations with Jordan, the hour of decision should arrive. The answer to this question was clear: the Government would conduct negotiations with Jordan and make decisions at each stage of the negotiations, but no peace treaty would be concluded with Jordan if it involved territorial concessions involving parts of Judea and Samaria before the people were consulted in new elections. This undertaking is also given by the new government.

GENEVA CONFERENCE

This conference was arranged for the holding of negotiations between the states directly involved in the question of peace in the Middle East—Egypt, Syria, Jordan and Lebanon—which border on Israel. Should it be proposed to invite any other body, such a proposal, like any other raised within the framework of the conference, would require the prior approval of all the states which have agreed to participate in the conference.

Israel rejects the invitation of representatives from the sabotage and terror organizations as participants or observers. The Government of Israel will not conduct negotiations with terrorist organizations whose declared goal is the destruction of the State of Israel.

LEBANON

Regarding Lebanon, there is no territorial dispute between us and it is easy to reach peace with her. Unfortunately, however, the Government of Lebanon is not yet ready to make peace with us.

Moreover, Lebanon has become a central base for the operations of the sabotage and terror organizations which carry out despicable acts of murder. The Government of Lebanon bears full responsibility to prevent hostile acts planned and carried out from her territory for if it does not do so the Lebanese Government will bear all the responsibility arising out of the terrorist activities originating in its territory.

Recently the Palestinian terrorist organizations have intensifield their activities—

infiltration attacks, attempts to take hostages and vile acts of murder. The declared aim to these organizations is to destroy the State of Israel, to undermine the good relations between Jews and Arabs in Israel. They are trying to create an atmosphere of fear and panic. Let the terrorists and their leaders know that this goal will not be attained, that the IDF has the strength and vigor to take bold and systematic measures against the terrorist organizations at any time or place that may be required.

NEIGHBORLY RELATIONS WITH ARABS AND DRUZE

Recent events in the north and attempted attacks by the terrorists require the government to continue to foster good neighborly relations among Jews, Arabs and Druze. The Arab and Druze population of Israel has proved its loyalty even in difficult times throughout the 26 years of the existence of the State and this deserves proper appreciation. The Government of Israel will do everything in its power to prevent the deterioration of these relations and will continue to develop a relationship of mutual trust and honor between the Jewish people and the Arabs and Druze in Israel.

RELATIONS WITH UNITED STATES

Over the last few years the friendly relations between Israel and the United States, its Presidents, leaders and people have grown firmer and stronger. The ties between us are based not only on the American ideal of justice and the ideals of peace and democracy that both our nations adhere to but also on common interests. The friendly relations have had very real results in the military economic and political strengthening of Israel.

An outstanding manifestation of these relations was the U.S. readiness to help Israel at the time of the Yom Kippur War.

Now, after attainment of the Separation of Forces Agreements with Egypt and Syria there are grounds for believing that the United States will increase its substantive aid to Israel.

SOVIET ROLE

We are in the midst of the era of detente, and if it is indeed the wish of the powers to introduce the thaw into the Middle East as well, this requires that the Soviet Union change its policy toward Israel, stop encouraging the hostility of the most extreme Arab states, avoid any move making for military escalation, and recognize Israel's right to defensible borders.

IMMIGRATION TO ISRAEL

We shall not weaken in the struggle for the liberation of those imprisoned for love of Zion and for the right of the Jews in the Soviet Union to come and settle in Israel. We will call upon the nations of the world to support our brethren in the Soviet Union in their struggle for the right to leave. We shall act to ensure the welfare and survival of our Jewish brothers in Syria.

STRENGTHENING TIES WITH DIASPORA JEWS

The Jewish people in the Diaspora have been and will always be the State of Israel's truest ally. The Government will work to strengthen the ties between the Diaspora and Israel. We shall try to encourage Jews abroad to be involved in the experience of Israel. We shall seek ways to have them share in our thinking about the momentous problems which need to be resolved and to facilitate their investment of spiritual and not only material resources in Israel.

THE CABINET

The composition of the Cabinet I am presenting today for endorsement by the Knesset is as follows:

1. Prime Minister, Yitzhak Rabin.
2. Deputy Prime Minister and Minister for Foreign Affairs, Yigal Allon.
3. Minister of Agriculture, Aharon Uzan.
4. Minister without portfolio, Shulamit Aloni.
5. Minister of Labor, Moshe Baram.
6. Minister of Commerce and Industry, Haim Bar-Lev.
7. Minister without portfolio, Israel Galili.
8. Minister without portfolio, Gideon Hausner.
9. Minister of Police and Minister of the Interior, Shlomo Hilel.
10. Minister of Education and Culture, Aharon Yadlin.
11. Minister of Transport, Gad Yaakobi.
12. Minister of Information, Aharon Yariv.
13. Minister of Justice and Minister of Religious Affairs, Haim Yosef Zadok.
14. Minister of Tourism, Moshe Kol.
15. Minister of Health and Minister of Social Welfare, Victor Shemtov.
16. Minister of Housing, Avraham Offer.
17. Minister of Defense, Shimon Peres.
18. Minister of Finance, Yehoushua Rabinowitz.
19. Minister of Absorption, Shlomo Rozen.

The communications portfolio will be held by the Prime Minister *pro tem*. and I hope that within a short while I shall be presenting to the Knesset the Minister-designate for this portfolio.

A TIME FOR HOPE AND CONFIDENCE

Something has happened to this country since the Yom Kippur War. Even though we scored one of our greatest victories in that war, many of us have deeply troubled hearts.

This feeling is due to a combination of two factors: Unwarranted expectations that vanished in the war and the grief for the human lives lost in the campaign. We are sensitive to human life, and the war, with its dead and wounded, has had a profound effect on our lives.

But here and there were those who exploited this feeling of depression in order to increase confusion and spread weakness and perplexity, who have tried to turn legitimate differences of opinion into a dialogue of the deaf, mutual tolerance into a witch-hunt, and public debate into factionalism. Some have forgotten the ancient historic lesson that "because of causeless hatred Jerusalem was destroyed".

We must shake off our despondency. If we look about us we will see that we are not in the vale of tears. Our cause is just and our strength has increased; our full rights and our spiritual vigor have not lost their momentum.

## THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, a perennial criticism of international agreements on human rights in general and of the Genocide Convention in particular is that such accords are violative of our basic constitutional guarantees. However, this is most assuredly not the case with respect to the Genocide Convention.

The Supreme Court in *Geoffroy* v. *Riggs* (1889) described the rather broad power to enact a treaty in the following expansive language:

It would not be contended that it (the treaty-making power) extends so far as to authorize what the constitution forbids, or a change in the character of the government or in that of one of the states, or a cession of any portion of the territory of the latter, without its consent. But with these exceptions it is not perceived that there is any limit to the questions which can be adjusted touching on any matter which is properly the subject of negotiations with a foreign country.

The major substantive provisions of the Genocide Convention—those defining the crime, establishing the crime, prescribing the punishment, providing for the settlement of disputes, calling upon the United States to execute the treaty by appropriate legislation, providing for extradition in accordance with the laws and treaties in force—are not violative of the Constitution and have been included in principle in many of the treaties to which the United States is a party—some of them going back to the 18th century. These provisions have not only not denied our citizens any of their constitutional rights but have, in many cases, enhanced them.

Further, Mr. President, even if the articles of the Genocide Convention were, on their face, violative of the Constitution, the Supreme Court has always recognized that a treaty cannot authorize what the Constitution forbids—Reid against Covert, Missouri against Holland, and Geoffroy against Riggs. In short, the Genocide Convention provisions do not and cannot violate the Constitution.

## SENATOR HANSEN'S PRAYER BREAKFAST ADDRESS

Mr. PERCY. Mr. President, during my tenure in the Senate I have found the Senate prayer breakfast meetings a valuable source of strength and the members of the group to be an inspiration.

Those of us in the group may differ completely in our political philosophies and in the direction of our priorities, but when we periodically meet together we are reminded that our common purpose here in the Senate has a goal far more meaningful than political considerations.

In fact, partisan considerations become meaningless as we study the relationship of human beings to their God. These meetings reinforce our spirituality and remind us of our place in the universe.

Early in July my friend and colleague CLIFFORD HANSEN addressed the prayer breakfast group most meaningfully. I would like to share Senator HANSEN'S remarks of July 10 with those Senators who were not fortunate enough to attend that meeting.

In his address, Senator HANSEN talked of three concepts which are invaluable to us as we carry on our work here in the Senate. They are especially relevant now as we work toward the closing days of this Congress and as we think through our responsibilities under the Constitution at this time of trial for the President and the country.

Senator HANSEN reminded us of the responsibility we lawmakers have to the needs of the citizens of this Nation.

He said:

We should realize that the best legacy we can leave to our posterity is good government—insuring freedom and the opportunity to pursue excellence.

He also discussed the motives of political candidates and offered a harsh list

of questions that we who seek public office must ask ourselves to determine that we have the interests of the people, rather than our own self-aggrandizement, in mind before we choose to begin a campaign.

In closing, Senator HANSEN dealt with the subject of inner strength and confidence which will sustain a man or woman in spite of the most awesome obstacles. Using the writings of Adm. Richard E. Byrd and the English explorer Robert Falcon Scott as examples of courage in the face of nearly insurmountable odds, the Senator illustrated very clearly and poignantly the need for people to have developed such a close relationship with their Creator that adversity—even death—will not triumph over them in the end. The stories of the explorers illustrated the fact that our status and even our work are worthless if, when the world we have built up crumbles around us, we cannot face that loss with equanimity and faith.

Mr. President, I ask unanimous consent now that the address of Senator CLIFFORD HANSEN before the Senate Prayer Breakfast be printed in the RECORD.

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

SPEECH GIVEN BY SENATOR CLIFFORD P. HANSEN, SENATE PRAYER BREAKFAST, WEDNESDAY, JULY 10, 1974

Last month while speaking to the Wyoming Stock Grower's Association, I was presented a cartoon depicting two debt-ridden, long-suffering, hard-bitten cowmen talking to their Senator.

One observed, "Senator, how about passin' a law that'd do away with all the laws Congress passed lately."

There is little irony in their cynicism.

What laws are good for America?

In recent years, as we keep in mind the preamble to the Constitution, the goal of "promoting the general welfare" has motivated more Senators to legislate, I believe, than any other single objective.

Although we may often be in complete disagreement about the need or the desirability of a law, the ascription of evil designs to others is not common.

As we make comparisons with citizens of other countries, we must realize the relative good fortune of any American insofar as material possessions and access to needed services are concerned.

Churchill once said, "The inherent vice of capitalism is the unequal sharing of blessings; the inherent virtue of socialism is the equal sharing of miseries."

How can we make this a more perfect Union, establish Justice, insure domestic Tranquility, provide for the common defense, promote the general Welfare, and secure the Blessings of Liberty to ourselves and our Posterity?

How can the temporal needs of man be satisfied by public law without damaging his moral fiber?

Some of the sharpest disagreements among members are brought into focus as we propose to promote the general welfare.

H. L. Mencken said, "For every human problem there is a solution that is simple, neat, and wrong."

Obviously Mencken wasn't criticizing the Senate. Most of our legislative solutions are neither simple nor neat.

Some time ago Senator Bennett gave us an opportunity to reflect upon the dimension of our problems and the limitations of our well-intentioned efforts in these halls when he quoted Goethe's character Faust:

"Before we can possess those things which we inherit from our fathers we must first earn them for ourselves."

The German author has another similar translation which goes like this:

"He only earns his freedom and existence who daily conquers them anew."

There are some members of this body who believe it may be equally as important to know what we can't do and should not attempt as to be filled with unbounded faith in our own omniscience and omnipotence. As legislators, we should realize that the best legacy we can leave to our posterity is good government—insuring freedom and the opportunity to pursue excellence.

Every two years one third of the members of this body are elected by the people of their respective states. What are some of the more common motivations behind the typical candidacy? Are these purposes fulfilled?

I thought it might be interesting and worthwhile to examine our thoughts to see what we hope to accomplish.

Has some basic need of the society we know still lacked fulfillment?

Is it a belief that the man we succeeded was unresponsive to changing times and challenges?

Is it the desire for power?

For prestige?

Is it cupidity?

What will we think of our stewardship as we look back?

What values are important?

How might we judge ourselves?

Recently at a meeting in Washington, Dr. Stephen Ophard of the Calvary Baptist Church of New York City observed:

"The man who goes out to change society is an optimist. The man who goes out to change society without changing self is a lunatic."

He took as his test the 14th Chapter of Proverbs, 34th verse: "Righteousness exalteth a nation: but sin is a reproach to any people."

There are few elective bodies in the world with power comparable to the United States Senate. No one can walk these corridors without sensing this fact. Awareness of the special significance of this place—these institutions, the men whose lives and examples and dedication brought this government into being, whose convictions set it apart from most others and whose loyalty and unfailing love helped preserve it—is inescapable.

It has been said that the first few months one is here he is likely to ask, "How did I ever get here?" And not infrequently later rhetorically to ponder, "How did some of these other men get here?"

Our abilities to contribute toward making this a more perfect union may vary as widely as do our specific ideas on individual issues.

But on certain things I think we can agree:

Each of us knows of some of his own shortcomings and vices; they need not be enumerated. We know them and God knows them.

Each of us would like to be a better man.

Each of us knows that there is really little time allotted to us.

Each of us knows the importance of faith and courage.

Let us examine just these four beliefs. We can't undo the things we have done wrong. But there is always a new beginning.

Mary Pickford said it well: ". . . this thing that we call 'failure' is not the falling down, but the staying down."

Most of us would agree that the challenge of isolation presents us with the opportunity to look at ourselves. The sham and guise of appearances no longer serve to defend us from an accusatory conscience. The transitory accolades of friends, the momentary acclaim of the press, and the homage fleetingly paid to people of importance is gone. Under such conditions a man's thoughts are most likely to turn to real values and enduring verities. Lillian Watson describes one man's thoughts:

"Admiral Richard E. Byrd found himself in such a situation as he lay in his shack buried beneath the ice of Antarctica and fought for life against seventy-below temperature, carbon-monoxide fumes escaping from his faulty stove, and an almost overwhelming desire to sleep. He recorded the effects of this experience upon his sense of values:

" 'The universe is an almost untouched reservoir of significance and value,' and man need not be discouraged because he cannot fathom it. His view of life is no more than a flash in time. The details and distractions are infinite. It is only natural, therefore, that we should never see the picture whole. But the universal goal—the attainment of harmony—is apparent. The very act of perceiving this goal and striving constantly toward it does much in itself to bring us closer and, therefore, becomes an end in itself . . .

I realized how wrong my sense of values had been, and how I had failed to see that the simple, homely unpretentious things of life are the most important . . .

When a man achieves a fair measure of harmony within himself and his family circle, he achieves peace; and a nation made up of such individuals and groups is a happy nation. As the harmony of a star in its course is expressed by rhythm and grace, so the harmony of a man's life-course is expressed by happiness . . .

At the end only two things really matter to a man, regardless of who he is; and they are the affection and understanding of his family. Anything and everything else he creates are insubstantial; they are ships given ever to the mercy of the winds and tides of prejudice. But the family is an everlasting anchorage, a quiet harbor where a man's ships can be left to swing in the moorings of pride and loyalty."

While each of us knows the importance of faith and courage, too often we fail to understand the power of prayer.

Dr. Alexis Carrel makes this observation drawing upon a lifetime of practicing medicine:

"Prayer is a force as real as terrestrial gravity. As a physician, I have seen men, after all other therapy has failed, lifted out of disease and melancholy by the serene effort of prayer. It is the only power in the world that seems to overcome the so-called 'laws of nature;' the occasions on which prayer has dramatically done this have been termed 'miracles.' But a constant, quieter miracle takes place hourly in the hearts of men and women who have discovered that prayer supplies them with a steady flow of sustaining power in their daily lives."

Courage, that special quality always in short supply, has seldom been more dramatically displayed than by an Englishman and his companions, as they vainly tried to return to their base camp at the South Pole.

Not often does man know with certainty that his end is near and realize at the same time the only possibility of being able to transmit his thoughts lies in the hope that what he writes may be discovered by others searching for his remains. Such was the clear realization confronting Robert Falcon Scott as he and an intrepid group of four others sought to be the first to reach the South Pole. Listen to Lillian Watson:

"When at last they did reach it, bitter disappointment faced them. They were too late! Amundsen, the Norwegian explorer, had been there before them, had beaten them to it. Crushed and heartsick, they turned back.

"The story of their cruel march back towards civilization, of their heroic struggle against the forces of nature, and of their cheerful courage and unfailing devotion to each other is one of the most inspiring sagas of the twentieth century. Week after week they pushed through cold and wind. Week after week they faced weariness, hunger, and pain.

"One of the five weakened; and though they did what they could to help, he soon gave up the struggle and died.

"Another was injured; and unwilling to be a burden to his companions, he quietly walked out into the blizzard and disappeared.

"The three who were left pushed on, tormented and exhausted, but still trying to cheer each other and still gallantly pretending there was hope. At last, unable to continue, they pitched camp—and prayed for a break in the weather. But it got worse. A blizzard roared day and night over the icy wastes and kept them imprisoned. Their fuel gave out. Their food gave out. The end was near, and they knew it.

"Captain Scott faced death with the same proud courage with which he had faced disappointment and hardship. Suffering terribly, his body brittle with cold, his fingers so stiff he could hardly hold a pencil, he wrote a last message to the world:

I do not regret this journey. We took risks; we knew we took them. Therefore we have no cause for complaint. We bow to the will of Providence, determined still to do our best to the last.

Had we lived, I should have had a tale to tell of the hardihood, endurance, and courage of my companions which would have stirred the heart of every Englishman. These notes and our dead bodies must tell the tale . . .

"Eight months later the bodies of the three men were found, and with them Captain Scott's notes and diary."

The last letter Scott wrote was to his friend Sir James M. Barrie, from whom he asked help and care for his wife and child.

Captain Scott's final entry in his diary was, "For God's sake, look after our people."

His request is embodied in the ancient prophet Micah's words of timeless relevance to us: "To do justly, to love mercy, and to walk humbly with thy God."

## GREENING OF THE PAVEMENT PEOPLE

Mr. RIBICOFF. Mr. President, one of the most serious problems facing this Nation is the continued migration of Americans from rural areas to our already overcrowded cities. As a result, a serious imbalance has resulted with 90 percent of America thinly populated and 10 percent incredibly congested.

For the past few years I have been working with Dr. Peter C. Goldmark of Stamford, Conn., on his imaginative project to correct the imbalance.

Dr. Goldmark, the inventor of the longplaying record, has begun a project, the New Rural Society, which seeks to use modern telecommunication technology to make rural life more attractive and thus stem outward migration.

Dr. Goldmark has written an interesting article for the August 2, 1974 New York Times, entitled "Greening of the Pavement People." I ask unanimous consent that Dr. Goldmark's article be printed in the RECORD.

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

GREENING OF THE PAVEMENT PEOPLE

(By Peter C. Goldmark)

STAMFORD, CONN.—The recent unexpected defeat in Congress of the Land Policy and Planning Assistance Act of 1973, popularly known as the Land Use Bill, which was designated in a modest way to redirect patterns of American growth, deprived the nation of an important chance to deal with one of the major sources of America's current difficulties, the continued misuse of the land on which we live.

The demise of this bill, which is temporary, I hope, also indirectly encourages the continuing migration of people from country to metropolitan areas—a migration that in the last 50 years has left 90 per cent of America thinly populated and 10 per cent incredibly congested.

Unless this balance is rectified, it is my view that some of our major problems, such as energy conservation, crime and pollution, will intensify. To reverse this process is, of course, difficult, and for the last two years I have directed a program that, I feel, offers a solution.

This program, known as the New Rural Society and funded through Fairfield University by the United States Department of Housing and Urban Development, seeks to restore, not by Federal fiat but through the democratic process, the population balance between city and country by making life in rural areas more attractive to those who would like to live and work there. The project is being carried out in ten towns in a northeastern Connecticut planning region.

The key element in this process is the redirection of modern technology, particularly in the telecommunications field, toward society's critical needs.

Electronics have not been sufficiently exploited for the benefit of rural Americans. For example, in medicine and health care a number of studies, including the New Rural Society project, have demonstrated that by using such existing communications technology as television links, data-transmission and voice-transmission techniques, and the computer, health care in sparsely populated sections of the country can be markedly improved.

Similarly in education, teaching applied through satellite technology can convert the "little red schoolhouse" into the kind of educational experience that only metropolitan centers offer today and bring the classroom of a large university to interested students in distant areas. The recent launching of the National Aeronautics and Space Administration's educational satellite ATS–6, beamed to Alaska, the Rocky Mountains and Appalachian areas, may demonstrate the economics and effectiveness of such an approach for bringing education to people in remote regions.

Metropolitan cultural activities—plays, could be carried by satellite and cable teleoperas, concerts, ballet, museum visits—vision to people in rural areas who might otherwise not have the opportunity to view them.

Obviously these applications of communications technology are not going to be sufficient by themselves to attract people to the countryside. However, if we attract major service businesses or their components, or government operations, to rural areas, we will be able to open up new jobs that in turn will help attract people. Many of the apparent advantages that induced businessmen to set up operations in large urban centers can be provided in the country. The business conference, for instance, need not require a dozen executives converging on a city or its suburbs from distant points. It can be recreated realistically by innovative audio techniques without executives ever leaving their home base. A Connecticut bank recently installed an audio-conference system that provides the three-dimensional voice effect of a regular boardroom even though the participants are many miles apart.

The New Rural Society plan also holds a unique opportunity for America to become independent of energy sources from abroad.

Energy and pollution were not issues when the majority of the population was spread over a greater part of the country. But when more and more people concentrated in large cities, where three-quarters of all Americans now live, energy needs required that coal be given up for oil to avoid pollution. A voluntary redistribution of population will permit the return of coal, America's most plentiful source of electric power, since smaller, dispersed coal-burning plants can provide sufficient energy without excessive pollutants.

The single largest use of energy in transportation is in daily commuting by automobile to jobs in the metropolitan areas, which consumes more than half our supply of gasoline. The New Rural Society, with its job-near-home philosophy, strongly encourages walking or bicycling or short rides in small cars. Our current technology is sufficiently advanced to make feasible low-cost electric cars free of pollution.

A recent Gallup Poll showed that more than one-half of all urban dwellers in the United States would prefer to live and work in rural areas. There are thousands of rural towns that our study has pinpointed as places to which the population can move. However, I think it is essential to maintain through local planning and land-use standards a uniform population increase in these communities. With proper planning measures, additional yearly growth rate would be 1 or 2 per cent per town.

But I think it takes nothing short of creating a national goal to get the entire process under way. The consequences of doing nothing about population imbalance are too frightening to contemplate.

## U.S.-FLAG AIR TRANSPORTATION SYSTEM IMPORTANT TO AMERICA

Mr. HUMPHREY. Mr. President, the United States-flag air system is vital to this country. It serves our national defense, our security, and our economy. It is our link with the world at a time when fast communication is critical.

However, the United States-flag system bears the burden of a number of discriminatory and unfair competitive practices in international air transportation. These practices were documented in a Civil Aeronautics Board study completed last August. And the Aviation Subcommittee of the Senate Committee on Commerce, under the able chairmanship of Senator HOWARD W. CANNON, has held hearings on legislative remedies to address the impact of actions by large, government-owned, government-controlled, and government-financed foreign airlines, which are adverse to our private enterprise carriers.

It is abundantly clear that United States-flag airlines have been sustaining severe financial losses. For the first half of 1974, as reported recently in the Wall Street Journal, Pan American World Airways sustained a net loss of $32.8 million. I understand the Trans World Airlines has experienced losses of similar scope.

A substantial portion of these losses can be attributed, of course, to skyrocketing prices of jet fuel. Pan Am reported, for example, that in June, fuel costs had risen 85 percent over a year earlier. But price-per-gallon increases have been even more severe over recent months.

On July 31, the Civil Aeronautics Board approved air fare increases of 5 percent on the North Atlantic and 4 percent on the Mid-Atlantic, as proposed by the International Air Transport Association—the group of airlines with world routes. These fare increases reportedly are directly attributable to the rising price of fuel. But they constitute the fourth round of increases on the Atlantic during 1974—making the average fare level more than 30 percent higher than a year ago.

But these measures can, in large measure, be self-defeating. They can continue to result in fewer numbers of American citizens travelling overseas, as the cost of travel becomes prohibitive.

Mr. President, the competitive position of our flag carriers must not be further eroded. We are talking about an industry providing about 100,000 jobs, and involving supportive sectors employing more than 1 million men and women.

The U.S.-flag system earns some $3 billion in foreign exchange annually, and this would be lost if the system stopped. In 1974, the U.S. trade balance deficit is projected at over $5 billion. Without the earnings of the U.S. airlines, this dollar outflow would be 60 percent higher, and this would compound the serious monetary problems created by fluctuating oil prices.

In addition, we must recognize the influence of the U.S.-flag system on aircraft exports. We have earned some $2.7 billion on the sale of civilian aircraft and engines. A recent study by the Boeing Co., shows a close correlation between U.S. orders and oversea sales. Our airlines tend to set the new-plane production line moving by being the first customers for these planes; the foreign airlines follow suit.

Moreover, the U.S.-flag system plays a vitally important role in assisting U.S. Government operations oversea. These airlines are the foundation of our Civil Reserve Air Fleet—the essential supplement to our Air Forces in quickly transporting military personnel and material anywhere in the world. And the U.S. airlines serve our State Department in the evacuation of American personnel from areas threatened by revolutions and other emergencies.

There are certain steps that the executive branch of the Federal Government can and must take without delay in assisting U.S.-flag airlines to achieve competitive equality with foreign airlines.

I have stated my full support for legislative action to continue the Export-Import Bank. But it is a fact that the Export-Import Bank finances the purchase of American-built aircraft, by foreign airlines, at lower interest rates than are available to the U.S. airlines. Loans to foreign carriers run about 6 to 7 percent, while U.S.-flag airlines are paying upward of 10 percent and more for interest when they place their loans with institutions in the United States. Exim Bank policies should be revised in the interest of parity and fair competition, where foreign governments are otherwise enabled to divert their revenues to heavily subsidize their airlines.

Second, U.S. payments to our airlines carrying overseas mail should be on a par with payment rates for foreign airlines. I am advised that the Universal Postal Union pays foreign airlines more money for carrying the same mail the same distance than it pays U.S. airlines. Apparently, this is the result of a mail formula administered by the CAB that works out to a lower rate than the UPU pays. Flying side-by-side, from New York to London, for instance, a foreign airline gets paid $1.77 a ton mile while the U.S.-flag line gets only 29 cents a ton-mile.

Third, it seems clear that international negotiations should be pressed on the matter of airport and airway user charges. U.S. airlines have complained strongly about discriminatory practices by foreign governments, which include the charging of steep airport and airway user fees to U.S.-flag airlines, which are then passed on as a subsidy to the foreign government-controlled or financed airline.

Congressional study of further measures to assure the maintenance of a viable U.S.-flag air system, concomitant with necessary reforms by our airlines to achieve maximum cost efficiency, is also clearly warranted.

Our sole purpose in launching these efforts ought to be to fulfill the mandate of the Civil Aeronautics Act, engaged by Congress in 1938. The main tenet of that law is that the United States should promote air transport so that it will serve the foreign and domestic commerce, the national defense, and the requirements of the U.S. Postal Service. The challenge today is to assure that equal competitive opportunities in international commerce are available to our airlines.

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## THE WORLD FOOD SUPPLY

Mr. McGOVERN. Mr. President, recently the Select Committee on Nutrition and Human Needs. which I have the privilege to chair, held a series of hearings on the development of a national nutrition policy. One subject covered during those hearings dealt with the world food situation and what policy the United States should develop to deal with it. Partly as a result of those recent hearings, the St. Louis Post-Dispatch published an extremely perceptive and detailed series of articles by William K. Wyant, Jr. I urge my colleagues to review these articles, and ask unanimous consent that they be printed in the RECORD.

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

FOOD-SHORTAGE PERIL: TIME'S RUNNING OUT

(By William K. Wyant Jr.)

"And I beheld, and lo a black horse; and he that sat on him had a pair of balances in his hand."—Book of Revelation.

WASHINGTON, July 6.—The dread Four Horsemen of the Apocalypse, vividly described by St. John in the Bible, have come to symbolize famine, war's devastation, pestilence and death. Famine was the black horse. Its hoof-beats are being heard nowaday, in some places.

The sound of the hooves is loudest where hunger is a way of life for tens of millions—in such crowded, less-favored, less-developed parts of the earth as India, Pakistan, Bangladesh, sub-Saharan Africa. In North America, it is hardly heard at all except, perhaps, on a quiet day at the supermarket.

There is wide disagreement as to how serious the international food shortage might become, short-term and long-term. But nearly everybody with an informed opinion agrees that bad luck with this year's crops could be disastrous, causing widespread starvation.

Looking ahead another three decades or so, peering into the next century, an impressive array of experts and politicians is sounding the alarm bell about population growth. Unless more is done now, they warn, the drain on the earth's resources will become intolerable.

Anyone inclined to be a Pollyanna about the future must grapple with the dismal fact that the world either cannot or will not—in any event, is not—feeding the people already on Earth. There is a chronic shortfall, unrelated to any emergency.

Hunger and malnutrition were widespread in the poorer countries when the globe's population reached two billion in 1930. They are widespread today, with the total population approaching four billions. The projection for the year 2000—only a quarter century away—is for six to more than seven billion mouths to feed.

The growth, now progressing at a rate of about 75,000,000 a year, will be mostly in the poorest, hungriest places where today fully one-third to one-half the people get insufficient food and where 20 to 25 per cent of the children die before reaching age five—in many instances without ever seeing a square meal.

"Nearly 800,000,000 individuals—40 per cent out of a total of two billion—survive on incomes estimated (in United States purchasing power) at 30 cents per day in conditions of malnutrition, illiteracy and squalor," said World Bank President Robert S. McNamara at Nairobi last September.

Even so, cases of classical, count-the-ribs starvation are seldom encountered. What generally happens is that chronically malnourished or under-nourished people fall prey to various ailments that kill them. Scientists calculated the number of deaths in West Africa due to famine last year at 101,000.

Affluent Americans have been exposed all their lives to melancholy reports of hunger and want in faraway lands. They have responded generously. They are slow to get stirred up about a food problem of new dimensions, just as was the case with the energy shortage that took many citizens by surprise last year.

Despite frantic tub-thumpings by informed individuals, not much public interest has been generated thus far in the United Nations Population Conference to be held in Bucharest in August or the full-dress World Food Conference at Rome in November.

Food and nutrition experts complain that the message is not getting through to people. Politicians are not taking it seriously enough. Several witnesses made that point at recent hearings in Washington before the Senate's Select Committee on Nutrition and Human Needs.

"I have a feeling they think it is not as serious as I have painted it," Nobel laureate Norman E. Borlaug told Senator George McGovern (Dem.), South Dakota, the committee chairman. Borlaug said it might take a disaster—such as tens of millions starving to death—to force a sharper focus.

Working with wheat in Mexico, Borlaugh developed high-yield strains that greatly increased harvests in Indian and other countries in the 1960s. Other scientists improved rice yields. This so-called "green revolution" bought a little time, Borlaug says, but the time is being wasted.

He spoke out passionately for control of "this population monster with its many tentacles which reaches out and tries to suppress the standard of living . . . "

There were multiple warnings about food production losing the race with population in the 1960s, but in that decade the food picture seemed to be brightened perceptibly, despite drouth in India. The miracle grains were introduced in poor countries. Grain was bountiful in the United States.

What has happened to make the outlook more grim in the mid-1970s? What is different? The response is that some of the factors that permitted a degree of complacency—such as the existence of large American food reserves—have changed while the factors causing concern, such as population growth, have not.

The decisive year was 1972. The weather was bad; It was unfavorable in the Soviet Union, India, China, Australia, in the Sahelian region of Africa and in Southeast Asia. The world's cereal output—including wheat as well as coarse grains and rice—dropped by 33,000,000 tons. This was the first decline in more than two decades. Even in the United States there was a drop.

Plagued by severe cold but warmed by President Richard M. Nixon's visit to Moscow, the Soviet Union made the most massive grain purchases in history. The United States shipped the Russians 13,000,000 tons in fiscal 1973. Mainland China also bought American grain. The world price of wheat soared.

While these and other demands were wiping out the American grain carryover—the accumulated surplus long available to stabilize food prices and help other nations in need—American farm products were used to wipe out this nation's trade deficit in 1973 and help pay for rising oil imports.

"Not everyone understands fully how much we depend on agricultural exports," Secretary of Agriculture Earl L. Butz told the National Press Club in April after returning from a trip to six Asian countries.

"We export two thirds of our wheat," he said, "one half of our soybeans, one third of our cotton and one fourth of our feed grains. The production from one harvested crop acre out of four goes overseas."

Butz spoke with pride of the fact that American agricultural exports last year topped food imports by an impressive 9.3 billion dollars, offsetting a large deficit in industrial trade and paying the nation's bill for oil bought abroad.

A major change that has come out of all this is a fundamental shift away from the American farm policy that for 40 years controlled and restricted farm output. Farmers are no longer being paid to withhold acreage from production. They are subject to the vagaries of the world market.

In consequence, the United States does not plan—as Butz puts it—to stockpile food for the world at taxpayers' expense in the bins of the Commodity Credit Corp. Furthermore, the United States reserve acreage of farmland is feeling the bite of the plow.

One of the reasons the experts consider the present world food situation so precarious is that reserve stocks have been virtually eliminated. There is not enough surplus on hand to fill the breach in the event of bad weather.

The weather has been playing strange tricks of late. The United States is commonly thought to be "disaster-proof" but the extent to which man's food is dependent on the American granary, and to a lesser extent those of Canada and Australia, is frightening.

"During the period since World War II," says Lester R. Brown of the Overseas Development Council, "the world has had two major safety valves: carryover stocks of grain in the principal exporting countries, and cropland held idle in the United States under Government farm programs.

"Together these reserves provided a substantial buffer against the vagaries of weather and the whims of the marketplace.

"In 1961 these two reserves combined represented 222,000,000 tons of grain, or 95 days of world consumption. By 1974 reserves had declined to just 26 days—mere pipeline supplies.

Brown and many other food authorities, including Don Paarlberg, director of agricultural economics for the Department of Agriculture, emphasize that a bad harvest in one or more of the major producing countries—something like 1972, for example—could be grim.

In addition, there is the adverse factor imposed by the doubling or tripling of food, energy and fertilizer prices over the last year or so. This has resulted in costs that some of the poorer countries cannot meet.

The upward spiraling of costs has put a terrible squeeze on about 40 of the world's poorest countries, the largest being India with 600,000,000 people. These countries must compete with richer nations for the necessities of life. The 40 have a population of about 900,000,000 and are mostly in Africa, South Asia, and the Caribbean and Central America.

Because of the economic squeeze, the United Nation's Children's Fund (UNICEF) is fearful that its special programs for young people in the poorest countries will go by the board. At present, UNICEF estimates that 10,000,000 children suffer from severe malnutrition and may die from its effects. Millions more are vulnerable.

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SUFFER THE CHILDREN

By William K. Wyant, Jr.)

*"I have been assured by a very knowing American of my acquaintance in London, that a young child well nursed is at a year old a most delicious, nourishing and wholesome food, whether stewed, roasted, baked, or boiled . . ."*—Jonathan Swift, 1729.

WASHINGTON, July 8.—The great English satirist Jonathan Swift wrote a biting essay called "A Modest Proposal" in which he suggested, with savage humor, that the children of poor people in Ireland be fattened up, sold on the market, and eaten.

Swift's purpose was to call attention in a dramatic way to the plight of the poor. It is true today, as it was more than 200 years ago when Swift wrote, that millions of young human beings would be better fed if they had the status of meat animals valuable in commerce.

This is not an exaggeration. Steers being prepared for market in this country are better nourished than countless numbers of children elsewhere. An American dog or cat, with a reasonably humane master, is a king by comparison.

There are pockets of poverty in the United States and other developed lands, but well-to-do people seldom if ever see young victims of the grosser consequences of inadequate diets except on television and in press photographs.

They know little of the ailment called kwashiorkor, caused chiefly by protein shortage and manifesting itself in bloated bellies, or the one known as marasmus, which comes from deficiencies in both calories and protein and turns a child into a shrunken hulk.

Tragic situations, both chronic and acute, exist in various parts of the globe:

In Mali, Africa, one of the sub-Saharan countries oppressed by long drouth, a United States health team found that up to 80 per cent of children in one nomadic group were "acutely undernourished."

In India, nearly 1,000,000 children die each year because of lack of food, and 60 per cent of India's young children at low income-levels suffer from moderate to severe malnutrition.

In Guatemala, diarrheal diseases often associated with poor nutrition kill 500 times as many children in the preschool years as they do in this country.

The United Nation's Children's Fund fears that the current world food shortage could bring about an even worse slaughter of the innocents.

A special worry is for the 400,000,000 to 500,000,000 children estimated to be in about 40 countries regarded as most impoverished and least able to deal with the surging world costs of food, oil and fertilizer. Their increased outlays this year are put at more than three billion dollars.

Typically these countries—mainly in South Asia and Africa and the Caribbean area—were already on the ropes financially before the prices of essential commodities doubled and tripled. When the ante went up, they did not have enough chips—no oil, nothing much to sell in international trade.

"Faced as they are with unexpected emergency needs for assistance on a massive scale, simply to survive as viable economies, these countries are going to find it extremely difficult to maintain their basic services for children, let alone expand them," said UNICEF Executive Director Henry R. Labouisse in May.

There has long been what UNICEF calls a "quiet emergency" in which 10,000,000 children over the world, at a given point in time, are suffering from severe malnutrition and in danger of death. What gives urgency to an already grievous problem is that things now could get much worse, quickly.

UNICEF is trying to encourage governments to provide simple, basic services at the village level. The neediest children often are found in remote rural places. Many live in squalid slums in or around cities—the teeming, crowded favelas of Latin America, the bustees of India.

The Children's Fund's financial resources are small and thinly spread. Richer nations sweeten the fund, but operations in the field involve the co-operation and support of host countries whose input may be serveral times that of UNICEF. Thus, a withdrawal by local governments would cause great harm.

"If they have to make cuts in national budgets and in their import programs," Labouisse warned, "the chance is that they will begin to cut back in these social fields."

On the average, children in the poorer countries receive less than half the protein

consumed by children in countries such as the United States. In 1970, a child born in the United States had a 14 times better change of reaching age 5 than one born in Guinea, in Africa. He had an 11-to-one advantage over a baby born in India and a 7-to-one advantage over a Guatemalan.

When the children who expire before age one are ruled out, the disparities between rich and poor nations become much more staggering. For the one-to-four age group, the proportion of children who died was 80 times higher in Pakistan than in Sweden in 1970.

Alan Berg's "The Nutrition Factor," published under auspices of the Brookings Institution in 1973, took note of a report that one Latin American clergyman did not register children until they reached 2 years of age, because so many die before that it isn't worth it."

As the United Nations prepares for the World Food Conferences in Rome this November, a meeting suggested by Secretary of State Henry A. Kissinger, the well-to-do countries are thinking in terms of providing additional billions in assistance to bail out those nations that have been caught in an unmanageable food-energy-fertilizer crunch.

Labouisse, while heartily approving the prospective enrichment of aid, finds himself haunted by a worry that UNICEF—the UN agency with a special responsibility for children—will be crowded aside. He is determined to prevent that.

As is pointed out by the New Orleans-born executive director, formerly United States ambassador to Greece, UNICEF deals in millions rather than billions but needs a great deal more money if it is to do what needs to be done for the young.

Labouisse's 1975 target for general purposes and long-range programs is $100,000,000, a sum which advocates say is about what people spend in the United States for home gardening. It is an amount that might be lost in the Pentagon's budget, without being missed for a few days.

The hundred million, about $20,000,000 more than UNICEF has this year, includes funds from governments and private sources. About $8,000,000 comes from the sale of greeting cards and $15,000,000 from other sources, among them the Halloween "Trick or Treat" collection made by children.

Contributions by governments for general purposes have been moving up to a level estimated this year at $54,000,000 to $57,000,000. The United States has been putting in $15,000,000, the largest donation, while the Soviet Union in 1973 gave about $814,000. Sweden chipped in more than $10,000,000 that year.

Because of world-wide inflation, the extra $20,000,000 UNICEF wants for its regular work in 1975 will permit no expansion. In addition, UNICEF hopes to raise an additional $57,000,000 for special emergency tasks in Indochina, Ethiopia and the Sahel in Africa, Pakistan and elsewhere.

In addition, Labouisse is passing the tambourine for an additional $40,000,000 to $50,000,000 a year for two or three years to help poor countries deal with the current economic crisis without faltering in the vital area of basic services for children. He puts stress on child nutrition and health in Africa and Asia.

Although the Children's Fund has a special mission, it is obvious that other United Nations agencies—the World Health Organization and the Food and Agricultural Organization—also benefit the young. So do a host of churches, private groups and foundations.

Hunger, malnutrition and neglect of children can and do occur in rich countries like the United States, with a per capita income of more than $5000 a year, as well as in the poorest countries such as India, with $110, or Mali, with $70.

But there is a difference, World Bank President Robert S. McNamara says, between relative poverty and absolute poverty. The absolute kind is rare in the well-to-do nations. McNamara defines it as "a condition of life so degraded by disease, illiteracy, malnutrition, and squalor as to deny its victims basic human necessities."

Hungry children, wherever they may be, are now almost universally regarded as a reproach to civilized man even though there is a strong persistence of the old, traditional view that starvation is one of nature's ways of taken care of the population problem.

In the Universal Declaration of Human Rights adopted by the UN's General Assembly more than a quarter century ago, it was stated that "everyone has the right to a standard of living adequate for the health and well-being of himself and of his family." Food was the first necessity to be mentioned.

On paper at least, the world's children received a special safeguard of their very own in 1959 when the General Assembly approved a Declaration of the Rights of the Child which says, among other things: "The child shall have the right to adequate nutrition, housing, recreation and medical services."

The UN proclaimed also that in all circumstances children shall be among the first to receive protection and relief. Unfortunately, there have been many slips twixt cup and lip. As Labouisse bleakly observes, children are apt to be the first to have their needs forgotten if things get tight.

Getting the right kind of food to the young, in sufficient quantity, is a very complex task. It involves not only the sheer availability of food—the problem in many places—but education about proper diet, sanitation, and the like. Ignorance, apathy, selfishness, politics and human stubborness are obstacles.

A pair of blue jays seem to know by instinct what to feed their nestlings and where to get it. For human parents, life is more complicated. Even well-to-do American mothers, aided by Dr. Benjamin Spock and blessed with abundance, have trouble distinguishing wheat from chaff at the market. Physicians may disagree about what is or is not nutritious.

But there is not much disagreement among medical and nutritional experts about the evil consequences of the kind of gross malnutrition and under-nutrition that falls to the lot of multiple millions of children in the poorer lands.

There is nothing much new about the misfortunes of the young in the less-developed countries, except that an impressive number of experts warn that they threaten to get worse.

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### Surging Population Threatens to Outstrip World Food Output

Population, when unchecked, increases in a geometrical ratio. Subsistence increases only in an arithmetical ratio. A slight acquaintance with numbers will show the immensity of the first power in comparison with the second.—Thomas Robert Malthus, 1798.

(By William K. Wyant Jr.)

WASHINGTON, July 9.—When the twin problems of food and population are debated nowadays, there is frequent mention of the gentle English parson, Thomas Robert Malthus and his grim view of the universe—namely, that man's tendency to multiply will cancel out man's efforts to improve the quality of life.

The bleak Malthusian rule, laid down 176 years ago, is that much of humanity is doomed to misery and want because expanding numbers will always outrace food production. Driven by his logic, he opposed charity for the poor, fearing it would encourage them to have children who could not be fed.

Food output has been stepped up since Malthus's time to a degree he could not have imagined, but so has population growth. The frightening outlook that some experts now forsee has caused Malthus to emerge from the shadows and receive a belated curtain call.

". . . Do not think that the ghost of Malthus has been exorcised," said Addeke H. Boerma of The Netherlands, director general of the United Nations Food and Agriculture Organization, in a speech to the International Development Conference last October.

It is true that the world has the technological capacity to feed many more people than now inhabit the planet, Boerma said, but there is more to the food and population equation than technology.

What must be recognized, Boerma said, is that "the world has never come anywhere close to a situation in which everyone has had enough food for an adequate standard of living . . .

"Today, in fact, there are grounds for believing that, as a result of events in the last year or so, the situation has actually become worse."

World Population Year is currently being observed by the United Nations, which is sponsoring a World Population Conference at Bucharest, Romania, Aug. 19–30. In November, the UN will hold its World Food Conference at Rome.

Some of the experts are not hesitating to say that the prospective growth in the number of people on Earth is a greater danger than the threat of nuclear war.

The UN estimates a world total of nearly four billion for mid-1974—actually 3,940,249,000—and is projecting an increase of another billion by 1985.

The rate of increase is about 2 percent a year. At that rate, the world's population would double in 35 years. About 75,000,000 persons a year—16 times the population of Missouri—are being added, and as was observed by Malthus, the total expands with increasing speed.

Although the rich industrialized countries appear to be stabilizing their population growth, the less-developed countries—typically those least able to feed and employ their people—are not.

Short of war, famine or pestilence of incredible dimensions, the world will have several billion more mouths to feed in 30 years or so. The UN's assumption is that another doubling by the year 2000 is inevitable.

The impact of such growth is difficult to grasp in a state such as Missouri, with a population of fewer than 5,000,000 and a density of under 70 persons a square mile. It is easier to understand in Calcutta, which by the early 1960s had more than 100,000 persons a square mile.

Lester R. Brown, in his new book, "In The Human Interest," published as background for The Bucharest conference next month, explained that it took the world until 1830, roughly three decades after Malthus issued his tract, to reach the one-billion mark in population. In another 100 years, in 1930, the two-billion mark was reached. The total had doubled in one century.

Since President Herbert Hoover's period and the Great Depression, the rate of growth has soared. It took only 30 years to add the third billion in 1960, another 15 for the fourth in 1975. Another billion are expected by 1986, a duration of only 11 years. In nine more, by 1995, the sixth billion is to be achieved.

The population of the United States, the wealthiest of nations, doubled from 1920 to the present, moving from 105,710,000 several years after World War I to a total of 211,551,000 in April 1974. But this country's rate of increase has declined recently to only about seven-tenth's of one per cent.

At that rate, the United States population would still be well under half a billion a century hence. In the developed nations generally, including the Soviet Union and Japan, comparable and in many cases larger reductions in growth have been attained.

It is a different story, for most of the less-developed countries, where most of the people live and where per capita annual income often is less than $200. The World Bank lists more than 22 nations where population growth ranged between 3 and 4 per cent in the period 1965–71. This means a doubling in 17 to 24 years.

Mexico is an example. Brown calculated that Mexico, with a population of 50,000,000 in 1970 growing at 3.3 per cent annually, would have 1.2 billion people in the year 2070 if the rate were not slowed. For major countries, the most spectacular growth rate was in El Salvador, which had 3.9 per cent.

A special case is India, which has about 616,357,000 people and is growing at a rate of about 2.2 per cent. The Indians have an ambitious family planning program, but their huge population would double in 32 years at the current rate. Outside experts do not see how it can be leveled off before it soars to more than one billion.

"Whatever we are doing, the world population is going to double in the same time span that it has taken the United Nations to build up its present social and economic programs," says Rafael M. Salas, a Filipino, the executive director of the UN's Fund for Population Activities.

The governments of the United States and other nations have taken a marked interest in the population problem in recent years. This country's outlays for research and family planning services are put at more than a billion dollars from 1971 to 1975, with an additional half billion in help to other countries.

Nobody has yet belled the population tiger, but there is a glimmer of hope in the widespread assumption among experts that the world's resources could—if properly used—support in reasonable comfort more than twice the present number of people.

The evidence is substantial that as human beings grow more prosperous and can look forward to a decent life they tend to have fewer children. Malthus himself recognized that this was the case.

Militating against any "pie in the sky" complacency, however, is the failure of the world as presently organized to feed, clothe and house a great part of its present numbers. Can it reorganize in 30 years or so to take care of twice the population?

Those concerned are haunted by a feeling of too little being done too late. Former Senator Joseph D. Tydings (Dem.), Maryland, now special counsel for the UN Fund for Population Activities, expressed the mood recently in testimony before the Senate Select Committee on Nutrition and Human Needs.

Tydings told of having taken a delegation of Japanese through the slums of Calcutta last October.

"No description of Lucifer's regions by theologians or writers of the past are as utterly grim and grotesque," Tydings said, "as a walk in the streets of present-day Calcutta.

"The sight of starving children struggling with ravens and emaciated dogs for scraps of food on rotten piles of garbage, or the late evening garbage trucks picking up corpses from the sidewalks in their daily clean-up, leaves you with a sickness of the soul and mind and spirit for weeks and weeks thereafter."

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LOW GRAIN RESERVES COMPOUNDING WORLD FOOD PROBLEM

"The major catastrophe will happen before the end of the century. We shall, in the rich countries, be surrounded by a sea of famine, involving hundreds of millions of human beings . . ."—C. P. Snow at Fulton, Mo., November 1968.

(By William K. Wyant, Jr.)

WASHINGTON, July 10—When Lord Snow made his "State of Siege" address at Missouri's Westminister College nearly six years ago, he predicted that the world's well-to-do would some day watch at their television sets as millions of their fellow-mortals starved to death before their eyes.

It has begun to look as if Snow was right, in some respects at least. He feared local famines, beginning in the period 1975–80, would spread into a "sea of hunger." It is now mid-1974, and people are already watching television shots of starving people in the Sahel region of Africa and elsewhere.

In 1972, a year of bad weather, world grain production fell about 70,000,000 tons short of a demand that has been rising by more than 30,000,000 tons a year, rain or shine. Last year's crop was better, but this year the outlook is widely regarded as hazardous.

It is hazardous because world grain reserves are dangerously thin—now down to less than 30 days of consumption—because the poorest countries are being priced out of the food, oil and fertilizer markets, and because of myriad uncertainties about the 1974 harvest.

What frightens some of the experts is that there is not enough margin for error. It alarms them that a "silent crisis of malnutrition" now affects up to one billion human beings and might get worse.

In terms of grain, the actual shortfall of the 1972 crop was only about 3 per cent of world production. This was doubled by a 3 per cent increase in demand, stemming from the annual population rise of about 75,000,000 persons and by growing competition for available food.

There is fairly general agreement that another 1972 would be a calamity. And although this year's crop has been forecast in favorable terms, it is obvious that the vagaries of weather could upset predictions, and that what has happened before could happen again.

The note of urgency was sounded clearly in a preliminary assessment issued June 2 in preparation for the United Nations World Food Conference to be held at Rome Nov. 5–16. It was released by Sayed Ahmed Marei, the Egyptian who is secretary-general of the conference.

By 1985, the assessment said, the vast majority of poor or developing countries will have a total cereals gap of 85,000,000 tons a year if the present growth rates for population, food production and demand continue as they are now. This would mean a need to import about three times more than the poor nations received in 1969–72.

"If, as expected, the 1974 harvests are good in some countries beating all records," the UN report says, "then stocks can be partly replenished, but it will take more than one good season to bring them back to safe levels. At the same time, a shortfall in some areas cannot be ruled out.

"In such a case, an equitable distribution of available export supplies might become a matter of great concern. Thus, the world's food situation has suddenly become exposed to an uncertainty of unacceptable proportions."

The UN assessment, largely prepared by its Food and Agriculture Organization, noted that "the optimism about the world food situation and prospects that was prevalent at the end of the sixties has given way to widespread anxiety."

Total grain production on the earth was about 1.2 billion tons in 1972. It has been going up by about 30,000,000 tons a year, but in the less-developed countries the rate of advance in food output has barely kept up with population growth. In more than 40, it has fallen short of population and the growth of demand at home.

For both the short term and the long term, the rest of the world depends heavily on the United States. This country produces about one fourth of the total grain but is the source of more than 40 per cent of what moves in world trade. It is the principal repository of reserve grain stocks, which now have declined to only about 89,000,000 tons, analysts estimate.

To make matters worse, international food assistance has been declining as prices rose and supplies became tight. And shipments from rich to poor countries reached a peak of 18,000,000 tons in 1964–65 and for many years accounted for 30 to 45 per cent of what the poor countries imported.

But in 1972–73 food aid shipments declined to below 10,000,000 tons, the lowest since the late 1950s, and this year the outlook is for a further fall to 5,000,000 or 6,000,000 tons. Food assistance has come mainly from United States surplus stocks under Foor for Peace, but that cornucopia shows signs of petering out.

All in all, it is a cobra's basket of problems that will bring the rich and poor nations to the conference table in Rome in the autumn. A charitable desire to take care of the needy is not the only motive that brings them together. Disrupted world markets and hunger-related political turbulence affect rich and poor alike.

At the Rome meeting, much will be expected of the United States. This wealthiest of countries, with a corner on food comparable to what the Persian Gulf sheikhs have on oil, will be in the position of a billionaire at a church supper.

C. P. Snow's gloom-and-doom view of the future has been echoed by many. William and Paul Paddock's "Famine—1975!" came out in 1967. Paul R. Ehrlich's "The Population Bomb"—too many people, too little food, a dying planet—was published the next year.

In 1972 the so-called Club of Rome, a group of scientists and thinkers backed by research at the Massachusetts Institute of Technology, exploded a bombshell called "the limits to growth." It imparted a sense of extreme urgency.

But a great many responsible observers are more cheerful than Lord Snow although keenly aware of shoals ahead. For example, Roger Revelle, director of population studies at Harvard University, said in 1970 that "the proportion of the world's human population which is seriously malnourished is less than at any time since the Paleolithic."

D. Gale Johnson, chairman of the economics department at the University of Chicago, found absolutely no basis last December for statements that "half the world's population goes to bed hungry every night."

Johnson acknowledged that " a significant fraction" of people have diets that adversely affect human life and activity, but he pointed out that for most people, throughout most of recorded history, food had been a chancy affair, with disaster ever present as crops were put in.

"My position is a simple one," Johnson said, ". . . namely, that the percentage of the world's population who find themselves subject to actual famine conditions is probably

lower now than at any time in the past and that per capita food supplies are now at a level that has permitted a major increase in life expectancy in the past two decades."

It is true, as Johnson pointed out, that with improvements in communication and transport the incidence of outright famine has diminished. In Bengal's great famine of 1769–70, about 10,000,000 died. In the Bengal famine of 1943, one fatality estimate is 1,500,000. But disaster was averted by heroic effort when famine stalked Bihar—north of Bengal—in 1966–67.

The current drought, misery and famine in the sub-Saharan tier of Sahelian countries in Africa demonstrate, however, that there are limits to what the developed nations are willing or able to do in remote areas where communications are poor and massive help is needed.

It is one thing to ship food to a stricken area when food is in surplus in the United States and a few other exporting countries. It would be a different, more terrifying problem if crops failed in a country as large as India, for example, and if there was nothing much to ship in.

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ANXIETY OVER CHANGES IN CLIMATE

Behold, there come seven years of great plenty throughout all the land of Egypt: and these shall arise after them seven years of famine . . .—Book of Genesis

(By William K. Wyant, Jr.)

WASHINGTON, July 11.—In the Bible, young Joseph warned Pharaoh to lay up grain against the bad years. Modern-day Pharaohs in the White House and elsewhere are getting word from climatologists that the weather ahead may bring lean times.

Joseph's advice to Egypt was to set up large grain reserves so that people would eat when crops failed. That was done, and it worked. Modern world leaders are not so fortunate. If they meet bad weather in the near future, they will be caught in a terrible bind.

The view is widely shared among scientists that the last few decades have been a time of extraordinarily good weather and that a period of less favorable, colder climate is overdue, if not already at hand.

In these halcyon decades, mankind has made giant strides in the production of food. The number of mouths to feed has about doubled in 45 years, moving from two billions to nearly four. With all these people on board, what happens if Spaceship Earth runs into a gale?

The worst consequences now foreseen would fall on the huge areas of Asia and Africa that depend on fickle but life-saving monsoon rains, but even the United States, as older Americans who recall the Dust Bowl of the 1930s know, is not exempt from the vagaries of climate.

Among climatologists, a leading soothsayer on the gloomy side is Reid A. Bryson, director of the Institute for Environmental Studies at the University of Wisconsin. He is one weatherman unfraid of putting his forecasts on the line. What has happened before, he insists, could happen again.

Bryson, was quoted in Fortune magazine in February as saying that the climatic change now going on could, if it continued, affect all the world's population—"like a billion people starving." Last month he told the Post-Dispatch: "All hell can break loose this year."

Not all of Bryson's colleagues agree with his more dramatic conclusions. Many go along with him generally, but lack his certainty. As a modern-day Joseph, however, he has been getting the ear of the high and mighty as he challenges conventional wisdom and exhorts them to be careful with food.

While the United States Department of Agriculture was projecting the best American crop in history this year, and a pretty good one in the Soviet Union, Bryson was saying the generally optimistic forecasts are not necessarily so.

"The evidence is now abundantly clear," he told Senators at a hearing last October, "that the climate of the Earth is changing and is changing in a direction that is not promising in terms of our ability to feed the world.

"Since about 1940 the northern hemisphere has been cooling off, rapidly approaching the levels of 100 years ago, but, more important than this cooling, the pattern of climate—especially the pattern of where the rains fall—has also been changing."

The change was slight, under one degree centigrade. But the International Federation of Institutes for Advanced Study at Stockholm alerted political leaders in May that the cooling trend is cutting into growing seasons and causing climatic extremes.

A shortfall of only about 3 per cent in world grain production brought great disruption and misery in 1972, the experts pointed out, and the consequences of even worse weather can be imagined.

A factor causing much concern to Bryson and others is an apparent southward movement of the great inland deserts of North Africa and Asia, along with displacement of the monsoon rainfall that nourishes crops now feeding the hungry half of the world in regions south of the deserts and north of the Equator.

In the great monsoon belt—China, sub-Saharan Africa and China—the winters are dry and rains come in the summer. When the rains do not come, there is grief and trouble. Bryson says monsoon failure is associated with thickening of polar ice, which has been happening.

India had drouths every three or four years in the early part of the twentieth century, Bryson told Congress last fall, but with better weather of recent decades the frequency of drouth fell to once in 18 years. In the last few years the rate has been going up.

"If drouths return to India with a frequency like that which prevailed at the turn of the century," he said, "but with a population swollen four-fold, the human and political consequences will be enormous."

As for the Sahelian zone of sub-Saharan Africa—a tier of six wretchedly poor countries where human beings and cattle have been dying—Bryson says that the 30,000,000 inhabitants are up against an adverse climatic trend that began in 1951. It is not, he says, merely six or seven years of drouth, as often supposed.

The six Sahelian countries are Mauritania, Senegal, Mali, Upper Volta, Niger and Chad. Their per capita incomes range from $70 to $250 a year. People are migrating south from the encroaching desert. Drouth and famine have taken heavy toll to the east, in Ethiopia.

The Rockefeller Foundation invited Bryson, Lester R. Brown of the Overseas Development Council, and others to a conference in New York in January on weather and climate change. The foundation will help finance an international climate research project in which the Soviet Union will take part.

Copies of the Rockefeller conference report went to the World Bank in Washington and to federal officials. Bryson attended a meeting at San Diego in April under White House sponsorship, and another in Washington in June. He recited the history of climatic change and applied the lessons of that history to the future.

The word that climate must be taken seriously apparently was passed to Secretary of State Henry A. Kissinger, who in his address to the sixth special session of the United National General Assembly in April described as "ominous" the possibility of changes in the monsoon belt and perhaps elsewhere.

As Kissinger said, the poorest countries are tormented by many disasters that are man-made. The specter of adverse climatic shifts involves natural forces over which man has little or no control, except insofar as he can store up food against bad weather.

India, with its more than 600,000,000 people—many millions of them chronically on short rations—is a grim example of the intransigence of the climate-population-food problem.

In 1769–70 came the great famine in Bengal in which about 10,000,000 are said to have perished.

In 1790–92, the so-called "skull famine" in which the Indian casualties were so numerous they could not be buried.

In 1876–78, a major famine that killed 5,000,000 Indians while about 9,000,000 to 10,000,000 Chinese were starving in the north part of China.

In 1899–1901, another Indian famine that took 1,000,000 lives.

In 1943, during World War II, the Bengal famine in which fatalities are estimated variously at 1,500,000 to 3,000,000.

It is a point of great pride with the Indians that since independence from Great Britain in 1947 they have managed to avoid that kind of mass starvation. They have doubled grain production since the 1950s, moving from about 55,000,000 tons two decades ago to 108,000,000 last year.

But there have been some very close shaves with disaster. To its friends, India has appeared like a blindfolded man tottering on the edge of a cliff. The 1965–66 drouth would have been costlier had it not been for massive food shipments from the United States.

And but for spectacular increases in wheat output achieved with the miracle grains of the Green Revolution, which India embraced heartily in the 1960s, the dry years of the early 1970s, might have taken a heavy toll in lives, American experts believe. As it was, the 1972 crop was short and India had to import 4,000,000 tons.

This crop year does not look good for India. Dry weather in January and February destroyed hopes for a bumper 30,000,000-ton wheat crop, as did lack of fertilizer and fuel for irrigation pumps. The yield was only 23,000,000 tons. For India's second harvest, mostly rice, the summer monsoon was late and some fear that the total year's crop might be as low as 100,000,000 tons—not enough.

In an interview here, Indian Ambassador T. N. Kaul emphasized that India had progressed from an annual grain crop of less than 50,000,000 tons in 1947 to around 115,000,000 and was targeting 140,000,000 by 1979.

Ambassador Kaul said 115,000,000 tons would be adequate and "we can make it" on only 110,000,000.

'If there is a good monsoon, O.K.," he said. "If the monsoon is unfavorable, we could be short anything from 5,000,000 to 15,000,000 tons."

In contrast to India and the Soviet Union, where crops are dangerously vulnerable to weather, the United States is blessed with an extraordinary variability in climate and growing conditions.

"We never get a drouth that affects all our food growing in one year," says William M. Johnson of the Agriculture Department's Soil Conservation Service. Local disasters occur, but not a combination that breaks down production all over the country at the same time.

"As we learn more," Johnson says, "we are approaching a disaster-proof agriculture."

Nevertheless, the United States is subject to adverse climatic trends just as are other places. Grievous drouths affecting vast areas have occurred, as when dust rose high over the Great Plains in the 1930s. Wet weather can wreak havoc also.

The Soil Conservation Service is watching with apprehension as farmers of the Midwest, Great Plains and Southern Plains plow up millions of acres that have been held in reserve. Already, there are reports of heavy damage from wind erosion.

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UNITED STATES CALLED COMPLACEMENT ABOUT WORLD HUNGER

"All flesh is grass, and all the goodliness thereof is as the flower of the field."

—ISAIAH

(By William K. Wyant Jr.)

WASHINGTON, July 12.—The Arabs have the oil and the Americans have the food. Less fortunate peoples will be looking hopefully to both when the United Nations World Food Conference meets in Rome next November to talk about feeding the hungry.

Food or the lack of it is acknowledged to be a problem of extreme urgency. Massive international efforts to solve it are being urged. Whether the many-tongued array of national spokesmen gathering in Rome will act decisively and effectively is in doubt. History argues no.

Among scientists concerned about food and population, there is strong dissatisfaction over what they regard as complacency among politicians in the United States and elsewhere. The leaders, they say, are ignoring the circling buzzards of famine.

In a lecture to the Indian Academy of Science at New Delhi last March, the American Nobel laureate Norman E. Borlaug got a standing ovation when he suggested that "all decision-makers quit eating for 15 days before making decisions on food." The last three days, he said, they ought to do without water, too.

"It's a good idea," said Senator George McGovern (Dem.) South Dakota, last month when Borlaug testified before McGovern's select Committee on Nutrition and Human Needs.

Borlaug won the Nobel Prize for his work in Mexico under Rockefeller Foundation auspices. He developed high-yield, short-strawed wheat that would take plenty of fertilizer without getting top-heavy and falling over. He thinks the Green Revolution, as some term it, bought precious time that politicians are frittering away.

"Without food, we only live for about three weeks at best," Borlaug remarked to the McGovern panel.

It is, Borlaug suggested, "a pretty precarious way to run a world" to tolerate a situation in which food reserves are well-nigh exhausted, the poorest countries need grain and oil and fertilizer they cannot pay for at increasing prices, and a major crop failure this year or next would bring ruin.

Borlaug said he had flown over the oil-rich Arabian peninsula a few weeks earlier at night. So much natural gas was being "flared"—wasted—that it looked like the Land of the Midnight Sun. That gas, he said, should be used to make nitrogen fertilizer.

A lot is being said currently about the wastage of natural gas in connection with Arab oil production. Indian Ambassador T. N. Kaul said Saudi Arabia alone was flaring half as much gas as the United States uses in a year. India stands to lose millions of tons of grain this year because fertilizer cannot be had.

Plenty of fertilizer is essential for the new miracle wheat and rice that offer prospects for increasing per-acre yield in countries that are short of food.

It makes no sense to waste the Persian Gulf's natural gas or to withhold nitrogen fertilizer from developing countries where it has a two-fold impact on grain output, but that is what is being done. In consequence, the poor nations will be short millions of tons of grain this year they otherwise could grow for themselves.

The UN's Food and Agriculture Organization has just reported that the less developed countries will be lacking 2,000,000 tons of nitrogen fertilizer for the next crop. This means a loss of 16,000,000 to 20,000,000 tons of grain, enough to feed 100,000,000 people by Asian standards.

"It will cost these countries 3 billion dollars more to import food from elsewhere than if they got the fertilizer now," said James P. Grant, president of the Overseas Development Council. He estimated the United States uses about 3,000,000 tons a year for such purposes as lawns, golf courses and cemeteries.

President Richard M. Nixon is being urged by concerned members of Congress to ask the American people to "practice austerity" on nonessential uses of fertilizer so that increased amounts can be freed up to farmers in this country and for shipment abroad.

Expansion of world fertilizer was a major point in the address made at the UN May 9 by Senator Hubert H. Humphrey (Dem.) of Minnesota, who declared that the "battle against global poverty and disease is being lost."

Much of the emphasis at the Rome conference will be on re-establishing a world food reserves and on finding ways whereby the richer nations can temper the wind for some 40 or more poorest countries—the "Fourth World"—which, it is feared, might go under if not helped.

The list of the poorest ranges from Afghanistan in Asia to Zaire in Africa. It includes India and Bangladesh and Pakistan, a clutch of African countries and some elsewhere in Asia and the Caribbean. In general, these are countries that did not have enough chips to stay in the international poker game when the ante went up.

It has been estimated by the Overseas Development Council, an independent, nonprofit organization here, that the non-oil producing countries of the developing world—totaling about 90 in all—will have to spend about 15 billion dollars more this year for oil, food and fertilizer than last year. For the poorest 40 of them, the deficit is about 3 billions.

In contrast, the council's estimate is that the Organization of Petroleum Exporting Countries, centering around the Persian Gulf, will be raking in five times more money this year than in 1972—about 85 billions of which 50 to 65 will be available for investment or deposit.

More than half the prodigious oil bonanza will go to the five states of Saudi Arabia, Libya, Kuwait, Abu Dhabi and Qatar. The population of the five combined is only about 11,000,000 people.

Even for the United States, the wealthiest and most advanced industrially of nations, the hike in oil prices has caused difficulty. But the United States has been able to offset its oil purchases by selling farm products abroad, particularly grain.

This agriculturally productive country has been immensely generous in the past with its surplus. Under Food for Peace, billions of dollars worth of wheat and other grains and commodities have been given away abroad or sold on easy terms. But the larder is about cleaned out. The emphasis is on food for oil.

"A world community must assure that all its people are fed," Secretary of State Henry A. Kissinger told the United Nations last Sept. 24, in proposing the World Food Conference to be held in Rome this autumn.

The conference objective, as suggested by Kissinger, was to talk about "ways to maintain adequate food supplies, and to harness efforts of all nations to meet the hunger and malnutrition resulting from natural disasters."

Kissinger said nations in a position to do so should offer technical assistance in the conservation of food. He said the United States was ready to join with others in providing that help.

At the UN's special session April 15, Kissinger was more eloquent. He said the United States, with another record harvest in sight, would take part in a "major world-wide effort to rebuild food reserves." A central conference objective, he said, must be to restore the world's capacity to deal with famine.

"A condition in which one billion people suffer from malnutrition is consistent with no concept of justice," he said, as he called for a balance between food production and population growth.

With great expectations, the Rome conference was organized. Sayed Ahmed Marei, longtime minister of agriculture in Egypt, was appointed secretary-general with three deputies—John A. Hannah of the United States, Aleksei Roslov of the Soviet Union, and Sarta Aziz of Pakistan.

Hannah, former president of Michigan State University, was until recently head of the Agency for International Development. He is being assisted by Andrew J. Mair, a former Colorado farmer who heads AID's office of Food for Peace.

The United States co-ordinator for the Rome conference is Ambassador Edwin M Martin, a senior adviser to Kissinger. Working with Ambassador Martin are Glenn Tussey of the Agriculture Department and Daniel Shaughnessy of Food for Peace.

"It is essential to agree on an international system of national food reserves which will prevent us from being dependent on the luck of good weather to prevent widespread famine, as has been the case last year and this," Martin said.

Another prime objective of the conference will be to expand agricultural production where more food is needed. Some observers think the less developed countries became too dependent on the American granary. There is immense potential for expansion, but it will require massive inputs of capital.

Farmers in the United States tend to dislike the building up of huge reserve stocks because they are subject to political control and can be dumped on the market, depressing prices.

The United States, as the principal source of surplus or export food, would be unlikely to agree to a World Food Bank plan governed by others, and Secretary of Agriculture Earl A. Butz has made it clear this country will not continue to store food at high cost to taxpayers.

As the nation hammers out its position in the food emergency—what it will do and what it will not do—some tension is reported between Kissinger as the food diplomat and Butz, a champion of free market, big farm output, and sales abroad at good prices.

It is inevitable that there will be cleavage at Rome between the developed nations and the hungry have-nots. The rich will blame the poor for not being able to cut the mustard, and having too many children. The poor will say the system is rigged against them and they are not getting enough help.

A conviction widely held among persons worried about over-population is that the birth rate in the poor lands will decline only

when and if the general standard of living there goes up.

Basically, many observers say, the answer if it is found in time will be the organizing of a world that grows more grain and fewer people. Isaiah's words "all flesh is grass" contain truth as well as poetry in that grain—like plankton in the sea—is the staple in the food chain.

Americans consume nearly a ton of grain per capita, but most of it is eaten indirectly in the form of animal protein—meat, eggs, poultry. People in the poorest countries eat about one-fifth as much grain each, most of it directly.

"Some cattle are more important than some human beings," an Indian official here remarked with grim humor.

Noting this as conspicuous consumption that may have to be cut down in this country and other rich nations, Lester R. Brown of the Overseas Development Council is fond of quoting a Chinese official who said he did not think the world could afford more than one United States.

## MOMENT FOR REFORM

Mr. CLARK. Mr. President, today the House of Representatives will begin debate on H.R. 16090, proposed amendments to the Federal Election Campaign Act.

As it comes to the floor, the House bill falls far short of the legislation passed last April by the Senate (S. 3044). The House bill does not provide for public financing in congressional elections. Nor does it establish a truly independent commission to enforce election laws.

However, as a New York Times editorial points out this morning:

To a considerable extent these shortcomings can be modified on the floor of the House. They can be further corrected when a conference committee comes to reconcile the bill with its Senate counterpart. The important objective now is to get the legislation approved, primarily because both House and Senate versions would introduce a new, historic and essential principle into the American editorial system—the principle that government itself has an obligation to help meet the costs of political compaigning.

Mr. President, I ask unanimous consent that the full text of the editorial appear in the RECORD.

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

[From the New York Times, Aug. 6, 1974]

MOMENT FOR REFORM

Among the last major bills the House of Representatives will consider before taking up the impeachment of President Nixon is a vital one to reform the financing of political campaigns. The timing is appropriate. There is hardly a strand in the web that now envelops the President that does not have its origin in campaign money—from the illegal contributions of the dairy cooperative to the laundered cash that financed the Watergate break-in.

The measure before the House has serious weaknesses. The public funding it would provide, on a matching basis, applies only to Presidential elections. Enforcement provisions, while far more realistic than those in the current campaign law, would still leave too much leeway to the Congressional establishment, which has shown time and again that it cannot be counted on to discipline its own members. Spending limits are too low, favoring incumbents and handicapping their challengers. Not the least of the bill's defects is that the ceilings it places on contributions make no distinction between donations from good-government groups and those from special interests of the very sort that proved so corrupting. If anything, they favor the latter.

To a considerable extent these shortcomings can be modified on the floor of the House. They can be further corrected when a conference committee comes to reconcile the bill with its Senate counterpart. The important objective now is to get the legislation approved, primarily because both House and Senate versions would introduce a new, historic and essential principle into the American electoral system—the principle that government itself has an obligation to help meet the costs of political campaigning.

The spending of money on that process is not in itself an evil; on the contrary, the expenditure is vital to the education of the electorate. But with costs reaching the peaks they have, corruption was bound to increase and indeed to infect the entire political system. Only controlled public funds can now minimize that source of infection. Whatever the complexities and deficiencies of the pending legislation, it moves in that direction. It should be passed now and, if need be, improved later.

## EMERGENCY ENERGY EMPLOYMENT ASSISTANCE ACT OF 1974

Mr. JAVITS. Mr. President, on February 8, I introduced with nine cosponsors, S. 2993, the Emergency Energy Employment Assistance Act of 1974. Cosponsors of this measure include the chairman of the Subcommittee on Employment, Poverty, and Migratory Labor, Senator NELSON, Mr. WILLIAMS, the chairman of the Committee on Labor and Public Welfare, on which I serve as ranking minority member, and Senators BIDEN, BAYH, BROOKE, HATHAWAY, KENNEDY, RANDOLPH, and RIBICOFF.

Under our proposal, there would be added to the Comprehensive Employment and Training Act of 1973 a new title, "Special Emergency Energy Employment Assistance Program." Under this new title, there are authorized to be appropriated for fiscal year 1974 and the succeeding fiscal year such sums as may be necessary, not to exceed $4 billion over the 2-year period; the 2-year period would, of course, be modified during subcommittee consideration, as fiscal year 1974 has ended since introduction.

Funds appropriated under this authority would be deposited in a special emergency employment assistance fund for utilization by the Secretary of Labor for the provision of transitional public service employment opportunities, and related training and manpower services, when the rate of national unemployment exceeds 6 percent for 3 consecutive months.

Funds could also become available before the 6-percent level if either the President or the Congress, by concurrent resolution, determines, after reviewing forecasts of anticipated levels of economic activity, that specified amounts should be made available.

Funds would be made available by the Secretary through the mechanism of the State and local prime sponsors system established and now generally in place under the Comprehensive Employment and Training Act of 1973.

I am very pleased to report that Dr. Arthur Burns, Chairman of the Board of Governors of the Federal Reserve System, yesterday, August 6, 1974, in testimony before the Joint Economic Committee, on which I serve as ranking minority member, indicated that he supports the expenditure of $4 billion for public service jobs if unemployment exceeds 6 percent; he also indicated that national unemployment—now at 5.3 percent—might reach the 6-percent level by the end of this year.

In that connection, Chairman Burns proposed the provision of 800,000 jobs with the $4 billion at a cost of approximately $6,000 per job; under our proposal we projected that the same amount of funds, $4 billion, would create "at least 500,000 jobs," based upon our use of a $8,000 per job cost figure, derived from the experience under the Emergency Employment Act of 1971. Of course, as this matter is considered by the committee, we will consider the exact number of meaningful—as opposed to "dead-end"—jobs that may be provided at various levels of appropriation.

Similarly, in testimony before the joint committee on Friday, August 2, the Secretary of the Treasury, William Simon, indicated that he was "intrigued" by our proposal, and would discuss it with the President.

Mr. President, this is very welcome support and interest from very key members of the administration who are responsible for the Nation's response to the economic situation.

The chairman of the Subcommittee on Employment, Poverty, and Migratory Labor, Mr. NELSON, has indicated his intention to hold hearings on this measure in the very near future, at least by early next month.

Mr. President, I ask unanimous consent that there be printed in the RECORD an article from today's New York Times entitled "Burns Asks Job Program if Unemployment Tops 6 Percent," in regard to Dr. Burns testimony, transcripts for which are not yet available.

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

[From the New York Times, Aug. 7, 1974]

BURNS ASKS JOB PROGRAM IF UNEMPLOYMENT TOPS 6 PERCENT

(By Edwin L. Dale Jr.)

WASHINGTON, August 6.—Dr. Arthur F. Burns, chairman of the Federal Reserve Board, proposed today a $4-billion program of public service employment to create some 800,000 jobs in state and local government if the nation's unemployment rate should rise above 6 per cent of the labor force.

Dr. Burns told a highly receptive Congressional Joint Economic Committee that this would ease the pain of a necessarily prolonged program of budgetary and monetary restraint on the economy to cure inflation. He also termed "wholesome" a suggestion of Senator Charles H. Percy, Republican of

Illinois, that in enacting the new program of emergency job creation Congress should also "trigger in" some tax increase to pay for at least part of the program.

Senator Percy mentioned elimination of the deduction on Federal income tax returns of state and local gasoline taxes, which he said would raise $600-million in revenue.

Secretary of the Treasury William E. Simon said during a television interview last Sunday that he was "intrigued" by a similar suggestion made by Senator Jacob K. Javits, Republican of New York. Thus, Administration backing of the plan seems a good possibility.

Dr. Burns also suggested today toughening President Nixon's proposal of last week for a new cost of living task force to monitor price and wage increases in important sectors of the economy. The Reserve's chief, speaking for the entire seven-man board, said the new agency should be empowered "to appoint ad hoc review boards that could delay wage and price increases in key industries, hold hearings, make recommendations, monitor results, issue reports, and thus bring the force of public opinion to bear on wage and price changes that appear to involve an abuse of economic power."

He suggested under questioning that the new boards should have the power to delay wage or price increases by 30 or 45 days. Without such additional power, he said, the President's proposal would be "quite ineffective." Again, he received a sympathetic response from those committee members who commented on the idea.

Dr. Burns declined under questioning from Senator Javits and Senator William Proxmire, Democrat of Wisconsin, who is the chairman of the committee, to assess the economic effect of a transfer of power from President Nixon to Vice President Ford. The Reserve, he said, "must stay out of impeachment politics."

Asked if there might not be a "new spirit of cooperation" on the part of business and labor in exercising price and wage restraint, he said "there is a distinction between rhetoric and reality, and the rhetoric will improve more than the reality."

As for a possible improvement in the stock market from the removal or resignation of the President, he said only that "the fortunes of the stock market will depend fundamentally on corporate profits and the level and direction of interest rates." He called profits "dangerously low" despite recent increases in the dollar amount of profits reported.

POLICY IS REITERATED

In his prepared statement and in response to questions Dr. Burns reiterated the basic Government policy of sustained monetary and fiscal (budget) restraint, with a resulting "period of slow growth" in the economy and "a higher rate of unemployment than any of us would like."

He made these other points:

There has been some "financial adventuring" on the part of banks that is "especially deplorable," but taken as a whole "the commercial banking system in the United States is entirely sound and can be counted on to continue to function efficiently."

Unlike Mr. Simon, he feels that dealing with the huge financial flows resulting from higher oil prices is an "unmanageable problem in the absence of a reduction in prices." Central banks alone cannot cope with the problem.

Despite the Reserve's policy of restraint, "clearly the American economy is not being starved for funds." Growth of money and credit "is still proceeding at a faster rate than is consistent with general price stability over the longer term." But the policy has succeeded in reducing "credit extended to private domestic borrowers" in the first half of 1974 as compared with the first half of 1975 by an annual rate of $20-billion, to $145-billion.

While the economy remains sluggish "recent economic movements do not have the characteristics of a cumulative decline in business activity."

Despite the huge increase in the cost of imported oil, strength in exports and inflows of capital from oil-producing countries have meant that "the high price of imported oil has not created a serious balance-of-payments problem for the United States."

A reduction of Federal spending would be the single most effective anti-inflation move and could have "dramatic effects on our financial markets."

BANK-REFORM NEED SEEN

Dr. Burns said there was a need for reform in the nation's banking laws and that "before too many months" the Reserve would propose such reform. But he added that "we are not going to have a collapse of the banking system."

Discussing the public service employment proposal, Dr. Burns said a major merit of it was that it could be "triggered out" as overall unemployment is reduced. Another merit, he added, was that it would be directed to the localities where the unemployment problem was most serious.

He said he estimated that a $4-billion program—the same amount suggested by Senator Javits—would create nearly 800,000 jobs on the assumption of an average wage of about $6,000 a year for those hired.

## THE SPREAD OF NUCLEAR WEAPONS

Mr. KENNEDY. Mr. President, 29 years ago this week, the United States dropped the first atomic bombs on Hiroshima and Nagasaki. The nuclear age had begun, in death and destruction.

Nearly 3 decades later, five more countries have become nuclear powers. The destructive power of these weapons has increased manifold with the largest blast almost 4,500 times more powerful than the Hiroshima bomb. Weapons and the means of their delivery have grown in number and complexity, until at least two nations have the ability to destroy virtually all of mankind. It has become insane to contemplate a war fought with these weapons.

How far have we come in controlling nuclear weapons during the past 29 years? There have been a number of significant achievements, including the Partial Test Ban Treaty of 1963, the Nonproliferation Treaty of 1969, and the limits placed on offensive and defense missile forces by the United States and the Soviet Union in 1972.

But these are only small steps toward ending the threat of a further use of nuclear weapons in war. The SALT talks are stalled. The Moscow summit produced nothing in arms control of any significance. And the Threshold Test Ban Treaty, to be submitted to the Senate, may even encourage the spread of nuclear weapons to other countries, by preventing peaceful nuclear explosions and by ignoring the requests of many nations for a long-awaited halt to superpower testing. The treaty would not go into effect until March 1976; it permits testing of weapons nearly 12 times the size of the Hiroshima bomb; and it contains no positive commitment to reduce testing to zero.

Mr. President, the United States and the Soviet Union both continue to expand their nuclear arsenals, even though both have developed massive overkill. And there is a grave danger that more nations will build nuclear weapons, for a variety of reasons. India's test of a nuclear device on May 18 has shattered the belief that the nuclear powers could be limited to the five members of the United Nations Security Council.

If India's example is not to become a new "shot heard around the world," the United States must develop with other countries a real strategy of nonproliferation. Yet we have none. The administration pursues an indiscriminate policy of providing nuclear reactors, fuels, and technology to other nations. It wrongly places faith in the Nonproliferation Treaty as its sole effort to create agreed limits on the spread of nuclear weapons. And it virtually ignores the imperative need for the superpowers to demonstrate real restraint in their own nuclear arms race.

We must develop a nonproliferation strategy, and act on it, before it is too late. We must do so now, without waiting for the 5-year review of the Nonproliferation Treaty in 1975.

This strategy must have at least eight elements:

First. We must join with the Soviet Union in showing real restraint in nuclear arms, including a rapid and effective halt to the testing of nuclear weapons;

Second. We must seek with the Soviet Union to restrict the political uses of nuclear weapons, so that other countries will be less tempted to build them for reasons of national prestige;

Third. We must join with all major arm suppliers in exercising restriant on the sale or other supply of conventional weapons in volatile areas of the world, where countries may be stimulated to supplement conventional power with nuclear weapons;

Fourth. We must seek international agreement to expand the concept of nuclear free zones—now applying to Latin America and Antarctica—beginning with the Middle East and the Indian Ocean area.

Fifth. We must review our overall policy concerning the sale of nuclear reactors to other countries, and seek a similar and coordinated review by other potential suppliers; in no case should we supply reactors to any country that has not signed and ratified the Nonproliferation Treaty, or that is not willing to accept stringent safeguards on U.S.-supplied nuclear materials.

Sixth. We must renew our efforts to gain the signature and ratification of all countries to the Nonproliferation Treaty;

Seventh. We should begin discussions now with other countries on the 5-year review of that treaty, including the more

effective application of international safeguards on nuclear materials; and

Eighth. We must engage in serious efforts—as we are doing in the Middle East—to help mitigate local situations of conflict that could tempt more countries to acquire nuclear weapons.

Mr. President, this eight-point program for nonproliferation is essential if we are to begin building real barriers to the spread of nuclear weapons. It is appropriate for us this week to rededicate ourselves to this effort. For—lest we forget—the world will otherwise be more likely to see yet more Hiroshimas, yet more Nagasakis, yet more incineration of human beings beneath the deadly mushroom cloud.

## THE RELATIONSHIP BETWEEN COMPETITION AND INFLATION

Mr. TUNNEY. Mr. President, Robert E. Wood of the Los Angeles Times recently wrote an article on the relation between competition and inflation which I believe merits the attention of every Member of the Senate and House.

I ask unanimous consent that this article be printed in the RECORD.

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

COMPETITION HELD CURE FOR INFLATION

By Robert E. Wood

A growing number of government policy makers and independent economists are becoming convinced that the American economy is no longer competitive enough.

And unless the structure of the economy itself is changed to foster more competition, they contend, the nation is likely to keep suffering long-term inflation.

The reason: even the most aggressive anti-inflation measures now available will work only temporarily if there is not enough competition to keep prices down.

Various groups are now beginning to study what changes might be needed to encourage competition. The proposals are still tentative and preliminary, but it is clear that their effects would be dramatic and far-reaching.

Various practices of corporations, of labor unions, of government and its regulatory agencies, of the international trading community and of the world monetary system are being eyed as apparent causes of the inadequate competition that builds in inflation over the long term.

And, while congressional figures rate current changes of passage for most reform proposals as zero, some politicians suspect the pressure for these changes will grow as more people realize how discouraging the long-term inflationary outlook is now.

Under the present economic setup, many argue, only a prolonged and deeply injurious slump in business conditions and employment will permit even a temporary reduction in the inflation rate.

And, once the necessary long recession is over, they contend, inflation could build up quickly again because of the way the economy works.

"I'm concerned that we're going to have a lot of trouble getting out of this one," said John R. Stark, executive director of the Joint Economic Committee of Congress, referring to the current round of inflation. "It's going to hang in there for quite a while, and I'm afraid it might even get worse."

He, too, blames the dearth of competition for much of the long-term problem.

That sounds ludicrous to the worker just laid off his job, or to the corporate president whose lieutenants have been fighting furiously to cut costs to hold on to customers.

But the experts point to specific areas where the competitive forces of the marketplace have been dulled by regulation, by new practices, or by the dominance of large outfits. The way these key sectors are set up, the analysts point out, prices may stay level or go up—but are unlikely to go down under even the most favorable conditions.

Government-regulated industries are being called a major culprit. The Interstate Commerce Commission and the Civil Aeronautics Board set the fares that railroads, trucking companies and airlines are allowed to charge on interstate runs, and economists maintain that these agencies have dulled competition and aimed their policies—not at the lowest possible fares—but at keeping even the marginal carrier in business.

(Even that strategy failed in the railroads' case. The Penn Central collapsed and the government-sponsored National Railroad Passenger Corp., better known as Amtrak, had to relieve Penn Central and other railroads of virtually all passenger business.)

Only the Securities and Exchange Commission has insisted on promoting price competition in brokerage firms' commission fees, and the shift away from fixed brokerage rates is still not complete.

The protective attitude of most regulatory agencies has pervasive effects, according to one highly placed Nixon appointee close to the Federal Reserve Board.

"What we need is a pricing system in these businesses where—if it IS true that prices can't be reduced during a slowdown because companies would suffer losses—then they must exert some restraint against raising prices when times are good," he said.

There's a tendency to try to have it both ways. Regulated industries, and others too, talk about high costs as justification for price increases when times are bad. Then when things get better, they say demand is too strong and they have to raise prices again. And they get what they want because competition isn't strong."

Experts raise the same complaint about the government's role in agriculture, in medical care and in energy pricing.

"There is a rather obvious list," said Otto Eckstein, Harvard University professor who was a member of the Council of Economic Advisers under President Lyndon B. Johnson. "The most pressing is agriculture. We simply cannot allow the Agriculture Department to set policies all by itself."

Eckstein and others contend that Agriculture Department policies on acreage allotments and on the purchase and sale of surplus commodities are aimed at maintaining the farmer's income, not at serving the nation's needs. They point to recent actions affecting grains and meats as examples.

Similar concerns are being voiced about government allocation systems for oil and gas, which tend to mute competitive forces.

Murray L. Weidenbaum, a former Nixon Administration Treasury official who has returned to his professorship at Washington University, St. Louis, blames much of the problem on the government's own activities in the marketplace.

"So many government programs give an inflationary bias," Weidenbaum complained. "There are all sorts of credit subsidies, government credit programs that protect some groups of favored borrowers and make it more difficult for the rest of the economy to get money. The result is high interest rates as others compete for credit."

The government has special credit arrangements for savings and loan associations, for farmers, for home buyers who take advantage of the FHA and VA loan programs, for small businesses and for many other groups.

"Each year the government, through credit agencies, controls an ever larger share of the savings pool and investment funds in this country," Weidenbaum said. "About 10% of the pool went this route in 1960. By 1970 it was 25%. And it's probably a third or more by now."

The effect, he reasons, is to shortchange investment in new productive capacity—which might quell inflation—and to drive interest rates ever higher."

Weidenbaum also faults government procurement programs for stifling competition. The Davis-Bacon Act requires workers on government construction jobs to be paid at the highest going rate. Another law sets similar guidelines for employes of government suppliers. Still another sets minimum wages on contracts to provide services to the federal government.

In the defense budget alone, Weidenbaum estimates that the savings "would be in the billions" if defense procurement red tape and detailed requirements were overhauled and streamlined. That, too, would foster more competition.

Another major area for improvement, according to Weidenbaum and many others, is the nation's complex of antitrust laws.

"The fact is that present antitrust policy says that if you're a medium-size guy, and try to merge with another, we're going to try to stop you," says Rep. Henry S. Reuss (D-Wis.), a member of the Joint Economic Committee. "But if you're so big that you already control everything, we won't do anything."

Charles I. Schultze, a senior fellow at the Brookings Institution who was budget director under President Johnson, goes further. "I'm not exactly sure of the details, but the antitrust laws should perhaps incorporate more of an economic view than a legal view," he said.

"We should concentrate not so much on illegal actions, but on unwantable results. If a certain industry is pursuing certain practices which are perfectly legal, they may nonetheless result in rigid prices."

The concern centers on huge key industries dominated by a few companies, like steel, autos, oil and computers. More price competition in these areas would help the whole economy because of the central role they play.

Many conservative economists point out that some labor unions have become monopolies of sorts, and that new laws may be needed to reflect the tremendous growth in labor's power since the early 1930s.

One proposal advanced several years ago—and still discussed occasionally—is to bring labor unions under the antitrust umbrella. Another is to establish a special tax on the profits of companies that grant excessive or inflationary wage increases to their workers. Neither seems likely to win much support, although some experts say there might be a chance of passing milder legislation—outlawing restrictions on entry into specific trades, for example, or softening apprenticeship requirements.

Even the foreign trade arena doesn't offer enough competition to keep American prices down, according to many analysts. Hendrik Houthakker, an economics professor at Harvard University and former Nixon economic adviser, pointed out last week in an essay in the Wall Street Journal that textiles, steel and many other markets are specifically protected against foreign competition by quotas which restrict imports. These artificial barriers should be phased out in a wide-ranging series of proposals for reform, he argued.

Reuss complains that the effects of trade protectionism are even more widespread. "We are still restricting supplies unconscionably," he said. "We are raising the price of meat now that the growers are having to face reasonable prices. The government is bidding up those prices while it's sending

agents to hornswoggle the Australians into cutting down their meat exports to us."

A small minority of economists is looking at the makeshift new international monetary and payments system as another possible enemy of competition.

Since the United States suspended redemption of foreigners' dollars for gold at a fixed price in 1971, currency exchange rates have been allowed to float up and down on world markets in response to supply and demand.

Bankers and government leaders generally like the new system because it spares them the headaches of monetary crises, the speculative fevers that used to occur whenever investors thought one currency might be changed in value.

But the fixed-rate system and its more rigid prewar counterpart, the gold standard, did force governments to think twice about pursuing inflationary policies lest a currency crisis erupt. And the old fixed rates also kept price competition an important factor in world trade.

"With all its failings," writes Stanford University economics professor G. L. Bach in his recent book, "The New Inflation," the old gold standard "did provide a monetary religion that brought the government and the public up short when they felt the urge to spend more than they were taking in, both through the check it imposed on expansion of the money supply . . . and through the international gold drain if inflation exceeded the rate in other countries."

That competitive discipline is greatly diminished today, Bach points out.

"If we had a perfectly competitive economy," he said in an interview, "and if monetary and fiscal authorities behaved themselves, we would have a stable-price world."

However, he said, "That would call for a really quite dramatic structural change."

And not everyone is sure how long such a change would be helpful—if it were ever passed.

"Those actions for improving the structure of the economy are very important and would help efficiency," said William J. Feller, a member of the President's Council of Economic Advisers. "But they might not be effective quarter after quarter, year after year.

"They are highly desirable for their own sake, and could make it easier to follow the kind of monetary and fiscal policies we should follow. But that connection is a less close one."

"The Joint Economic Committee staff was instructed last week to conduct a new "intensive study" of inflation and to make recommendations for dealing with the problem by year's end.

Many are at a loss to imagine how a comprehensive package of reforms, which would affect virtually all Americans, would stand a chance of passage.

Schultze of Brookings suspects that a major income-maintenance program, even more massive than the welfare reform proposed by President Nixon during his first term, would be needed to win the support of all the disparate interest groups who might be threatened by such legislation.

"Then," he said, "if you tied it all to a list of 20 measures—a very large package rather than going at it piecemeal—you might give up enough Ralph Nader-type support. The public abhorrence of inflation would be a powerful weapon."

Some reforms are fairly popular. Reminded that President Nixon in his latest economic policy speech had announced plans for a "sweeping review" of regulatory agencies' practices, Democrat Reuss said simply: "That's good. I wish he'd start tomorrow."

Stark of the Joint Economic Committee concluded: "By definition, competition and the relatively free flow of resources is the most efficient way of operating an economy. When we have rigidities working against that, we must try to reduce them.

"There is a great anxiety about this. The next step is to create a little more intensive level of awareness, and hope it will attract more vigor and positivism."

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## ADMINISTRATION SUPPORTS EXTENDING THE 55-MILE-PER-HOUR SPEED LIMIT

Mr. PERCY. Mr. President, I am pleased to report to the Senate that the administration has expressed its strong support for the indefinite extension of the nationwide 55-miles-per-hour speed limit. In letters to me and to Senator RANDOLPH, both the Department of Transportation and the Federal Energy Administration have recently endorsed S. 3556, the bill I introduced in May to extend the 55-mile-per-hour speed limit beyond its current expiration date of June 30, 1975. The support of the two agencies of the Federal Government most concerned with energy conservation and highway safety is particularly helpful in our continuing effort to demonstrate the effectiveness of the new reduced speed limit.

In endorsing the legislation, Secretary of Transportation Claude S. Brinegar, cited figures to show that highway fatalities have declined on an average of about 23 percent during the first 6 months of this year. The Secretary noted that since November, 7,000 fewer people were killed on our streets and highways than were killed in a similar period a year earlier. He said that a large part of that reduction in fatalities resulted from the lower speed limit.

Similarly, in his endorsement of the legislation, Administrator John C. Sawhill of the Federal Energy Administration stated that:

> The nationwide 55 mph speed limit is a bright spot of policy which has emerged from last winter's energy crisis.

Mr. Sawhill said:

> If every car, bus and truck in America remains under 55 mph, the Nation can save more than eight million gallons of petroleum products daily.

I am extremely grateful to the members of the Senate Committee on Public Works, which last week approved the indefinite extension of the 55-mile-per-hour speed limit as a provision of the Federal aid highway legislation. The distinguished chairman of that committee, Senator RANDOLPH, was the father of the nationwide 55-mile-per-hour speed limit, and is a principal cosponsor of S. 3556. Senator STAFFORD, ranking minority member of the Subcommittee on Roads, is also a principal consponsor of the extension bill. The other Senators who have cosponsored this important legislation are Senators WEICKER, RIBICOFF, CHILES, and GRAVEL. I thank all of them for their support.

Mr. President, I ask unanimous consent that the letters and press release of the Department of Transportation and the Federal Energy Administration be printed in the RECORD. I also ask unanimous consent that letters I have received from the Governors of Washington, West Virginia, and New Mexico be printed in the RECORD. These are in addition to the Governors' responses which I reported to the Senate on July 25. Finally, I ask unanimous consent that an article on enforcement of the 55-mile-per-hour speed limit, which appeared in the Wall Street Journal of August 2, 1974, be printed in the RECORD.

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

THE SECRETARY OF TRANSPORTATION,
*Washington, D.C., July 29, 1974.*

Hon. CHARLES H. PERCY,
*U.S. Senate,*
*Washington, D.C.*

DEAR SENATOR PERCY: This is in response to your request for our views on S. 3556, a bill you introduced with Senators Randolph, Stafford, and Weicker which would make permanent the temporary highway speed reduction required by the Emergency Highway Energy Conservation Act.

Please find enclosed the Department's favorable report on S. 3556 to the Chairman of the Committee on Public Works.

Sincerely,

CLAUDE S. BRINEGAR,

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OFFICE OF THE
SECRETARY OF TRANSPORTATION,
*Washington, D.C., July 29, 1974.*

Hon. JENNINGS RANDOLPH,
*Chairman, Committee on Public Works,*
*U.S. Senate, Washington, D.C.*

DEAR MR. CHAIRMAN: This is in response to your request for our comments on S. 3556, a bill "To conserve energy and save lives by extending indefinitely the 55 miles per hour speed limit on the Nation's highways."

This bill would amend Chapter 1 of Title 23 of the United States Code by adding a new Section 154 to make permanent the temporary highway speed reduction required by Section 2 of the Emergency Highway Energy Conservation Act (P.L. 93–239). In all other material respects, this new section would be identical to Section 2 of the Act.

Since the etsablishment of reduced speed limits several months ago, we have experienced a marked reduction in highway fatalities, and we believe this overwhelming safety benefit dictates that the current 55 mph limit be extended. While there are competing economic considerations, we believe at this time that they are outweighed by the increased safety on the highways. We would continue to study the impact that a permanent reduction in the speed limit is likely to have and, if necessary, would recommend appropriate amendments.

However, there is a significant technical question in the bill which should be resolved. Both Section 2(b) of the Highway Energy Conservation Act and Section 154(a) as proposed in the bill appear to provide that a State must commit each of three separate prohibited acts before the Secretary would be required to disapprove further projects under the Federal-aid Highway Program. This interpretation arises from the use of "and", rather than "or", as the connective word in the listing of the three acts. Since we believe that it would be unlikely for any State to commit all three acts and that the first act alone (maximum speed limit in excess of 55 mph) should be sufficient to merit project disapproval, we recommend that the acts be listed disjunctively.

Subject to the foregoing comments, we support the enactment of S. 3556.

The Office of Management and Budget has advised that, from the standpoint of the Administration's program, there is no objection to the submission of this report for the consideration of the Congress.

Sincerely,

RODNEY E. EYSTER,
*General Counsel.*

DEPARTMENT OF TRANSPORTATION,
OFFICE OF THE SECRETARY,
*Washington, D.C. July 23, 1974.*

U.S. Secretary of Transportation Claude S. Brinegar recommended today that Congress enact legislation making permanent on all the Nation's highways the present 55-mile-per-hour speed limit.

The recommendation was made in a letter to Senator Jennings Randolph of West Virginia, chairman of the Senate Committee on Public Works. Secretary Brinegar said the reduction in the number of highway fatalities during the eight-month period since the 55-mile limit became effective in November 1973, justifies Congressional action making it permanent.

In his letter to Randolph, the Secretary cited figures to show that highway fatalities have declined on an average of about 23 percent during the first six months of this year. He said that since November, 7,000 fewer people were killed on our streets and highways than were killed in a similar period a year earlier. He said that a large part of that reduction in fatalities resulted from the lower speed limit.

Mr. Brinegar said there are competing economic factors to be considered in the decision to make the 55-mile limit permanent. But he said those factors are outweighed by the increased safety on the highways.

The Secretary's letter was written in response to Senator Randolph's request for the Department's views on the proposed Federal-Aid Highway Act of 1974 now before the Senate Committee on Public Works. As approved by the Subcommittee on Transportation, the bill contains a provision making the 55-mile limit permanent.

The speed limit now in effect was authorized in the Emergency Highway Energy Conservation Act, approved by Congress last year as a means of conserving fuel. Unless Congress takes further action, the present limit expires July 1, 1975.

The highway legislation pending before the Senate committee also contains a provision which would increase funding for various Federal-aid highway programs for the fiscal years 1974 through 1976. Another provision would authorize alteration of existing highway construction contracts to compensate for increased costs resulting from inflation.

Secretary Brinegar said the Department is opposed to both of these provisions. The first, he said, would create further inflationary pressure throughout the economy, while the second would give preferential treatment to one group of contractors—all of whom have been affected by the same cost increases.

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FEDERAL ENERGY ADMINISTRATION,
*Washington, D.C., August 2, 1974.*

Hon. CHARLES H. PERCY,
*U.S. Senate,*
*Washington, D.C.*

DEAR SENATOR PERCY: I was most happy to read of your sponsorship of S. 3556, to make the 55 m.p.h. speed limit permanent. The energy conserved and the lives preserved make this a very important piece of legislation, and we are pleased to support it.

If Energy Conservation and Environment can be of any assistance to your staff in this matter, please feel free to have them get in touch with us.

Sincerely,

ROGER W. SANT,
*Acting Assistant Administrator, Energy Conservation and Environment.*

FEDERAL ENERGY ADMINISTRATION,
*Washington, D.C., July 31, 1974.*

SAWHILL ENDORSES PERMANENT 55 MPH LIMIT; URGES STATES TO FOLLOW SUIT

Federal Energy Administrator John C. Sawhill today endorsed a movement in Congress to make the nationwide 55 mph speed limit permanent for interstate highways. He also urged State Governments to follow suit and warned the Nation's motorists not to allow driving speeds to creep back up to former levels.

Said Sawhill, "The nationwide 55 mph speed limit is a bright spot of policy which has emerged from last winter's energy crisis. I would certainly endorse, and I believe the American people would support, a movement in Congress to make it permanent." Under existing legislative authority, the 55 mph limit would expire on interstate highways on June 30, 1975.

In urging the Nation's 50 Governors to support a permanent 55 mph limit for state highways, Sawhill cited a recent Gallup Poll which showed 72 percent of those interviewed favor the maintainance of the nationwide 55 mph limit.

Sawhill noted that there have been 7000 fewer traffic deaths and perhaps as many as 200,000 fewer injuries in the first half of 1974 as compared to the same period last year, primarily attributable to the 55 mph law.

Sawhill also stressed the importance of the potential fuel savings the Nation can achieve with strict adherence to the 55 mph limit.

"If every car, bus and truck in America remains under 55 mph, the Nation can save more than eight million gallons of petroleum products daily. Such savings are especially significant as winter approaches and refineries must switch production from gasoline to home heating oil," Sawhill said.

Sawhill also noted that a permanent 55 mph speed limit would encourage car manufacturers to adjust engines for increased efficiency at lower speeds and might result in nationwide reductions in automobile insurance rates.

Sawhill conceded that there is some complacency in the observance and enforcement of the 55 mph speed limit as memories of last winter's energy crisis fade in the public mind.

Said Sawhill, "We look to the continuing cooperation of the Nation's Governors in enforcing the 55 mph speed limit as the best protection against the erosion of that limit, and the savings in energy and lives which it has brought for the American people."

"We also look to the good sense and self-discipline of the American motorist in obeying the Nation's speed limit laws and practicing energy conservation on the Nation's highways."

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STATE OF WASHINGTON,
*Olympia, Wash., July 5, 1974.*

Senator CHARLES H. PERCY,
*U.S. Senate,*
*Washington, D.C.*

DEAR CHUCK: Thank you for your letter in behalf of energy conservation and for the copy of your statement in support of your bill to extend indefinitely the 55 mph speed limit. I am sure you know how thoroughly I embrace the same point of view and how committed I am to awakening our peoples to the impending crisis and what has to be done.

Your statement of the case for the 55 mph speed limit is particularly thorough and convincing. What is most needed at this point is the repeated recognition of the points you have made and the strength of leadership in public officials at all levels of government to forego the temptation of assuring their constitutents that we have successfully surmounted the crisis. For some it might be politically tempting to defer attention to inevitable problems as long as possible, but it surely is not the leadership we will have to have in order to endure beyond our immediate ease and comfort.

Although the lower speed limit was undertaken as an energy conservation measure, its contribution toward greater safety has proved to be an especially rewarding by-product. Indeed the reduction in the number of accidents and in their severity has been of a magnitude sufficient to alone constitute justification for the lower speed limit. Much has been made of the fact that reduced travel has also been a factor in the improved safety record—which, of course, is true—but the experience in this state during the seven-month period of slower speeds as compared to the same period of the prior year shows a 15 percent drop in the number of fatal accidents on those roads affected by the change in speed limits as compared to only an 11 percent drop on all other roads whose posted speeds were already at or below 55 mph. Isolating in that way the factor of reduced speed from the factor of reduced travel confirms without doubt your point that the lower speed has in fact been an important contributor to highway safety.

You have my full support, Chuck, in your efforts on the 55 mph speed limit, and I think you would be interested in knowing of the appreciable amount of correspondence I have been receiving to the same effect. It suggests strongly that there is considerable receptivity among the people toward energy conservation in general and the 55 mph speed limit in particular.

Sincerely,

DANIEL J. EVANS,
*Governor.*

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STATE OF WEST VIRGINIA,
*Charleston, W. Va., July 25, 1974.*

Hon. CHARLES H. PERCY,
*U.S. Senator*
*Washington, D.C.*

DEAR SENATOR PERCY: Thank you for taking time to share with me your thoughts relative to continuation of a national 55 mph speed limit. I agree that the benefits of this measure are significant enough to warrant its retention.

The necessity to continue energy conservation measures following the removal of the Arab Oil Embargo has caused considerable controversy. Many individuals do not believe that an energy shortage exists. The serious gasoline supply shortfalls that persisted no more than three months ago were perceived as a transitory problem. I believe that we are still faced and will continue to be confronted with a petroleum shortage. We must convince the public that their conservation efforts are not in vain.

In order to minimize wasteful fuel consumption, I have and will continue to support a national policy that calls for the retention of a maximum 55 mph speed limit. Further, the corresponding reduction in highway fatalities should remind us that conservation on our highways means more than economic savings alone. Following a review of S. 3556, I would concur that such legislation is necessary and desirable considering the present constriction of supply and assured availability of petroleum.

I understand and appreciate your concern in this matter and, as Governor, I continue to pledge West Virginia's support to Congress' efforts in the energy conservation area.

Sincerely yours,

ARCH A. MOORE, Jr.,
*Governor.*

STATE OF NEW MEXICO,
*Santa Fe, N. Mex., July 26, 1974.*

Hon. CHARLES H. PERCY,
*Senator from Illinois, U.S. Senate,*
*Washington, D.C.*

DEAR SENATOR PERCY: Your thoughts and information regarding the current national 55 mph speed limit were interesting and persuasive. I am concerned, as you are, that energy-related problems will continue at least into the intermediate future and that state and federal governments must continually strive to find the means to alleviate the resulting hardships.

Fuel consumption and fatalities in New Mexico have also been reduced dramatically since a 55 mph speed limit was imposed and this is very gratifying. Nevertheless, we in the Western states confront a situation probably not encountered in your great state. Because many of the Western states are sparsely populated and larger than their sister states to the east, the 55 mph limit affects the population more dramatically. As the distances involved are often great, a reduced speed limit has more of an impact here than in states where the necessities of life and most business activities are within a small radius of most of the population. New Mexicans often must travel many miles to obtain suitable consumer products and conduct their daily business. While I am not necessarily advocating different speed limits for different regions of the nation, I feel the unique situation of the Western states deserves mention when any legislation imposing a national standard or limitation is being considered.

Be assured, however, that the State of New Mexico will continue to vigorously pursue not only the objectives of conservation but the ultimate development of alternative energy sources. Thank you again for your thoughts and information.

Sincerely,

BRUCE KING,
*Governor.*

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[From the Wall Street Journal, Aug. 2, 1974]

MANY DRIVERS EXCEED THE 55-MPH LIMIT BUT DO SLOW DOWN

Few motorists on the nation's highways are sticking within the energy-saving 55-mile-an-hour speed limit. Only on rare occasions are highway patrolmen willing or able to enforce that limit strictly. Still, Americans are driving a litle slower than they have in the past, perhaps five to 10 miles an hour slower. And this appears to be true despite a sharp rise in the number of speeding summonses issued in many states.

To determine how rigidly, and with what results, the new speed limit is being enforced, Wall Street Journal reporters in 10 cities took to the highways last Friday. They clocked traffic, alone or with the help of radar-equipped troopers. And, at highway plazas and police barracks, they interviewed dozens of patrolmen, automobile drivers and truckers.

They found that your chances of getting a speeding ticket are almost nonexistent at 60 m.p.h. The risk edges up at speeds above 60, and it rises sharply at speeds above 65—except in a few places, where enforcement policy or the whims of individual troopers allow speeds as high as 70 m.p.h.

FEWER TRAFFIC DEATHS

Despite uneven enforcement and widespread noncompliance, the 55-m.p.h. limit has won strong support in high places. A Senate committee this week recommended that it be made permanent. Republican Sen. Charles Percy of Illinois, a sponsor of the Senate proposal, told his colleagues last week that he had written the 50 governors about it and received replies from 27; most, he said, are "enthusiastic" about keeping the new limit. Officials of the Department of Transportation also want to keep it.

John C. Sawhill, head of the Federal Energy Administration, calls the new limit "a bright spot of policy which emerged from last winter's energy crisis." If it were universally respected, he says, the country could save more than five million gallons of oil products a day. "Over the past six months," he says, "we have been saving a significant proportion of that."

Mr. Sawhill and the National Safety Council also cite figures showing a sharp decline in traffic deaths. The safety group says all traffic deaths in the first six months this year fell 23% to 20,406 from 26,600 in the first half of 1973. Mileage logged on the nation's turnpikes dropped 14% in the same period, while turnpike traffic deaths declined by 60%.

The new speed limit is less popular on the highways, especially among truckers. "It stinks," says Peter Card, a trucker on the Massachusetts Turnpike. He admits he drives faster than the limit, but he says, "If you're watching your rearview mirror for a gumball machine"—a patrol car—"you're not watching what's ahead."

DISTANT EARLY WARNING

Many truckers carry citizens-band radios to warn other truckers, and get warnings, of road hazards, patrol cars or radar units. "I wouldn't drive across the Delaware Memorial Bridge without my CB," says David L. Poore, a beefy over-the-road trucker from Delaware.

Partly hiding his radar-equipped car behind a bridge abutment on the Pennsylvania Turnpike, highway patrolman Robert Taylor notes that every truck passing by is moving at exactly 50 miles an hour. He laughs and says, "There might be slightly more to this than meets the eye. Nearly every trucker within five miles in both directions knows we're sitting here"—because of warnings over their citizens-band radios. Even at night, he says, "Bam. You hit the first two trucks, and that's it."

Mr. Taylor's instructions are simple. He is to give citations—the basic one calls for a $10 fine and $5 costs—to drivers clocked faster than 61 m.p.h. (When the turnpike speed limit was 65 m.p.h., drivers also got leeway of 6 m.p.h.) So he pulls his blue-and-white car off the road and attaches his megaphone-shaped radar device to the left rear window, pointing it at traffic approaching from the rear. He calibrates the device with a set of tuning forks and then sits down to watch its indicator on the dash.

One of the first cars to come along registers at 66 m.p.h., dipping to 65, 60 and then 55 as its driver nears the patrol car. Mr. Taylor speeds off and stops the car. But in the 10 minutes or so in which he is writing one a ticket, at least a dozen cars whiz by at faster than 61. Mr. Taylor notices this; he says it's getting him "psyched up," so he hurries his ticket-writing chore.

FEWER FLAGRANT SPEEDERS

But traffic is especially heavy today. It's one of those days, Mr. Taylor decides, on which "if you tried to pick up everybody over 61, you'd go crazy." So he starts out after only the most blatant speed offenders those running about 10 m.p.h. over the limit. It's foolish, he says, to break into heavy traffic and risk a major accident simply to catch a mild offender.

Mr. Taylor and 33 other officers at the Somerset state police barracks are writing more than 1,000 tickets a month, double last year's rate. The officers say that their 55-mile stretch of highway had only 226 accidents in the first half of 1974, down from 819 in the first half of 1973.

Police in Pennsylvania and elsewhere say they've spotted far fewer flagrant offenders in recent months: "The speeds that we're issuing summonses for today are less than they used to be," says New York State Police Lt. J. F. Ryan. "Before February," says Georgia trooper Bruce Pickett, "we would have been picking up people doing 80 or 90, sometimes 100 miles an hour. Drivers are definitely going slower now."

Mr. Pickett is stationed near the crest of a hill. He has set his radar to buzz at 70 m.p.h., giving drivers a generous 15-m.p.h. leeway, and he waits. In two hours, only one driver, at 72 m.p.h, is ticketed for speeding "Sometimes, if I sit here long enough without getting anybody," Mr. Pickett says, "I lower my radar to 68."

That's not because he has to meet a quota, says his superior, Major Hugh Hardison. It's just that the troopers are trying to ticket drivers who are creating a danger by going markedly faster than the average flow of traffic. Traffic arrests in Georgia have increased about 10% since February.

The average traffic speed varies from place to place, but 60 or a little more seems typical. Lt. Ryan of New York figures the average speed on Interstate 287 has dropped to between 60 and 65 m.p.h. from more than 70 m.p.h. before the new speed limit. On the Ohio Turnpike, Wall Street Journal reporter Bill Hieronymus drove 30 miles westbound in exactly 30 minutes, a speed of precisely 60 m.p.h. He was passed by 40 cars and trucks, but he passed only two himself. Mr. Hieronymus drove another 25 minutes at a constant speed of 65 m.p.h., passing 22 cars and getting passed himself by only seven. Thus, he figures, a speed between 60 and 65 m.p.h. would have put him in the traffic flow.

Near the end of his test, Mr. Hieronymus watched a state patrolman giving a ticket to the driver of a purple Gremlin that had passed the line of traffic earlier. The patrolman insisted that the 55 m.p.h. limit was being enforced absolutely, with no leeway. When Mr. Hieronymus pointed out that traffic generally was exceeding 60 m.p.h., another trooper conceded that "we just try to slow everybody down."

Frederick A. Vierow, acting director of the Ohio Department of Public Safety, says that "anyone violating the 55 m.p.h. limit is subject to arrest." But, he says, "we do depend a lot upon the discretion of the officer to understand his function on the highway and his role in slowing down traffic." Ohio's arrests for moving-traffic violations rose to 42,644 in June from 34,726 in June last year.

A "GOOD IDEA," BUT . . .

In California, highway patrolman Steve White says, "We normally allow a little leeway for speedometer fault—up to 58 m.p.h. Between that and 65 m.p.h., the officer has the choice of giving a verbal warning or a written citation. Anyone going 65 m.p.h. or higher gets a written citation. The number of citations written since the 55 m.p.h. limit went into effect has tripled in California. Still, a spokesman for the highway patrol says, a survey shows the average freeway speed has fallen to slightly above 58 m.p.h. from 67 m.p.h. two years ago.

Talks with drivers also suggest that although few adhere to the new limit, most are driving slower. A typical observation, from a driver on the Pennsylvania Turnpike: "I'm still speeding, but where I'd go 70 last year, I'm going 60 this year." Ronald De George, an Oakland, Calif., schoolteacher, says he drives as fast as 65 m.p.h. and "I guess you could call me a habitual lawbreaker." But he adds, "I broke the 65 m.p.h. limit, too, by going 70." Mrs. Elaine Fuld of New York City says she drives 5 m.p.h. above the new limit, the same as she did above the old.

Law enforcement officials wonder how long all this will last. Some believe that compliance with the new limit, never total anyway, has started to decline. "At first," says a spokesman for the Texas Department of Public Safety, "there was a high degree of voluntary compliance. But gradually people have started inching up their speeds again." Still, he credits a one-quarter reduction in traffic deaths to the new limit. "We had about 80% compliance with the 55-m.p.h. limit at first," Georgia's Major Hardison says. "Now it's down to about 20%."

California Highway Patrol studies show that noncompliance reaches 70% to 80% on freeways in thinly populated areas and more than 40% in the cities. "Certainly it's discouraging to an officer to try to enforce a law that has a high level of noncompliance," a spokesman says. "The strange phenomenon about the 55-m.p.h. speed limit," says California Patrol Capt. Bill Mulhare, "is that everyone you talk to is in favor of it. Nobody ever says it's a bad law, but everyone abuses it."

James Quine, a Framingham, Mass., gasoline-station attendant, says he thinks the 55-m.p.h. limit is a good idea, although "sometimes the only person trying to uphold it in traffic almost gets killed." He himself drives at 65 m.p.h.

## MONTANA LAGS BEHIND OTHER STATES IN FUNDS COMMITTED TO HOUSING AND IMPROVEMENT OF RURAL WATER AND SEWER SYSTEMS

Mr. METCALF. Mr. President, the director of the Farmers Home Administration for the State of Montana, Mr. Richard D. Smiley, in an interview with the Missoulian earlier this year said:

> Private enterprise could do everything the Farmers Home Administration and the Federal Housing Authority is (sic) doing and do it more effectively.

Given Mr. Smiley's attitude toward the programs he is responsible for administering, it is not surprising that the State of Montana has lagged significantly behind other States of similar size and population in funds committed to housing or improvement of rural water and sewer systems.

The most recent example is in the allocation of the $120 million released for water and sewer construction. Montana will receive $662,000, $150,000 less than South Dakota and less than half of the North Dakota share.

Mr. Smiley cannot be held responsible for the administration of his office before June 1972, when he was appointed State Director. However, he may be held accountable for his assessment of it and for the record written since that time.

Mr. Smiley says that "the Government programs should take less of a role or certainly fill only those gaps where private enterprise can not get the job done" and that FmHA in Montana is "continuing to expand the housing program."

Evidently Mr. Smiley has not found many gaps appropriate for his agency to fill. In the Nation in the period fiscal years 1968–73, Montana ranked 47th in the homeownership program in relative program size, the number of homeownership loans relative to number of families in bad housing in primarily nonpoverty households. Our neighbors, Idaho at first, Wyoming at 12th, North Dakota at 13th, and South Dakota at 22d, were light years ahead of us—and still are.

With nowhere to go but up, Montana made only 13 initial section 502 loans for every thousand households in the first three quarters of fiscal 1974, while the national average was 25. South Dakota FmHA made 23, North Dakota 26½, Wyoming 48½, and Idaho 124. Montana's section 504 home repair program is less than one-fifth that of any adjoining State.*

While Mr. Smiley defends his statement to the Montana Building Material Dealers Association calling for curtailment of Government's role in housing construction, letters from my constituents describe the slump in the housing industry and call for Federal intervention to save the industry.

With respect to housing generally, it cannot be said that recent years have seen an administration of programs that is faithful to the intent of Congress, as Mr. Smiley asserts. It was not Congress that placed a moratorium on housing programs a year and a half ago. It was the administration which Mr. Smiley serves and defends. To suggest, as this servant of the Nixon FmHA does, that a discredited policy that has helped significantly in bringing the housing industry to its present moribund condition should be followed to bring it to life tells us much of Mr. Smiley's capacity to learn from experience.

Mr. President, I ask unanimous consent that my correspondence with Mr. Smiley be printed in the RECORD, together with a letter from a realtor of a firm of real estate brokers in Bozeman.

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

BOZEMAN REALTY,
*Bozeman, Mont., July 3, 1974.*

Hon. LEE METCALF,
*U.S. Senator,*
*Washington, D.C.*

DEAR MR. METCALF: I'm in the Real Estate business and would like your help in improving our present situation. The housing industry is in a slump of growing proportions, housing starts are down Nationally, and for the past year, sales volume has been falling. Mortgage funds are subject to tight money constraints, are increasingly difficult to obtain, and a steadier supply of mortgage money is desperately needed.

I am urging you to get the House Banking and Currency Committee to act favorably upon H.R. 14490. I would also like you to get the House Banking and Currency Committee to add to the new housing bill the provisions of H.R. 14749, Mr. St Germain's bill to increase the lending capacities of savings and loan associations at this critical period of a mortgage money drought.

Please ask the House Ways and Means Committee, which is now considering a tax reform bill, to remember the unhappy economic state of residential, commercial, and industrial real estate, and heed the constructive recommendations submitted to each member of the House Ways and Means Committee by Realtor President Joseph Doherty.

I strongly urge you to press for action on the above items. It is in all of our best interests to see that the outflow of mortgage money from our lending institutions is made more readily available before current conditions degenerate further.

I appreciate your concern in this matter.

Sincerely yours,

———— ————.

U.S. DEPARTMENT OF AGRICULTURE,
FARMERS HOME ADMINISTRATION,
*Bozeman, Mont., June 18, 1974.*

Hon. LEE METCALF,
*U.S. Senate,*
*Washington, D.C.*

DEAR SENATOR METCALF: Thank you for your letter of May 22 with the attached news release which appeared in The Missoulian regarding a speech I made to the Montana Building Material Dealers Association at their annual convention.

Yes, I was quoted correctly.

My topic for the convention was, "Where Will the Financing for Tomorrow's Housing Come From?". I think this question was adequately answered and as indicated, if we continue on the road we are going, a great share of the housing in America will come from public funds and will be or could result in public debt. I happen to believe that private enterprise should be building houses when at all possible. The remainder of the article speaks for itself.

I am attaching some recent news clippings which should clearly indicate to you that despite my feeling of the role of private enterprise in housing and that government programs should take less of a role or certainly fill only those gaps where private enterprise cannot get the job done, they will show you we are continuing to expand the housing program under the Farmers Home Administration in Montana. They will also demonstrate to you that we are making our program known. The samples included are only a small part of our efforts to make the Farmers Home Administration housing program known to all. So, I think you can conclude that despite your obvious thoughts that someone may be tending the FmHA housing program in Montana who does not believe in it, that we are in fact carrying out the wishes of the Congress and the President of the United States in administering the housing program to the best of our ability and hiding it from no one.

In closing, I might say that I simply forthrightly responded to the question of the Montana Building Material Dealers Association and the answers I gave them were exactly what is happening today in housing and the direction I feel it should go.

Sincerely,

RICHARD D. SMILEY,
*State Director.*

[From the Missoulian, Mar. 20, 1974]

STATE FHA BOSS CRITICIZES GOVERNMENT HOME LENDING

(By Charles S. Johnson)

Private enterprise—not the federal and state governments—should assume the leadership in financing homes for Americans, Richard Smiley, state director of the Farmers Home Administration, said Tuesday.

Even though he heads the federal agency

*Figures taken from "Six Years of Progress (with variations)," Farmers Home Ad Programs, fiscal years 1968–73, by George W. Rucker, Rural Housing Alliance, January 1974, Washington, D.C.

in Montana, Smiley, a former state legislator from Bozeman, criticized the expanding roles of governmental bodies in financing housing.

"My viewpoint is that unless the attitude of the public changes, financing will come more and more from public funds," he said in an interview with The Missoulian. "That could result in additional public debt, which I am completely opposed to."

Smiley, an unsuccessful Republican candidate for Congress in 1966 and 1968, was in Missoula to participate in a panel discussion at the Montana Building Material Dealers Association annual convention.

"There is no reason why private enterprise can't do it (finance homes instead of government agencies)," he said, referring to banks and savings and loan associations.

"Private enterprise could do everything the Farmers Home Administration and the Federal Housing Authority is doing and do it more effectively," Smiley added.

Through ignorance, the public is contributing to the problem, according to Smiley.

"Politicians are offering utopia to the public," he said. "Even though it's unworkable the public is buying it at the polls."

Smiley blamed Republicans as well as Democrats for offering "grandiose schemes" to use public funds to finance housing.

"We are now getting in Washington and Helena exactly what we deserve because we haven't paid attention," the federal official said.

One reason Americans have gone along with public financing of housing is because of the "greed" of private enterprise in this field, he said.

But this greed on the part of private enterprise is nowhere near the problem "as the politician who offers something for nothing," the federal official said.

Smiley also criticized laws that penalize persons for fixing up their homes by increasing taxes.

"I say it ought to be the other way around," he said. "You should get a tax incentive or reduction for fixing up your home."

Smiley said he is encouraged by some changes in the Farmers Home Administration. He cited a new program for business and individual loans, for which a private source provides the money and the government guarantees it will be repaid.

"I think we're beginning to see a little more of this viewpoint in Washington and the administration of the Farmers Home Administration, but not in the Congress or in the populace anywhere," he said.

Smiley's office handled about $26 million in loans to Montanans last year.

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MAY 22, 1974.

MR. RICHARD SMILEY,
*Montana State Director,*
*Farmers Home Administration,*
*Bozeman, Montana.*

DEAR MR. SMILEY: I received copies of an article in The Missoulian for 20 March reporting an interview with you by Charles S. Johnson. Would you please advise me if you have been correctly quoted in the enclosure?

Thank you for your courtesy.

Very truly yours,

———— ————.

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## EXCESS CAPACITY OFFERED BY FOREIGN AIRLINES TO THE UNITED STATES

Mr. CANNON. Mr. President, the international airlines of the United States are a vital part of the international commerce of this country and the maintenance of a vital communications link with most other countries of the world. Their continued viability is of importance to the economy of the United States in view of their contribution to trade, export of services and the airlift capability they represent.

Your Subcommittee on Aviation has been holding hearings in which the myriad of problems facing our international carriers have been discussed. The difficult competitive problems that face our private enterprise airlines stem, in no small part, from the nearly frantic growth in the number of foreign airlines seeking to provide service to the United States. The lucrative American market has drawn like a magnet the airline of nearly any country that can gather together sufficient funds to form an airline and to purchase aircraft. At the present time there are no less than 57 foreign scheduled airlines authorized to provide service to the United States. Most of these carriers are Government-owned and the fact that their operations may not be profitable does not deter the national interest decision which prompt their venture into aviation operations to this country.

The prime traffic market of the North Atlantic is inundated with airlines operating too many frequencies, too many empty seats and unprofitable services. Facing this flood of foreign competition, all trying to tap the rich American origin market, our private enterprise U.S.-flag carriers are finding it more and more difficult to maintain themselves as viable competitors.

The U.S. Government is not blameless in this situation. We have entered bilateral agreements with many foreign countries who cannot justify independent airline operations to this country; we subsidize the purchase of American-made aircraft equipment by these airlines through the Export-Import Bank which provides loans at low interest rates unavailable to competing U.S. carriers; and we do not enforce the capacity principles of the bilateral agreements which are supposed to require foreign airlines to provide levels of service adequate to meet the demands of traffic between their country and the United States.

The volume of excess capacity being operated by foreign airlines on the North Atlantic today is enormous. Many airlines are operating at load factors too low to be justified and they are striving to invade markets other than their own.

To give my colleagues an example of what has happened in recent years, airline service between the city of Chicago and Europe is almost totally dominated by foreign carriers. One U.S. airline operates between Chicago and Europe. No less than nine European airlines operate services to Chicago and in 1972 they captured over 82 percent of the traffic between Chicago and Europe. By granting to so many foreign carriers the right to serve Chicago we have practically driven the U.S. airline out of the market.

There are a number of European airlines which have not scheduled their capacity to handle only the traffic between the United States and their country. Rather they seek to tap a large part of the total United States-Europe market. Last year Icelandic Airlines carried nearly 300,000 passengers between the United States and Europe. Were these 300,000 people visiting Iceland? Last year KLM carried over 400,000 passengers between the United States and Europe, but the latest data indicates that less than 40 percent of this traffic was destined for the Netherlands—the remaining passengers were destined for other parts of Europe. The same is true of Sabena, which carried just under 200,000 passengers last year, but less than 40 percent were destined for Belgium.

Is it any wonder with this flood of airlines and capacity that U.S.-carriers are seeking assistance from their Government? I believe that they are due that assistance in, at least partly, the form of a firm resolve to correct these serious problems of excess capacity. If the bilateral agreements are not being observed by these foreign carriers—and there seems to be unanimous agreement in this country that they are not being observed—then it seems to me that we must take appropriate steps to bring about enforcement. Delay can no longer be justified. Weakness will bring the ruin of our industry.

The Civil Aeronautics Board has pending a revision of its rules which will permit it to enforce the capacity provisions of the bilateral air transport agreements. These agreements which were negotiated for the most part in the early years after World War II must be made workable if the commercial stability of the U.S.-flag system is to be preserved. I hope the CAB will move promptly to adopt whatever measures are required to put some teeth into the negotiating positions of the United States. It is not in our best interests to ignore any longer the overwhelming pressures brought upon our carriers by this excess of foreign competition.

The continued availability of U.S.-flag services is required in the national interest. In the past few months, the point has been driven home that we must not be dependent upon foreign controlled entities for some of our basic resources. Air transportation is no less a basic resource than energy or other important elements of our national economy. We cannot be dependent upon foreign flag airlines for our international services. The international agreements underlying this country's international air transportation structure must be adhered to. We must make them work. If they cannot be made to work they must be changed.

The executive departments and the Civil Aeronautics Board have ample power to deal with these problems of excess capacity. What is required is a resolve to enforce the commercial bargains struck so many years ago. As chairman of your Aviation Subcommittee I intend to do all I can to insure that the policies followed by our Government adequately

reflect a concern for equal treatment for our carriers and a healthy competitive environment not destructive of their continued existence.

## LEGAL SERVICES CORPORATION ACT OF 1974

Mr. JAVITS, Mr. President, on July 25, 1974, the President signed into law, the Legal Services Corporation Act of 1974 (P.L. 93-355).

This is landmark legislation in the effort to break the syndrome of poverty. The legal services program has been properly designated as one of the most significant we have been able to develop out of the antipoverty effort, and the administration is to be highly commended for its cooperation in establishing it into law.

Mr. President, this was a very long struggle—lasting over 3 years—and many of the most ardent supporters of the legal services corporation—including members of the organized bar who have contributed so much to this effort—were very sincerely concerned with the compromise bill, feeling that additional compromises should not have been made.

This view was reflected on July 12, in an editorial in the New York Times, entitled "Saving Legal Services." That editorial described as a "risky solution" and a "high price," the compromise that we were then working out.

Today, the New York Times has very graciously printed a letter to the editor by me in response to the editorial, which spells out exactly why I and the other sponsors—notwithstanding our own belief in the backup centers and concerns with restrictions on other points already in the bill—felt the compromise was necessary in order to preserve the program and the concept of the legal services corporation, and urging swift implementation of the new law.

In connection with implementation, I wish to note that I testified before the Subcommittee on Labor-HEW appropriations on July 25, requesting that the full amount authorized under the new law, $90 million for this fiscal year 1975, be included in the Labor-HEW appropriations bill now being considered in the Senate.

I ask unanimous consent that my letter to the editor, appearing in the August 7 edition of the New York Times, together with the original editorial of July 12, to which I referred, be printed in the RECORD.

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

[From the New York Times, Aug. 7, 1974]

LEGAL SERVICES: THE SUCCESSFUL COMPROMISE

WASHINGTON, *July 26, 1974.*

To the Editor:

I am writing to comment on your July 12 editorial "Saving Legal Services," describing as a "high price" and "risky solution" the Administration-urged compromise then being worked out in the Congress by me and Senators Taft, Nelson, Cranston, Mondale and others with respect to H.R. 7824, the Legal Services Corporation Act of 1974, which the President—very commendably—signed into law on July 25.

The compromise, dropping the specific authority for "back-up centers" from the conference bill, was accepted most reluctantly, since the centers—including excellent centers in New York—have been a key element of the existing legal services program, providing research and other support to the lawyers who represent the poor.

But the real "risky solution" would have been to follow the urging of the editorial that the conference bill be sent to the President without change.

It was clear that the President had made firm commitments to veto the conference bill even though it substantially met his own specifications, and that a veto could not have been overridden in the House of Representatives, which had failed earlier by only seven votes to recommit the bill to conference for elimination of back-up centers.

Thereafter, it would have been highly doubtful not only that any worthwhile legislation to establish such a corporation could be enacted but in the interim the existing effort conducted by the Office of Economic Opportunity—including particularly back-up centers—would have been in clear jeopardy after Sept. 30, when the continuing resolution under which funds have been made available expires, especially with the House's previous refusal to provide new "fall-back" authority for the current program.

The "ambush in the House" on the compromise forecast by the editorial did not materialize; in fact, the House of Representatives approved the compromise by 265 to 136, and the Senate passed it by 77 to 19.

Importantly, during such consideration, both supporters and opponents of the compromise bill made it clear that, while the authority to fund back-up centers had been dropped, the corporation and individual legal services programs retained the ability to continue their efforts "in house."

The President has now kept his commitment to the establishment of a legal services corporation, which he first urged in 1971.

It is now the responsibility of the Administration, the American Bar Assoication, the organized state and local bar, the legal services' attorneys and others who have contributed so much to the effort to work together with renewed spirit and dedication toward prompt establishment of the corporation, with a prestigious board of directors, to the end of a creative and professional development of the gifted program of legal services for the poor—without any dilution of the current effort in the interim.

JACOB K. JAVITS,
*U.S. Senator from New York.*

[From the New York Times, July 12, 1974]

SAVING LEGAL SERVICES

In a last-minute maneuver, Senate friends of the legal services program made a deal and embarked on a course that could endanger the entire attempt to insure continuation of the poverty law effort. Shrinking from threat of a Presidential veto, Senators Javits and Taft sold the idea that the price for getting Mr. Nixon's signature was to drop legal back-up centers from the bill.

That is a high price and a risky solution. The fifteen back-up centers, most of which are located at universities around the country, provide research expertise, model briefs and the judgments of professors and seasoned attorneys to the often inexperienced poverty lawyers in the field. To drop those centers would be to subject the program to partial lobotomy.

Moreover, the compromise move endangers the whole bill because it involves sending it back to the floor of the House, where the program has many enemies. The last time around, those opponents went after the bill with maces and meat axes. In the wake of all the compromises, one more ambush in the House might be fatal.

The biggest problem with the compromise is that a Presidential veto makes so little sense that the threat seems barely credible. The conference bill was a delicately wrought compromise. Legal services proponents had accepted even more restrictions than the White House had proposed and the measure satisfied all of Mr. Nixon's objections to an earlier Congressional attempt to create the legal services corporation which he himself had originally requested. Thus, in essence, the White House was threatening to veto its own bill.

This latest accommodation goes beyond prudent politics and moves in the direction of abject surrender. The Senate ought to reject it, approve the conference bill and send it on to the President for his signature.

## GI BILL INEQUITIES

Mr. McGOVERN. Mr. President, as a further response to doubts that may have been raised by President Nixon's criticism of the Senate tuition proposal for Vietnam veterans, I ask unanimous consent that there be printed in the RECORD a detailed analysis of the inequities this program is designed to remedy. Members can then judge for themselves whether or not the tuition plan is "unnecessary," as the President has claimed.

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

INEQUITIES OF PRESENT GI BILL SYSTEM

The present GI Bill system violates the intent of Congress and denies education and training to millions of needy Vietnam era veterans. The use of the present GI Bill is often inverse to the need for education, training, and readjustment assistance.

Today's GI Bill:

Discriminates against poor, minority and educationally disadvantaged veterans.

Discriminates against veterans with families to support.

Discriminates against veterans who live in states with high-cost public education.

Severely restricts the effective use of a veteran's total benefits.

Severely limits the number and types of educational and training programs available to veterans.

These are the conclusions of the congressionally commissioned Veterans Administration study conducted by the Educational Testing Service of Princeton, New Jersey. These conclusions are verified and supported by Veterans Administration statistics, hearings and studies conducted by the National League of Cities, U.S. Conference of Mayors, the American Association of Community and Junior Colleges, the New York City Mayor's Office of Veterans Action, and by the personal experiences and testaments of Vietnam era veterans.

HISTORY OF THE GI BILL

"The World War II GI Bill was one of the most important and effective pieces of social legislation ever enacted. It profoundly affected the fortunes of veterans and postwar society and it transformed the Nation's higher education systems."—Report of the Educational Testing Service on Educational Assistance Programs for Veterans.

The World War II GI Bill extended edu-

cation and training opportunities to World War II veterans, assisted their readjustment to society, and eased the impact of 17 million returning veterans on employment. This bill produced 450,000 engineers, 180,000 doctors, dentists, and nurses, 360,000 teachers, 150,000 scientists, 107,000 lawyers, 233,000 accountants, 36,000 ministers, 380,000 metal workers, 138,000 electricians, 83,000 policemen and firemen, 700,000 businessmen, 17,000 writers and journalists.

Sixty-five members of the House of Representatives and twenty Senators trained under the World War II GI Bill.

The "GI Bill of Rights" was directly responsible for a 200% increase in the number of undergraduate, graduate and doctoral degrees conferred by institutions of higher learning—from 160,000 in 1946 to over a half a million in 1950. Despite abuses GI Bill dollars enabled public colleges and universities to expand their facilities, academic resources and develop facilities to the extent that a college education became possible for the average American.

The massive scientific, medical, technological, cultural, political, economic, vocational, industrial and social contributions of World War II veterans, and others who owe their education to the World War II GI Bill, cannot be estimated, but the economic contributions of what the Veterans Administration called the "best investment in American history" can be. The Internal Revenue Service estimates the 14 billion dollars invested in the World War II GI Bill was returned six times over by veterans in increased tax revenues. If the Government's 62.5 billion dollar profit were to include revenues from non-veterans who benefited from the GI Bill's expansion of the educational system, it could reach over 150 billion dollars.

Despite the enormous benefit to both veterans and the Nation, the World War II GI Bill was subject to abuses and administrative problems. In 1952, a special Congressional investigating committee, headed by Congressman Olin Teague, concluded:

"In view of the waste, abuse, and inefficiency which occurred during the World War II program, it would be grossly unfair to veterans of the Korean conflict and to the Nation as a whole, to extend the present program without corrective action. Veterans of the Korean conflict are no less entitled to readjustment benefits than veterans of World War II. The scholarship allowance should be sufficient to maintain a veteran-student under reasonable and normal circumstances in a reliable institution with customary charges for nonveteran students used as a guide."

The resulting action was the abandonment of the separate tuition payment and monthly subsistance allowance system and the adoption of the present one-payment system of a monthly allowance payment for the purpose of covering both educational and subsistance expenses.

The present GI benefit system was adopted to prevent abuses, but has instead unintentionally denied educational and training benefits to the most needy of Vietnam era veterans.

COMPARISON OF THE WORLD WAR II GI BILL AND THE VIETNAM ERA GI BILL

*I. Tuition assistance*

A. World War II

The World War II GI Bill paid a monthly subsistance allowance *and* the full cost of tuition, books and fees at almost every public and private college, university, vocational, professional, and technical institution in America. By paying tuition, the World War II GI Bill accorded all veterans an equal opportunity to enter education and training programs. In the few schools where tuition, books and fees exceeded the $500 a school year ceiling, any veteran could accelerate the consumption of his 48-month entitlement to cover the difference. In current buying power, the World War II direct tuition payment is equivalent to $2,517 (per nine month school year).

B. Vietnam Era

The Vietnam Era GI Bill provides no direct payment for tuition, books and fees. It pays only a monthly subsistance allowance to veterans enrolled in education and training programs. Vietnam era veterans unable to pay the "educational" costs necessary to enter education and training programs receive none of the educational and training benefits they are entitled to. The financial resources available under today's GI Bill limits veterans without supplemental resources to education and training programs at low-cost public institutions.

*II. Monthly subsistence allowance*

A. World War II

The World War II GI Bill paid a monthly subsistance allowance equal to one-third the average national monthly earning. Since the GI Bill paid for tuition, books and fees, all of the veterans' subsistance allowance could be devoted to "living expenses".

B. Vietnam Era

The Vietnam Era GI Bill pays only a monthly subsistance allowance to veterans enrolled in school. Since the Vietnam veteran must pay the cost of tuition, books and fees from his monthly subsistance allowance, the portion of his subistance allowance that can be devoted to "living expenses" depends upon the amount of the subsistance allowance that is left after "educational expenses".

All World War II veterans were assured of paid "educational expenses" and of receiving an equal monthly subsistance allowance for their "living expenses". The amount of a Vietnam veteran's monthly subsistance allowance that can be devoted to living expenses after educational expenses are paid varies greatly from veteran to veteran, school to school, and state to state.

*III. Cost of basic living essentials—food, shelter and transportation*

A. World War II

The World War II GI Bill went a long way toward providing the basic living essentials. Food and transportation were not expensive, and low-cost housing was available. Government housing was provided to World War II veteran students by converting existing military and federal facilities into student housing; furnishings, beds and equipment were provided at government expense; public war housing projects were converted into lowrent student housing facilities, and government surplus housing (quonset huts, barracks, etc.) were transported to and erected at government expense on college sites.

B. Vietnam Era

The Vietnam Era Veteran must cover not only the cost of living, but the cost of tuition, books and fees with his monthly GI Bill subsistence allowance. The cost of living has increased over 200% since World War II. Government subsidized housing is no longer available and housing near schools, especially for married veterans, is limited and expensive. The cost of food has increased 14% in the last year and the energy crisis has inordinantly increased housing and transportation expenses.

*IV. Part-time employment*

A. World War II

Part-time employment was readily available after World War II and most veterans required little or no supplementation of their GI benefits.

B. Vietnam Era

The Vietnam Era GI Bill requires substantial supplementation for veterans in private institutions in states with high cost public education and veterans with families to support. Parttime employment is scarce and Vietnam era veterans must compete with many other needy students for available jobs. The energy crisis is reducing the employment market and the number of parttime public service employment positions available to veteran students.

*V. Financial aid*

A. World War II

The World War II GI Bill required little or no supplemental financial aid since it paid the veteran's tuition, books and fees at almost every public and private school in America. Veterans received as much as $300 in "mustering out" pay, which could supplement their educational financial needs.

B. Vietnam Era

The Vietnam Era GI Bill requires substantial supplemental assistance for veterans desiring to attend private school, out-of-state public schools, or schools in states with high cost public education. Despite the great need for financial assistance, Vietnam veterans are often discriminated against by financial officers who refuse veterans scholarships because they are receiving "aid" from the GI Bill. The influx of many minority and economically disadvantaged persons into the educational system has put a substantial demand upon student financial assistance that might otherwise be available to veterans.

Vietnam era veterans do have the Work Study and Cost of Instruction programs which were not available to veterans of World War II. Presently these programs amount to $3 a month per veteran in training.

*VI. Period of entitlement*

A. World War II

The World War II veteran with 3 years of military service was entitled to a total of 48 months of benefits which could be accelerated to cover "educational expenses" in excess of $500 a school year.

B. Vietnam Era

The Vietnam era veteran with 18 months of military service is entitled to a total of 36 months of benefits which he must use over a period of 36 months or longer.

*VII. Special programs*

A. World War II

MUSTERING OUT PAY

World War II and Korean War veterans received $300 in "mustering out" pay if they served at least 60 days including service outside of the U.S., $200 if they served wholly within the U.S., and $100 if they served less than 60 days. "Mustering out" money could be used however the veteran chose, including supplementing his education and training needs.

52–20 PROGRAM

The 52–20 program, a Federal unemployment insurance payment, provided the unemployed World War II veteran with $20 a week for 52 weeks.

48-MONTH ENTITLEMENT

There were no "special programs" for "educationally disadvantaged" World War II veterans (veterans with less than a high school education). 28.3% of World War II veterans had 8 years or less education, and 26.3% had 1–3 years of high school, which

made 54.6% of the World War II veterans "educationally disadvantaged" by today's standards. The 48 month entitlement period, however, did enable World War II veterans to take 12 months of remedial or preparatory work and still have sufficient benefits to pursue a normal 4 year college education.

Under the World War II GI Bill there were thousands of institutions that provided "educationally disadvantaged" veterans with technical, vocatioal, educational and professional skills and opportunities they would not otherwise have been able to obtain.

B. Vietnam Era

REMEDIAL AND PREPARATORY PROGRAMS

There are three special programs for "educationally disadvantaged" Vietnam era veterans with remedial or preparatory needs that provide the same opportunities as the additional 12 months of education and training entitlement that were available to World War II veterans. They are:

*Free entitlement.* Free entitlement assists veterans with academic deficiencies in attaining a high school diploma, General Educational Development certificate, or refresher or preparatory courses needed to qualify for enrollment in a post secondary program, without charge to a veteran's 36 month entitlement period.

*Predischarge Education Program.* This is the inservice "free entitlement" program. It enables veterans to prepare (without charge to their entitlement) for their future education, training or vocational programs through programs of education or training while in the service.

*Tutorial Assistance.* Tutorial assistance programs provide special help to veterans in overcoming difficulties in a subject required for the satisfactory pursuit of an educational objective. In addition to his educational subsistence allowance, a veteran may receive an additional $50 a month for a maximum of 9 months or until a total of $450 has been used.

OTHER SPECIAL PROGRAMS

*Work Study Program.* The work-study program provides an allowance to veterans pursuing full time programs in exchange for services such as outreach activities, paper processing, school liaison and telephone staffing. The program is currently limited to a maximum $250 allowance for which the veteran must work 100 hours during an enrollment period. The work study program is also restricted to 4 million dollars during a fiscal year.

COST OF INSTRUCTION PAYMENT PROGRAM

The veterans' Cost of Instruction programs provides funds to schools who offer specific services and incentives to attract and assist Vietnam era veterans. The program is funded at 24 million dollars.

INADEQUACIES OF THE VIETNAM ERA GI BILL

Congressional Declaration of intent of the Veterans Educational Assistance Program:

"The Congress of the United States hereby declares that the purpose of the educational program created by this chapter is for the purpose of (1) enhancing and making more attractive service in the armed forces of the United States, (2) extending the benefits of a higher education to qualified and deserving young persons who might otherwise be unable to afford such an education (3) providing vocational readjustment and restoring lost educational opportunities to those servicemen and women whose careers have been interrupted or impeded by military service and (4) aiding such persons in attaining the vocational and educational status they might normally have aspired to and obtained had they not served their country."

The present Veterans Educational Assistance Program violates the intent of Congress by denying education and training opportunities to millions of needy and deserving Vietnam era Veterans. The use of the present GI Bill is inverse to the need for education, training and readjustment assistance.

Vietnam era veterans most able to use the present GI Bill:

1. *Single veterans.* 1 in 2.6 single veterans is currently using his GI benefits for education and training, compared to only 1 in 7.5 veterans with dependents.

2. *Veterans in states with low-cost public education.* "There is a marked difference (35 to 60%) in participation rates between states in the eastern section of the nation and the western section of the nation. This may be due in part to low tuition costs, and greater access to public institutions (particularly junior colleges) in the West."—Department of Veterans Benefits, Veterans Administration, Information Bulletin, April 1973.

VETERANS LEAST ABLE TO USE THE PRESENT GI BILL

1. *Married Veterans.* 2 out of every 3 Vietnam era veterans are married, yet only 1 in 7.5 married veterans is currently using his education and training benefits. Out of 4,700,000 married Vietnam veterans, only 630,000 are using the GI Bill. (42% married vs. 58% single veterans *currently* using the GI Bill).

2. *Black Veterans.* The participation rate for black veterans under the Korean War GI Bill was 53%. It is less than 25% for black Vietnam era veterans.

3. *Educationally Disadvantaged Veterans.* The participation rate for educationally disadvantaged veterans (veterans with less than a high school education) is less than 30% compared to 50% for non-educationally disadvantaged veterans.

4. *Veterans desiring to attend private schools.* 18% of all Vietnam veterans using their benefits for college level programs are enrolled in private institutions with 50% of all World War II veterans enrolled in college level programs at private institutions.

INADEQUACIES OF THE PRESENT GI BILL

A. Discrimination against married veterans and veterans with dependents.

Two thirds of all Vietnam era veterans are married, yet only one in 7.5 (13.8%) married Vietnam veterans is currently using his education and training benefits. (See Appendix A)

The subsistence allowance paid to veterans with dependents goes only half as far in meeting their "living expenses" as does the subsistence allowance paid a single veteran. (See Appendix B) Discounting "educational expenses" (which are constant regardless of the marital status of a veteran) subsistence allowances (as approved by the House of Representatives in H. R. 12628) of: $250 for a single veteran is 1.6% less than the average amount needed for "living expenses", $297 for a veteran with one dependent is 46% less than the average amount needed for "living expenses", and the $339 for a veteran with two or more dependents is 58% less than the average amount needed to meet "living expenses".

On the average a single Vietnam era veteran is 50% better off in meeting his living expenses under the GI bill than is the married veteran.

Married veterans have the difficult burden of pursuing an education and supporting a family. The scarcity of part time employment to supplement GI benefits make it impossible for many married veterans to ever use their benefits. Often, veterans pursuing an education and supporting a family through part-time or full-time employment find that the dual responsibilities place an unacceptable burden on family and academic life. The 1972 Harris survey on veterans readjustment found that 60% of married veterans not in school would use their educational and training benefits if they were provided with adequate financial assistance.

B. Restrictions on the type & number of institutions *available to veterans for education and training.*

1. Public v. private institutions.

The World War II GI Bill paid the full cost of "education expenses" at almost every public and private educational, technical, vocational or professional institution in America. Regardless of his lack of funds, or place of residence, a World War II veteran needed only meet the admissions requirements of an educational or training institution, and the GI Bill would meet the financial requirements up to $500 a school year, the equivalent of $2,517 in today's buying power. In the few institutions where educational expenses exceeded $500 a school year, the veteran could accelerate the consumption of his 48 month entitlement. The World War II GI Bill provided veterans an equal opportunity to attend the educational or training program of their choice. Under the present GI Bill system, many of the colleges, universities, technical and vocational institutions that were open to World War II veterans are closed to Vietnam era veterans who cannot pay their "educational expenses".

The present educational assistance system pays only a monthly subsistence allowance to veterans enrolled in school. If a Vietnam veteran cannot pay the "educational expenses" needed to enter an education or training institution, he will receive none of the benefits that he is entitled to.

"Educational expenses" were not a significant factor in a World War II veteran's choice of educational and training programs and institutions because the GI Bill paid "educational expenses".

"Educational expenses" are a major factor in a Vietnam era veteran's choice of educational and training programs and institutions because the veteran must pay for "educational expenses".

"Educational expenses" determine not only if a Vietnam era veteran will be able to use his benefits at all, but substantially limit the type of educational and training programs and the number of educational and training institutions available to Vietnam era veterans.

Under the World War II GI Bill 50% of the veterans in college level programs attended private colleges and universities. The average cost of "educational expenses" at private college level institutions under the World War II GI Bill was $446 for an ordinary school year (nine months), $54 under the $500 a school year limit.

The 1974 cost of "educational expenses" at a private college level institution is $2,245 a school year, $265 more than a single veteran's entitlement for a school year. This completely rules out a private education for Vietnam veterans without substantial supplemental resources. Less than 20% of the Vietnam era veterans in college level programs are attending private institutions. (See Appendix F and Appendix G)

C. Discrimination against veterans in states with high cost public education.

"The accessibility of postsecondary education for the Vietnam conflict veteran is a function not only of his military service but also his particular state or residence. The effectiveness of the benefits is directly related to the availability of low cost readily

accessible public institutions. The current veteran seeking to use his educational benefits finds that equal military service does not provide equal readjustment opportunities with respect to attendance at post secondary schools."

"It appears that the states are subsidizing the cost of education for veterans of the Vietnam conflict as compared with earlier subsidization by the Veterans Administration. Since higher costs of education appear to reduce participation, this is a significant factor in determining whether the veteran in a particular state will participate in education."—Report of the Educational Testing Service September 19, 1973.

"There is a marked difference in participation rates between states in the eastern section of the nation and the western section of the nation. This may be due in part to low tuition costs, and greater access to public institutions (particularly junior colleges) in the west".—The Veterans Administration DVB Information Bulletin, April 1973.

Analysis of participation rates by state (see Appendix C and Appendix D) indicate a direct correlation between participation and the availability of low cost easily accessible institutions of higher learning.

39% of veterans participating in college level programs attend community colleges compared to 29% for non-veterans.

D. *Restriction to four-year programs of instruction.*

Under the present educational assistance system, a veteran with two or more years of honorable military service is entitled to $7,920 in benefits if he is single, $9,393 if he has one dependent, and $10,728 if he has two deepndents. However, he is restricted to using those benefits at a maximum rate of $220 a month (single), $261 a month (one dependent), and $298 a month (two dependents), over a period of 36 months or longer. *The 36 month restriction on a veteran's use of his benefits is the most serious shortcoming of the Veterans Educational Assistance system.* The 36 month limitation makes the Veterans Educational Assistance Program ineffective except for single veterans attending low cost institutions. This restriction makes it impossible for the two thirds of all Vietnam era veterans to effectively use their GI Bill benefits without substantial supplementation even though they are rightfully entitled to total benefits that would enable many to fulfill their educational or training objectives.

Congress established the GI Bill "to provide vocational readjustment and restore lost educational opportunities to those service men and women whose careers have been interrupted or impeded by active military service". Married veterans often suffer the severest interruption in their family lives, and the greatest impediments to their careers, yet they are denied effective readjustment assistance by the present GI Bill.

Denying veterans access to educational assistance that would enable them to attend two year technical, vocational, or professional institutions, and to complete their education at private institutions or attend graduate, medical or law school, defeats the purpose of the GI Bill.

The Office of Education estimates that only one in five jobs will require a college degree in the next six years. Because the present GI Bill restricts veterans' access to many technical and vocational programs, it is denying large numbers of veterans the alternative of gainful employment in secure and productive careers where college degrees are unnecessary.

The average educational level for all Vietnam era veterans is 12.5 years. Over 1 million Vietnam era veterans have completed one or more years of college prior to or during their military service. If they were attending a private institution, or are married, the current GI Bill does little to restore their lost educational opportunities.

The World War II GI Bill had a provision which enabled veterans to accelerate their benefits if their yearly "educational expenses" exceeded the $500 ceiling. This acceleration provision assured that every World War II veteran had the opportunity and the flexibility to attend the institution and pursue the education and training program of his choice.

ANALYSIS OF VETERANS ADMINISTRATION CLAIMS AND STATISTICS

The Veterans Administration's statistics and claims often convey the impression that the Vietnam era veteran is as well off, or better off, than the World War II veteran. Some of the most frequent VA claims are:

*Claim*

"Nearly 4.5 million veterans and servicemen have trained under the current GI Bill since it went into effect in June 1966" and ". . . the participation rates for Vietnam veterans have now exceeded those of World War II and Korean veterans".—The Veterans Administration Profile of the Vietnam Veteran, March 1974.

*Reality*

The "Veterans Administration has used participation rates *only* as an indicator of what percentage of eligible veterans use their entitlement, and *not as a measure of whether the GI Bill educational programs were serving their intended purpose.*"

"While the Veterans Administration does now collect and report data on degree and vocational objectives, there is little data currently available on completion rates in such programs. *Without this information it is difficult to determine the ultimate effectiveness of the GI Bill use.*

"We have been of the view that the assessment of the effectiveness or quality of education and training has not been explicitly committed to the VA by the Congress. We believe this is a matter which should be considered further."—The Veterans Administration, September 1973.

The Veterans Administration participation rate statistics measures only the number of veterans who have received some benefits and not 1) the number of veterans who have completed educational and training programs, 2) the number of veterans forced to terminate programs and their reasons for termination, 3) the amount of time the veterans participated under the GI Bill, and 4) whether the GI Bill is fulfilling the intent of Congress and meeting its objectives.

*Claim*

"The average Vietnam veteran attending a 4 year public or a 2 year public institution has educational benefits slightly higher than his World War II counterpart when adjustments for changes in the Consumer Price Index are made. 'In terms of buying power,' the educational assistance for Vietnam era veterans is comparable to that available to World War II veterans". *"The Vietnam era veteran actually has $292 (per nine month school year) more in buying power than did the World War II veteran!"*—The Veterans Administration, September 1973.

*Reality*

According to the Department of Veterans Benefits of the Veterans Administration, the $500 paid for tuition, books, and fees and supplies under the World War II GI Bill is currently equivalent to $2,517 in today's buying power. The current dollar value of the World War II subsistance allowance for a nine month school year is $1,278 for no dependents, $1,800 for one dependent, and $2,061 for two or more dependents. By adding the current buying power of the World War II tuition payment and subsistance allowance for a school year and comparing the total to the total a Vietnam Veteran receives from today's GI Bill for a school year ($1,980 for a veteran with no dependents, $2,349 for a veteran with one dependent, and $2,682 for a veteran with two dependents), it is apparent that *the Vietnam era veteran actually has $1,896 (per nine month school year) less in buying power than did the World War II veteran!*

APPENDIX A

AVERAGE MONTHLY "LIVING EXPENSES" FOR VIETNAM ERA VETERANS ATTENDING SCHOOL [1]

| | Single veteran | Married veteran | Married with children |
|---|---|---|---|
| Rent | $87 | $155 | $173 |
| Food | 69 | 128 | 180 |
| Clothing, cleaning and laundry | 20 | 33 | 42 |
| Transportation | 45 | 45 | 45 |
| Medical | 8 | 24 | 30 |
| Child care | | | 23 |
| Miscellaneous | 25 | 48 | 41 |
| Total monthly expenses | 254 | 433 | 534 |
| Total proposed monthly GI bill subsistence payment, H.R. 12628 (includes 13.6 percent increase) | 250 | 297 | 339 |
| Supplemental income needed to meet monthly living expenses | 4 | 136 | 195 |
| Percent difference between subsistence allowance and veterans average living expenses | 1.6 | 46 | 58 |

[1] Source: Educational testing service report (excluding educational expenses and adjusted to January 1974 consumer price index.)

APPENDIX B

GI BILL PARTICIPATION BY DEPENDENCY STATUS

| | Number | Percent |
|---|---|---|
| A. Dependency status of Vietnam era veterans: | | |
| Total Vietnam era veterans | 7,000,000 | 100.0 |
| Total Vietnam era veterans without dependents | 2,300,000 | 33.0 |
| Total Vietnam era veterans with dependents | 4,700,000 | 67.0 |
| B. Dependency status of Vietnam era veterans currently using GI bill benefits: | | |
| Total Vietnam era veterans currently using GI bill | 1,500,000 | 100.0 |
| Total Vietnam era veterans without dependents using GI bill | 870,000 | 58.2 |
| Total Vietnam era veterans with dependents using GI bill | 630,000 | 41.8 |
| | Percentage | Ratio |
| C. Comparison of Vietnam era veterans currently using GI bill benefits to all Vietnam era veterans by dependency status: | | |
| All Vietnam era veterans currently using GI bill to all Vietnam era veterans. | 21.4 | 1 in 5. |
| All Vietnam era veterans without dependents using GI bill to all Vietnam era veterans without dependents. | 37.8 | 1 in 2.6. |
| All Vietnam era veterans with dependents using GI bill to all Vietnam era veterans with dependents. | 13.4 | 1 in 7.5. |

Note: Dependent denotes eligible veteran with child, parent, or wife to support.

Conclusion: Veterans without dependents are currently using GI bill benefits at a rate of 288 percent greater (3 to 1) than veterans with dependents.

APPENDIX C

TABLE A.—RESIDENT AND NONRESIDENT UNDERGRADUATE TUITION RATES AT STATE COLLEGES AND UNIVERSITIES, 1973–74 ACADEMIC YEAR. (WHERE DIFFERENT, 1972–73 TUITION RATES IN PARENTHESIS)

| | Undergraduate tuition and/or required fees | |
|---|---|---|
| | Resident | Nonresident |
| **ALABAMA** | | |
| Ala. A&M U | $280(270) | $630(520) |
| Auburn U | 525(450) | 1,050(900) |
| U. of Alabama | 510 | 1,020 |
| Alabama State U | 405(345) | 630(570) |
| Florence State U | 470(450) | 470(450) |
| Livingston University | 439(430) | 612(603) |
| U. of Ala.—Huntsville | 525 | 1,050 |
| U. of Montevallo | 360 | 570 |
| U. of South Alabama | 579 | 867 |
| **ALASKA** | | |
| U. of Alaska | 472(402) | 1,072(1,002) |
| **ARIZONA** | | |
| Ariz. State U | 320 | 1,210 |
| U. of Arizona | 411 | 1,301 |
| Northern Arizona U | 330(304) | 995(969) |
| **ARKANSAS** | | |
| U. of Arkansas, Fayetteville | 400 | 930 |
| U. of Arkansas, Pine Bluff | 400 | 1,000 |
| Arkansas Polytechnic College | 410 | 940 |
| Arkansas State U | 400 | 700 |
| Henderson State College | 400 | 800 |
| Southern State College | 410 | 680 |
| State College of Arkansas | 410 | 920 |
| **CALIFORNIA** | | |
| U. of California, System | 644 | 2,144 |
| Cal. Maritime Academy | 1,380(1,080) | 1,680(1,380) |
| Cal. St. Polytechnic U.: | | |
| Pomona | 163 | 1,156 |
| San Luis Obispo | 165 | 1,300(1,100) |
| California St. Colleges: | | |
| Bakersfield | 39 | 1,100 |
| Dominguez Hills | 146(143) | 1,256(1,253) |
| San Bernadino | 157 | 1,270 |
| Sonoma | 140 | 1,345(1,250) |
| Cal. St. Universities: | | |
| Chico | 166(160) | 1,276(1,270) |
| Fresno | 168 | 1,278 |
| Fullerton | 160 | 1,270 |
| Humboldt | 163 | 1,399(1,273) |
| Long Beach | 164 | 1,369(1,274) |
| Los Angeles | 165 | 1,236(1,110) |
| Northridge | 164 | 1,145 |
| Sacramento | 160 | 1,110 |
| San Diego | 161 | 716 |
| San Francisco | 164 | 1,110 |
| **COLORADO** | | |
| Colorado State U | 778(570) | 2,069(1,759) |
| U. of Colorado, Boulder | 593(576) | 1,959(1,895) |
| Adams State College | 471(456) | 1,446(1,431) |
| Fort Lewis College | 433(418) | 1,337(1,283) |
| Metropolitan St. College | 330(333) | 1,080(1,062) |
| Southern Colo. St. Coll | 474(450) | 1,489(1,389) |
| U. of Northern Colo | 427(402) | 1,303(1,200) |
| Western St. Coll. of Colo | 358(349) | 1,003(1,315) |
| **CONNECTICUT** | | |
| U. of Connecticut | 715(655) | 1,715(1,555) |
| Central Conn. St. Coll | 570 | 1,410 |
| Southern Conn. St. Coll | 524 | 1,424 |
| Western Conn. St. Coll | 450 | 1,350 |
| **DELAWARE** | | |
| Delaware St. C | 355(345) | 930(920) |
| U. of Delaware | 585(475) | 1,560(1,350) |
| **DISTRICT OF COLUMBIA** | | |
| District of Columbia Teachers Coll | 70 | 1,082 |
| Federal City College | 132 | 852 |
| **FLORIDA** | | |
| Fla. A&M U | 570 | 1,620 |
| Florida State U | 570 | 1,620 |
| U. of Florida | 570 | 1,620 |
| Florida Atlantic U | 570 | 1,620 |
| Florida Technological U | 570 | 1,620 |
| U. of North Florida | 570 | 1,620 |
| U. of South Florida | 570 | 1,620 |
| U. of West Florida | 570 | 1,620 |
| **GEORGIA** | | |
| Fort Valley St. C | 387(382) | 927(922) |
| Georgia Inst. of Tech | 534 | 1,419 |
| U. of Georgia | 539(519) | 1,259(1,239) |
| Albany State College | 435 | 975 |
| Armstrong State College | $405(390) | $945(930) |
| Augusta College | 400(390) | 940(930) |
| Columbus College | 396 | 936 |
| Georgia College | 423 | 963 |
| Georgia Southern Coll | 367(361) | 787(781) |
| Valdosta State College | 429(387) | 969(792) |
| West Georgia College | 417 | 957 |
| **HAWAII** | | |
| U. of Hawaii | 223(233) | 733(743) |
| **IDAHO** | | |
| U. of Idaho | 380(356) | 1,280(1,156) |
| Boise State College | 356 | 1,296 |
| Idaho State U | 276(373) | 1,126(1,123) |
| Lewis-Clark St. College | 240 | 840 |
| **ILLINOIS** | | |
| Southern Illinois U | 579 | 1,437 |
| U. of Ill., Chicago Circle | 636 | 1,626 |
| U. of Illinois, Urbana-Champaign | 686 | 1,676 |
| Eastern Illinois U | 599(691) | 1,445(1,437) |
| Governors State U | 585 | 1,650 |
| Illinois State U | 611(585) | 1,272(1,246) |
| Northeastern Illinois U | 476(520) | 1,322(1,366) |
| Northern Illinois U | 603(574) | 647(617) |
| Sangamon State U | 472(447) | 1,133(1,110) |
| Southern Illinois U. at Edwardsville | 589(584) | 1,447(1,442) |
| Western Illinois U | 561(558) | 1,407(1,404) |
| **INDIANA** | | |
| Indiana U | 682(650) | 1,560(1,490) |
| Purdue U | 700 | 1,600 |
| Ball State U | 630 | 1,260 |
| Indiana State U | 660(600) | 1,260(1,110) |
| **IOWA** | | |
| Iowa State U | 600 | 1,332(1,230) |
| U. of Iowa | 620 | 1,350(1,250) |
| U. of Northern Iowa | 600 | 1,100(1,000) |
| **KANSAS** | | |
| Kansas State U | 526(746) | 1,316(1,066) |
| U. of Kansas | 544(486) | 1,334(1,076) |
| Fort Hays Kansas St. Coll | 475(407) | 970(802) |
| Kan. St. Coll. of Pittsburg | 390 | 885(785) |
| Kansas St. Teachers Coll | 394(386) | 889(781) |
| Wichita State U | 536(459) | 1,327(1,060) |
| **KENTUCKY** | | |
| Kentucky State U | 455(395) | 985(911) |
| U. of Kentucky | 480(405) | 1,210(1,120) |
| Eastern Kentucky U | 420(360) | 950(875) |
| Morehead State U | 420(380) | 950(896) |
| Murray State U | 425(365) | 955(881) |
| North'n Kentucky St. Coll | 420(360) | 950(876) |
| Western Kentucky U | 420(360) | 950(876) |
| **LOUISIANA** | | |
| La. St. U | 320 | 950 |
| Southern U | 284 | 914 |
| Grambling College | 332 | 782 |
| Louisiana Tech U | 334(318) | 964(948) |
| McNeese State U | 290(285) | 530(525) |
| Nicholls State U | 302 | 932 |
| Northeast Louisiana U | 292(270) | 922(900) |
| Northwestern State U | 302(294) | 932(924) |
| Southeastern Louisiana U | 165 | 480 |
| **MAINE** | | |
| Maine Maritime Academy | 600 | 1,350(1,200) |
| U. of Maine: | | |
| Augusta | 400 | 1,400 |
| Farmington | 400 | 1,400 |
| Fort Kent | 430 | 1,430 |
| Machias | 400 | 1,300 |
| Presque Isle | 400 | 1,400 |
| **MARYLAND** | | |
| U. of Maryland, College Park | 698(639) | 1,698(1,439) |
| U. of Md., Eastern Shore | 345(320) | 695(620) |
| Bowie State College | 570(450) | 1,020(655) |
| Coppin State College | 520(335) | 970(685) |
| Frostburg State College | 636(420) | 1,086(770) |
| Morgan State College | 651(460) | 1,051(835) |
| St. Mary's Coll. of Md | 470(460) | 720(710) |
| Salisbury State College | 721 | 1,179(954) |
| Towson State College | 546(436) | 996(886) |
| U. of Md., Baltimore City | 560(500) | 1,560(1,300) |
| **MASSACHUSETTS** | | |
| U. of Mass | 520(469) | 1,320(1,069) |
| Boston St. College | 369(318) | 669 |
| Fitchburg St. College | $300(250) | $600 |
| Framingham St. College | 300(250) | 600 |
| Massachusetts Coll. of Art | 405(353) | 705(703) |
| North Adams St. College | 357(302) | 652 |
| Salem St. College | 400(350) | 800(700) |
| Southeastern Mass. U | 420(370) | 700(650) |
| Westfield St. College | 300(250) | 600 |
| Worcester St. College | 395(345) | 695(645) |
| **MICHIGAN** | | |
| Mich. St. U | 720(675) | 1,620(1,530) |
| U. of Michigan: | | |
| Freshman-Soph | 800(696) | 2,600(2,260) |
| Junior-Senior | 904(696) | 2,800(2,260) |
| Wayne St. U | 704(668) | 1,893(1,857) |
| Central Michigan U | 550(510) | 1,240(1,110) |
| Eastern Michigan U | 565 | 1,353 |
| Grand Valley St. College | 517(480) | 1,305(1,224) |
| Northern Michigan U | 495 | 1,260 |
| Oakland U | 602(557) | 1,562(1,502) |
| Saginaw Valley College | 510(450) | 1,290(1,200) |
| Western Michigan U | 540 | 1,140 |
| **MINNESOTA** | | |
| U. of Minn | 592(550) | 1,522(1,456) |
| Bemidji St. College | 453(416) | 827 (788) |
| Mankato St. College | 333(307) | 580 (555) |
| Moorhead St. College | 333(307) | 508 (555) |
| St. Cloud St. College | 330(308) | 578 (555) |
| Southwest Minn. St. Coll | 453(416) | 824 (787) |
| Winona St. College | 477(438) | 873 (834) |
| **MISSISSIPPI** | | |
| Alcorn A&M C | 400 | 1,000 |
| Mississippi State U | 506 | 1,106 |
| U. of Miss | 516 | 1,116 |
| Alcorn A & M College | 400 | 1,000 |
| Delta St. College | 434(428) | 1,034(1,028) |
| Miss. St. Coll. for Women | 474(465) | 1,074(1,065) |
| Miss. Valley St. College | 400 | 1,000 |
| U. of Southern Mississippi | 320 | 920 |
| **MISSOURI** | | |
| Lincoln U | 370(350) | 640(620) |
| U. of Missouri | 540 | 1,540 |
| Central Missouri St. U | 315(300) | 915(900) |
| Harris Teachers College | 205 | NA |
| Missouri Southern St. Coll | 300 | 710 |
| Missouri Western St. Coll | 340 | 720 |
| Northeast Missouri St. U | 280 | 760 |
| Northwest Missouri St. U | 310(300) | 690(800) |
| Southwest Missouri St. U | 300 | 900 |
| **MONTANA** | | |
| Mont. State U | 476(471) | 1,376(1,318) |
| U. of Montana | 487(471) | 1,387(1,318) |
| Eastern Montana Coll | 450(445) | 1,350(1,292) |
| Montana Coll. of Mineral Science and Technology | 378(375) | 1,278(1,223) |
| Northern Montana Coll | 430(413) | 1,330(1,260) |
| Western Montana Coll | 434(432) | 1,334(1,280) |
| **NEBRASKA** | | |
| U. of Nebraska | 484 | 1,210 |
| Kearney State Coll | 505(403) | 865(711) |
| U. of Neb. at Omaha | 600(492) | 1,508(1,218) |
| Wayne State College | 555(443) | 915(751) |
| **NEVADA** | | |
| U. of Nevada | 519 | 1,719 |
| **NEW HAMPSHIRE** | | |
| U. of New Hampshire | 983(1,033) | 2,233 |
| Keene State College | 617 | 1,450 |
| Plymouth St. Coll. of the U. of New Hampshire | 714 | 1,547 |
| **NEW JERSEY** | | |
| Rutgers U | 725 | 1,310 |
| College of Medicine and Dentistry of New Jersey: | | |
| New Jersey Dental Sch | 1,188 | 1,838 |
| New Jersey Med. Sch | 1,135(1,125) | 1,775 |
| Rutgers Medical Sch | 1,200(1,250) | 1850(1900) |
| Graduate Sch. of Biomedical Sci | 635 | 805 |
| Glassboro St. College | 535 | 1,070 |
| Jersey City St. Coll | 636 | 1,171 |
| Montclair St. Coll | 679 | 1,339 |
| Newark Coll. of Engineer | 632 | 1,216 |
| Ramapo Coll. of N.J | 674 | 1,209 |
| Stockton St. College | 666 | 1,201 |
| Trenton State College | 640 | 1,175 |
| **NEW MEXICO** | | |
| New Mexico State U | 466 | 1,296 |
| U. of New Mexico | 456 | 1,284 |
| Western New Mexico U | 333 | 900 |

APPENDIX C—Continued

TABLE A.—RESIDENT AND NONRESIDENT UNDERGRADUATE TUITION RATES AT STATE COLLEGES AND UNIVERSITIES, 1973–74 ACADEMIC YEAR, (WHERE DIFFERENT, 1972–73 TUITION RATES IN PARENTHESIS)

| | Undergraduate tuition and/or required fees | |
|---|---|---|
| | Resident | Nonresident |
| **NEW YORK** | | |
| City U. of New York | $70 | $620 |
| Cornell U. (statutory) | 1,350(1,200) | 1,950(1,800) |
| State U. of New York: | | |
| Fresh-Soph | 750(740) | 1,175(1,165) |
| Junior-Senior | 900(890) | 1,400(1,390) |
| Queens College of City U. of New York | 138 | 1,338(1,038) |
| State U. of New York: | | |
| Empire State College | 900(786) | 1,468(1,234) |
| Maritime College | 800[600] | 1,300 900] |
| St. U. of N.Y. Colleges: | | |
| Brockport | 890[740] | 1,390[1,165[ |
| Buffalo | 887[737] | 1,387[1,162 |
| Fredonia | 800[650] | 1,300[1,075 |
| Geneseo | 800[650] | 1,300[1,075 |
| New Paltz | 875[725 | 1,375[1,150] |
| Old Westbury | 800[650] | 1,300[1,075 |
| Oneonta | 800[650] | 1,300[1,075 |
| Oswego | 800[650] | 1,300[1,075 |
| Plattsburgh | 800[650] | 1,300[1,075 |
| Potsdam | 895[885] | 1,395[1,385] |
| | [745(735)] | [1,170(1,160)] |
| Purchase | 650 | 1,075 |
| Utica/Rome | 800 | 1,300 |
| **NORTH CAROLINA** | | |
| N.C. A&T U | 542(525) | 2,075(2,074) |
| N.C. State U | 474(427) | 2,034(2,002) |
| U. of North Carolina | 439(422) | 1,997 |
| Appalachian St. U | 485(467) | 2,070(2,067) |
| East Carolina U | 438(423) | 2,004 |
| North Carolina Central U | 443(421) | 2,043(2,021) |
| Pembroke St. U | 389(390) | 1,730 |
| U. of N.C. at Wilmington | 368(396) | 1,923(1,936) |
| Western Carolina U | 169(166) | 691(699) |
| Winston-Salem St. U | 490(472) | 1,875(1,872) |
| **NORTH DAKOTA** | | |
| N. Dak. St. U | 435 | 1,164 |
| U. of N. Dak | 456 | 1,184 |
| Dickinson S. College | 415(406) | 952(943) |
| Mayville St. College | 305 | 852 |
| Minot St. College | 400 | 937 |
| Valley City St. College | 405(396) | 942(933) |
| **OHIO** | | |
| Kent St. U | 804 | 2,004 |
| Miami U | 780 | 1,980 |
| Ohio State U | 750 | 1,800 |
| Bowling Green St. U | 780 | 1,179(1,143) |
| Central St. U | 663(648) | 1,188(1,173) |
| U. of Akron | 705 | 1,605 |
| U. of Toledo | 780 | 1,935 |
| Wright St. U | 780(750) | 1,680(1,650) |
| Youngstown St. U | 630(570) | 1,200(1,050) |
| **OKLAHOMA** | | |
| Langston U | 337 | 832 |
| Oklahoma State U | 456 | 1,236 |
| U. of Okla | 448 | 1,200 |
| Central St. U | 340 | 835 |
| East Central St. College | 348 | 843 |
| Northeastern St. College | 352(345) | 847(840) |
| Northwestern St. College | 332(327) | 827(822) |
| Oklahoma College of Liberal Arts | 335 | 830 |
| Southeastern St. College | 355 | 835 |
| Southwestern St. College | 330 | 825 |
| **OREGON** | | |
| Oreg. St. U | 451(425) | 1,633(1,484) |
| U. of Oregon | 566(534) | 1,748(1,593) |
| Eastern Oregon St. College | 549(519) | 1,392(1,239) |
| Southern Oregon College | 549(513) | 1,392(1,233) |
| **PENNSYLVANIA** | | |
| Pennsylvania St. U | 900(885) | 2,100(1,986) |
| Temple U | 1,050(970) | 1,950(1,870) |
| U. of Pgh | 1,012(982) | 2,002(1,972) |
| Bloomsburg St. Coll | 750(700) | 1,500(1,400) |
| California State College | 820(770) | 1,570(1,470) |
| Cheyney State College | 415(780) | 1,576(1,470) |
| Clarion State College | 750(700) | 1,380 |
| East Stroudsburg St. Coll | 840(790) | 1,470 |
| Edinboro State College | 750(700) | 1,380 |
| Indiana U. of Pennsylvania | 750(700) | 1,500(1,400) |
| Kutztown State College | 750(700) | 1,380 |
| Lincoln U | 1,018(1,418) | 1,718(1,418) |
| Lockhaven State College | 750(700) | 1,380 |
| Mansfield State College | NA(760) | NA(1,450) |
| Millersville State College | 750(700) | 1,500(1,380) |
| Slippery Rock State Coll | 750(700) | 1,500(1,380) |
| **RHODE ISLAND** | | |
| U. of Rhode Island | $761 | $1,661 |
| Rhode Island College | 490 | 1,175 |
| **SOUTH CAROLINA** | | |
| Clemson U | $640 | $1,340 |
| S.C. State C | 480 | 960 |
| U. of South Carolina | 570 | 1,280 |
| Francis Marion College | 410 | 910 |
| Winthrop College | 560(470) | 1,220(1,130) |
| **SOUTH DAKOTA** | | |
| S. Dak. St. U | 596(510) | 1,337(1,132) |
| U. of S. Dak | 554(500) | 1,259(1,076) |
| Black Hills State College | 525(455) | 1,058(874) |
| Dakota State College | 550(488) | 1,017(936) |
| Northern State College | 397(345) | 390(765) |
| U. of South Dakota at Springfield | 492(436) | 1,024(856) |
| **TENNESSEE** | | |
| Tennessee State U | 351 | 1,161(1,071) |
| Austin Peay State U | 318 | 1,128(1,038) |
| East Tennessee State U | 378 | 1,188(1,113) |
| Memphis State U | 348 | 1,068(948) |
| Middle Tennessee State U | 358 | 1,168(1,078) |
| U. of Tennessee: | | |
| Chattanooga | 416(396) | 1,226(1,116) |
| Martin | 414(390) | 1,224(1,110) |
| **TEXAS** | | |
| Prairie View A&M U | 198 | 1,422 |
| Texas A&M U | 288(279) | 1,368(1,359) |
| Texas Southern U | 346(284) | 1,422(1,364) |
| Texas Tech. U | 292(290) | 1,444(1,442) |
| U. of Houston | 266(256) | 1,346(1,336) |
| U. of Texas, Austin | 378(267) | 1,458(1,347) |
| Angelo St. U | 300(280) | 1,380(1,360) |
| East Texas St. U | 322(250) | 1,402(1,330) |
| Midwestern U | 120 | 1,200 |
| North Texas St. U | 170(152) | 710(692) |
| Sam Houston St. U | 276 | 1,356 |
| Southwest Texas St. U | 270(218) | 1,350(1,298) |
| Stephen F. Austin St. U | 280 | 1,360 |
| Texas A&I U. Kingsville | 270(190) | 1,350(1,270) |
| West Texas St. U | 280 | 1,360 |
| **UTAH** | | |
| U. of Utah | 480 | 1,155 |
| Utah St. U | 453(438) | 963(948) |
| Weber State College | 405 | 810 |
| **VERMONT** | | |
| U. of Vermont | 1,088(1,086) | 2,688(2,536) |
| Castleton St. College | 720 | 1,850 |
| Johnson St. College | 720 | 1,850 |
| Lyndon St. College | 720 | 1,850 |
| **VIRGINIA** | | |
| U. of Virginia | 622(597) | 1,447(1,372) |
| Virginia Poly Inst. & State U | 627 | 1,227 |
| Virginia State C | 690 | 1,150(950) |
| George Mason College | 690(640) | 1,410(1,360) |
| Longwood College | 585(500) | 935(850) |
| Madison College | 652(647) | 1,077(1,072) |
| Mary Washington Coll | 792(762) | 1,547(1,517) |
| Old Dominion U | 470 | 870 |
| Radford College | 480(462) | 879(861) |
| Virginia Commonwealth U | 590(540) | 1,190(1,080) |
| **WASHINGTON** | | |
| U. of Washington | 564 | 1,581 |
| Washington St. U | 564 | 1,581 |
| Central Washington St. Coll | 495 | 1,359 |
| E. Washington St. Coll | 495 | 1,359 |
| Evergreen St. Coll | 495 | 1,359 |
| W. Washington St. Coll | 495 | 1,359 |
| **WEST VIRGINIA** | | |
| W. Virginia U | 310 | 1,140 |
| Bluefield State College | 242(240) | 992(990) |
| Concord College | 240 | 990 |
| Fairmont State College | 242(232) | 992(982) |
| Marshall U | 282 | 1,082 |
| Shepherd College | 280 | 1,030 |
| West Liberty State College | 270(250) | 1,020(1,000) |
| W.Va. Institute of Tech | 277(260) | 1,027(1,010) |
| West Virginia State Coll | 250 | 1,000 |
| **WISCONSIN** | | |
| U. of Wisconsin—Madison: | | |
| Freshman-Soph | 573(558) | 1,906 |
| Junior-Senior | 628(558) | 2,006(1,906) |
| U. of Wisconsin: | | |
| Eau Claire | $604(528) | $1,846(1,673) |
| La Crosse | 611(535) | 1,853(1,680) |
| Oshkosh | 602(526) | 1,844(1,671) |
| Platteville | 620(544) | 1,862(1,689) |
| River Falls | 627(537) | 1,869(1,680) |
| Stevens Point | 519(518) | 1,717(1,663) |
| Stout | 604(528) | 1,846(1,673) |
| Superior | 610(534) | 1,852(1,679) |
| Whitewater | 607(531) | 1,849(1,676) |
| **WYOMING** | | |
| U. of Wyoming | 411 | 1,377 |

Sources: National Association of State Universities and Land-grant Colleges and American Association of State Colleges and Universities.

APPENDIX D

TABLE B.—VIETNAM-ERA VETERAN GI BILL ENROLLMENT IN JUNIOR AND 4-YEAR COLLEGES BY STATES BASED ON PARTICIPATION RATES

| | April 1973 Vietnam Era veteran population | Percent ever in college under GI bill |
|---|---|---|
| 1. California | 756,000 | 37.0 |
| 2. North Dakota | 15,000 | 36.6 |
| 3. Arizona | 64,000 | 34.2 |
| 4. New Mexico | 32,000 | 31.0 |
| 5. Oregon | 81,000 | 30.0 |
| 6. Idaho | 22,000 | 29.3 |
| 7. Utah | 40,000 | 29.0 |
| 8. Washington | 142,000 | 28.9 |
| 9. Wyoming | 11,000 | 28.9 |
| 10. South Dakota | 15,000 | 28.7 |
| 11. Hawaii | 29,000 | 28.5 |
| 12. Colorado | 85,000 | 27.7 |
| 13. Oklahoma | 91,000 | 26.3 |
| 14. Kansas | 69,000 | 26.2 |
| 15. Florida | 224,000 | 26.1 |
| 16. Montana | 24,000 | 26.1 |
| 17. Texas | 355,000 | 25.7 |
| 18. Nebraska | 44,000 | 25.2 |
| 19. Michigan | 266,000 | 23.0 |
| 20. Wisconsin | 130,000 | 22.1 |
| 21. Alabama | 93,000 | 21.9 |
| 22. North Carolina | 142,000 | 21.9 |
| 23. Missouri | 147,000 | 21.6 |
| 24. Illinois | 321,000 | 21.6 |
| 25. New York | 478,000 | 21.3 |
| 26. Minnesota | 133,000 | 21.2 |
| 27. Mississippi | 46,000 | 21.1 |
| 28. Maryland | 139,000 | 21.1 |
| 29. Louisiana | 97,000 | 20.9 |
| 30. Tennessee | 119,000 | 20.4 |
| 31. Rhode Island | 34,000 | 20.1 |
| 32. Arkansas | 53,000 | 19.9 |
| 33. Massachusetts | 188,000 | 19.8 |
| 34. Connecticut | 95,000 | 19.4 |
| 35. Iowa | 83,000 | 19.2 |
| 36. Virginia | 158,000 | 19.4 |
| 37. Delaware | 20,000 | 18.9 |
| 38. West Virginia | 46,000 | 18.5 |
| 39. South Carolina | 80,000 | 18.4 |
| 40. Nevada | 20,000 | 17.6 |
| 41. Maine | 30,000 | 17.5 |
| 42. Georgia | 152,000 | 17.3 |
| 43. New Jersey | 208,000 | 17.0 |
| 44. New Hampshire | 28,000 | 16.9 |
| 45. Ohio | 336,000 | 16.8 |
| 46. Pennsylvania | 357,000 | 16.4 |
| 47. Kentucky | 87,000 | 16.4 |
| 48. Alaska | 12,000 | 18.0 |
| 49. Indiana | 167,000 | 14.3 |
| 50. Vermont | 14,000 | 14.2 |

Source: Derived from Veterans' Administration, DVB, IB 24-73-3, Appendix table 13.

## KIDNEY DISEASE QUESTIONNAIRE—II

Mr. HARTKE. Mr. President, as we approach the debate on national health insurance, it is vital that we take a look at the experience of other health programs involving the Federal Government to learn from their mistakes and failures.

The kidney disease program under medicare is the only national health program which recognizes health care as a matter of right.

Mr. President, I ask unanimous consent that the second portion of letters received in response to a questionnaire which I sent to hospital associations throughout the country earlier this year be printed in the RECORD.

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

SAINT FRANCIS HOSPITAL,
*Waterloo, Iowa, April 10, 1974.*

Hon. Senator VANCE HARTKE,
*U.S. Senate,*
*Washington, D.C.*

DEAR SENATOR HARTKE: Your letter of March 15, 1974, regarding Public Law 92–603, section for Chronic Renal Disease, was referred to St. Francis Hospital, one of nine Iowa Hospitals providing Renal Dialysis.

The difficulties encountered at the inception of the program were comparable to those brought about by every government program to date, namely, the law becomes effective before the policies and procedures are worked out and communicated. In this case there was lack of information about billing procedures. As a consequence, billing errors occurred. In addition, long delays in payment (up to three months without any reimbursement) resulted in a backlog of over $28,000.00. We received our first payment of $9,550.00 on October 28, 1973, four months after the program started.

The backlog that still exists is one primarily due to lack of information in the beginning. Errors on original billings have not been corrected, e.g., $13,292.25 correction in process and $2,003.95 due since August for deceased patient.

We believe that two changes should be made in the regulation:

(1) Hospitals should receive payment for billed charges; and

(2) Payment for routine services of physicians should be made directly to physician.

Thank you for your concern in improving this program.

Sincerely,

SISTER ERNA,
*Assistant Administrator.*

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TRINITY REGIONAL HOSPITAL,
*Fort Dodge, Iowa, April 1, 1974.*

Hon. VANCE HARTKE,
*U.S. Senate,*
*Washington, D.C.*

DEAR SENATOR HARTKE: The Iowa Hospital Association asked that I respond to your letter of March 15, 1974, inquiring about the impact of Public Law 92–603—hemodialysis provisions. I will attempt to answer as many of your questions as possible.

Our problems with the program center around two main areas: (1) the actual mechanics required in filing for and receiving reimbursement on hemodialysis patients, and (2) the arbitrary $150.00 per treatment limit established for reimbursement.

The following information is submitted to address the first of these problems and explain the specific impact of the program on our workload. We have experienced increased clerical work in preparing hemodialysis claims as compared to other routine medicare claims because of the following:

1. Laboratory charges must be separated into routine and non-routine categories. Research and documentation in this area requires a considerable amount of time.

2. Form 2742 (Personal History) must accompany the first claim form submitted and Form 2743 must accompany each 483 claim form submitted (monthly). These are time consuming.

3. Since medicare has now indicated that they will pay 80% of the covered charges it requires additional claims processing for non Blue Cross coinsured patients. In one instance settlement of complete coverage required preparation of three different types of claims.

4. Limited non Blue Cross coinsurance coverage carried by some patients will require collection of a portion of the balance over medicare from the patient. Since a portion of the patient balance will not be collectible from the patient, it will require special handling and billing techniques that must be done manually.

5. Changes in the interpretation of the reimbursement schedule have required modification of our procedures of consolidating information for the preparation of claim forms. We were originally told that the full settlement would be made by medicare and the collection of coinsurance would be unnecessary. This has now been converted to the present reimbursement formula.

These factors have required the scheduling of additional hours and even overtime hours that are devoted exclusively to the hemodialysis claims procedures. This has led to what amounts to at times the involvement of one full-time claims clerk in dealing with renal dialysis claims exclusively.

The second major problem area is the $150.00 per treatment (which includes the physician's fee) restriction placed on hemodialysis patients. The majority of hemodialysis units in the State of Iowa were established as satellite units of the University of Iowa, Iowa City. The intent of establishing satellite units was to make dialysis more readily available to the general population rather than requiring patients to drive to Iowa City for treatment. It was felt that if the patient could remain at home he/she would be able to retain their job and therefore, would less likely become a burden to society. It was recognized at the outset that this would mean that the satellite units would have comparatively low volume and higher unit costs then would exist at the University Hospital center in Iowa City.

The $150.00 limitation on reimbursement places these low volume units in a situation where, in most cases, they are receiving a lower reimbursement than their unit costs of providing the service. For example, in at least three of the satellite units in the State of Iowa including Trinity Regional Hospital, the average cost per unit is greater than $150.00 not including the physician's fee. The obvious conclusion to this is that a unit forced to operate this service on a loss basis may not elect to offer this service in the future. It has been discussed among the satellite units in the State of Iowa and to the extent they are forced into this position many would in fact elect not to offer hemodialysis as a service within their hospital. It would not be economically feasible on a loss basis in lieu of the myriad of financial demands on the hospital and the constraints of the Economic Stabilization Plan and 3rd Party Reimbursement (i.e. the limitation of reimbursement to the hospital based upon cost or charges whichever is lower).

I strongly urge you to insist that the Senate Finance Committee suggest changes in regulations which govern the program in the following areas:

(1) Repeal the $150.00 limitation and reimburse for dialysis as with other acute services. (Section 1122 of P.L. 92–603 will discourage overdevelopment of dialysis units.)

(2) Revise the claims filing methodolgy with a view toward simplification.

(3) Allow the physician to bill separately for care rendered to dialysis patients instead of requiring that he contract with the hospital which is unfair to both parties.

On behalf of our dialysis patients both present and future I would be grateful for any positive influence you can bring to bear in this area.

My sincere thanks for your interest and consideration in this matter.

Respectfully,

GARY L. EDWARDS,
*Acting Administrator.*

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UNIVERSITY OF IOWA,
*Iowa City, Iowa, April 30, 1974.*

Hon. Senator VANCE HARTKE,
*U.S. Senate,*
*Washington, D.C.*

Re Your letter of March 15, 1974 regarding Public Law 92–603

DEAR SENATOR HARTKE: Under separate cover, Dr. Richard Freeman has answered in some detail regarding the implementation of Public Law 92–603 and the considerable delays that have arisen with respect to that implementation. As Chairman of the Transplantation Committee of the University of Iowa Hospitals, I should like to add that these problems, unless resolved, have the potential impact of creating very unnecessary and costly duplication of dialysis and transplantation facilities here at the University of Iowa and in other parts of our state-wide program. The central piece of legislation that still is unresolved is whether a Veterans Administration Hospital can be a provider of services under this law. Our transplantation-dialysis program is truly and maximally integrated utilizing the best of both institutions to provide chronic dialysis, home dialysis, and transplantation to veteran and non-veteran patients throughout the region. As examples, all of the home dialysis training is done in the Veterans Administration Hospital, approximately one-half of the chronic dialysis patients are non-veteran, whereas all of the transplantation surgery and immediate followup care is provided at the University Hospital. Finally, the followup transplantation clinic is held at the VA Hospital. I stress this only to illustrate the degree of inter-relation, and to perhaps make it clear why separation would destroy this cooperation and necessitate very expensive duplication of facilities, and even more profound, duplications of professional and supportive staff.

It is my understanding that the question as to whether the VA can be a provider under Public Law 92–603 has already consumed a great deal of thought and is currently being reviewed by the Office of Management and Budget, but early resolution is critical to this institution since we are continuing the program of both dialysis and transplantation without any payment being made to the Veterans Administration Hospital. How long they will be able to support this care without making some compromises in the program is uncertain. Quite laudably, the Hospital Director and his superiors have taken the position that they must not reduce their support and commitment to the patients of this region until such time as either the issue is favorably resolved or comparable facilities can be built, but the monies incurred for non-veteran support are limited and the matter is of very great concern to everyone involved.

I, and everyone associated with the dialysis-transplantation program, would be pleased to provide further information if you so desire. We appreciate your interest and concern about the administration of Public Law 92–603 and the problems which appear to have been inadvertently created.

Sincerely,

JOHN S. THOMPSON, M.D.,
*Chairman, Transplantation Committee, Vice Chairman and Professor, Chief, Medical Service, VA, Hospital.*

UNIVERSITY OF IOWA,
*Iowa City, Iowa, April 16, 1974.*

Hon. Senator VANCE HARTKE,
*U.S. Senate,*
*Washington, D.C.*

DEAR SENATOR HARTKE: This is in response to your letter of March 15, 1974 to the Iowa Hospital Association requesting information about the experience of Iowa hospitals and physicians with regard to the Chronic Renal Disease program established under Public Law 92–603.

This experience fiscally can be summarized at the University of Iowa Hospitals and Clinics as follows:

A. Medicare will not cover services furnished our Medicare patients which we purchase from Veterans Administration Hospital at Iowa City in order to avoid unnecessary duplication of medical facilities:

*Exhibit I* describes the problem to SSA.

*Exhibit I–a* is the SSA response which does not resolve the fundamental problem and indicates the Central Offices in Washington of the SSA and VA have the matter under discussion.

B. We have approximately $600,000 in Chronic Renal Disease claims in our accounts receivable for which payment has not been made to us because of lack of clarity in the implementation regulations. This lack of clarity results in submitted claims being held in process for months by the intermediary or delays our submission of claims to the intermediary. A good example relating to one element of the CRD program is the charge for organ acquisition.

*Exhibit II* is a letter dated August 28, 1974 wherein (See question IV) we request clarification of how to calculate charge for organ acquisition.

*Exhibit II–a* gives the SSA response to questions I, II and III, however, as of April 8, 1974 we have not had a response to question IV.

In conclusion, since July 1, 1973 Medicare payments received for services furnished Chronic Renal Disease patients have been essentially insignificant. We have reached the point where the economic stability of the total institution is being jeopardized by this program. We appreciate your interest, and if there is other clarification or documentation which you desire, please let us know.

Sincerely,
KENNETH H. YERINGTON, C.P.A.,
*Director, Financial Management and Control.*

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UNIVERSITY OF IOWA,
*Iowa City, Iowa, January 25, 1974.*

Mr. JERRY SCONCE,
*Program Officer, Bureau of Health Insurance, SSA, Department of Health, Education, and Welfare, Region VII, Federal Building, Kansas City, Mo.*

DEAR MR. SCONCE: Mr. Richard Heger, Assistant Vice President for Provider Reimbursement, Hospital Service, Inc. of Iowa, our Medicare intermediary, has referred us to your office for follow-up and resolution of the following problem:

University of Iowa Hospitals and Clinics and Veterans Administration Hospital are situated at adjacent locations in Iowa City, Iowa. They conduct a joint renal program for their respective patients. We have been informed by the intermediary that when renal services are purchased from Veterans Hospital "under mutual use sharing arrangement" for University Hospitals' patients who are beneficiaries under the Medicare program they will not be "covered services" nor will such purchased service costs be reimbursable by the Medicare Program to University Hospitals. The rationale for this position is that the Veteran's Hospital is also a federal program and if the Medicare Program reimburses University Hospitals for services it purchases from Veteran's Hospital for Medicare patients, the federal government has, in effect, paid twice for such services:

Our understanding is that as a result of our payments to Veteran's Hospital the federal tax monies required to support Veteran's Hospital have been reduced. Thus, there is no duplication of payment and furthermore, there is as a consequence, a more appropriate accounting picture of the true costs of each federal program.

The significance and adverse nature of the intermediary's ruling can be outlined as follows:

(a) We are presently purchasing renal services from Veteran's Hospital at the rate of $450,000 annually.

(b) Because of the broad scope of the Medicare Chronic Renal Disease Program, these purchased services are almost exclusively applicable to beneficiaries of that program.

(c) If University Hospitals renal patients are to be provided the care to which they are entitled, and if the cost of such care purchased from Veteran's Hospital by University Hospitals for its Medicare beneficiaries patients is not recoverable from the Medicare Program, then it will be necessary for University Hospitals to expand its facilities and staff to provide these services because Veterans Hospital has no economic interest in providing $450,000 of annual free care to University Hospital patients.

(d) This, of course, will result in duplication of facilities resulting in minimal and possibly no reduction in cost at Veteran's Hospital and considerably in excess of $450,000 additional cost at University Hospitals. Inasmuch as the Medicare Program will reimburse University Hospitals if it provides the services, this will result in duplication of costs supported by taxpayers and patients because the Veteran and Medicare health programs are both federal programs.

In conclusion, we ask for your ruling that services we purchase from Veteran's Hospital be allowed as covered services and as reimbursable costs under the Medicare Program. Because of the magnitude of the problem, both fiscally and in providing appropriate care to which our Medicare patients are entitled, we ask that, if necessary for a favorable ruling, the matter be pursued immediately through to the very highest level of the Department of Health, Education and Welfare. If you have any questions or need additional data, please do not hesitate to contact me.

JOHN W. COLLOTON,
*Director and Assistant Vice President for Health Affairs.*

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DEPARTMENT OF HEALTH,
EDUCATION, AND WELFARE,
*Kansas City, Mo., March 11, 1974.*

Mr. JOHN W. COLLOTON,
*Director and Assistant Vice President for Health Affairs, the University of Iowa, Iowa City, Iowa.*

DEAR MR. COLLOTON: In your letter of January 25, 1974 you expressed your concern with the impact of Medicare policy as it relates to reimbursement for services provided by the VA hospitals on the treatment of chronic renal disease patients in Iowa. Ed Brennan of my staff has also been in contact with you regarding your letter. The issue you raised of reimbursement for services rendered by VA providers has become especially crucial in the area of renal dialysis and kidney transplant services and, since the implementation of the chronic renal disease provision of the Medicare Law, numerous situations have come to the attention of the Bureau of Health Insurance. We would like to summarize and clarify the present Medicare policy as it relates to services rendered by the Veterans Administration hospitals.

The interim regulations implementing Section 290 I of Public Law 92–603 did not modify Medicare's coverage of services provided in a VA facility. The law still prohibits Medicare payments to Federal providers of service except one which is providing services to the public generally as a community institution and for certain emergency services. However, the Bureau of Health Insurance is continuing to actively explore with representatives of the Veterans Administration possible approaches to the use of VA resources where coordination is medically appropriate and legal under both programs.

Presently, as with the University of Iowa Hospital and the Veterans Administration Hospital, contracts for an exchange or purchase of services relating to renal dialysis and transplant are in effect, and Medicare renal providers are desiring to bill the program for costs incurred in purchasing the services.

Services, such as incidental diagnostic and therapeutic services that are purchased from the VA hospital "under arrangements" are reimbursable to the participating provider. These must be of the type which meet the very specific requirements set out in Section 207 of the Hospital Manual for purchase "under arrangements." For example, laboratory services, radiology and tissue typing if purchased under arrangements from a VA hospital could be includable Medicare costs. However, services such as room, board, routine medications, nursing services, operating and recovery room are not considered the type of service that can be purchased under arrangements, and costs incurred for their purchase would not be reimbursable under Medicare. This would prohibit reimbursement for transplants performed in the VA hospital.

Outpatient renal dialysis services furnished to a Medicare beneficiary by a VA hospital under arrangements with a participating hospital are not reimbursable under the current policy described above since the participating hospital would be functioning only as a billing channel for the VA hospital and would not be providing any direct services to the patient or exercising professional responsibility over the patient's care. However, with respect to renal dialysis services furnished to an inpatient of a participating provider by a VA hospital under arrangements, reimbursement may be made to the Medicare hospital providing: (1) the need for dialysis is not the sole purpose of hospitalization; (2) the patient is taken to the VA hospital only for the limited purpose of dialysis and is returned to the participating hospital as soon as medically practical; and (3) the patient remains an inpatient of the participating hospital which continues to exercise professional responsibility for his overall care.

A participating hospital may purchase cadaver kidneys for transplantation to Medicare beneficiaries from nonparticipating hospitals, including VA hospitals, when an equally suitable kidney is not available from a participating provider. The second paragraph of the Coverage Section of the Manual of Instructions for Chronic Dialysis Provider Limited Care Facilities dated July 11, 1973, provides for this reimbursement.

We have forwarded a copy of the contract between the University of Iowa Hospital and the Veterans Administration Hospital to Blue Cross of Iowa for their determination of which expenses would be allow-

able costs. You will be contacted shortly by the intermediary to discuss the specific costs involved.

Please contact us if problems should arise or if you have any questions concerning this letter. We would like to express our appreciation for your letter of concern and we have forwarded it to the appropriate person in our Central Office for aid in the discussions that are presently being conducted between the Veterans Administration and the Social Security Administration.

Sincerely,

WARREN H. ROBINSON,
*Regional Representative, Health Insurance, SSA.*

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UNIVERSITY OF IOWA,
*Iowa City, Iowa, August 28, 1973.*

Mr. ROBERT KUHLMAN,
*Medicare Coordinator, Hospital Service Inc. of Iowa, Medicare Fiscal Intermediary Liberty Building, Des Moines, Iowa*

DEAR MR. KUHLMAN: In our review of the interim regulations covering the Medicare Chronic Renal Disease (CRD) program the following questions have arisen:

QUESTION I

What services are billable to the Medicare program when a patient receives an organ transplant on June 27, 1973 and is discharged July 16, 1973. If he is eligible for medicare coverage July 1, 1973 are all services rendered in connection with this hospitalization (whether rendered prior to or after July 1, 1973) fully covered by the program?

QUESTION II

A provider hospital elects to replenish supplies consumed by home dialysis patients. The provider has determined that a "three month" replenishment quantity is the most economical and practical order size. Can these three month replenishment orders be billed in total to the program at the time of delivery to the home dialysis patient?

QUESTION III

A provider elects not to provide home dialysis equipment on a rental basis. If the provider is willing to purchase such equipment for the patient, can the provider bill the program for the cost (including installation) of the equipment in total upon its delivery to the patient?

QUESTION IV

The regulations are unclear as to what costs are included in the organ excision cost center and the derivation of the standard organ charge relative to live donor acquired organs. Assuming that on July 1, 1973 the Hospital employed a clairvoyant accountant who provided the following facts relative to 1973–74 transplant services:

a. 75 organs will be acquired in the following manner:

1. 5 are to be acquired from other hospitals:
(a) VA Hospital,[1] 2 at $1,000 each equals $2,000.[2]

(b) St. Luke's, 1 at $1,300 each equals $1,302.[2]

(c) Mercy, 2 at $1,200 each equals $2,400.[2]

The total of 5 above equals $5,700.

2. 8 are to be excised from cadavers at University Hospitals at a cost of $1,000 each equals $8,000.[3]

3. 2 are to be excised from live donors who are relatives of the transplant recipient. The donors hospitalization costs may be summarized as follows using charges recorded for services furnished the donor (assume that the hospitals actual allowable costs are precisely coordinate with its charges).

| | Donor A | Donor B | Total |
|---|---|---|---|
| Routine services (room and board) | $975 | $845 | $1,820 |
| Operating room | 420 | 406 | 826 |
| Anesthesia | 100 | 100 | 200 |
| X-ray, laboratory, drugs, blood, and other hospital services | 540 | 500 | 1,040 |
| Surgeon and anesthesiologist fee | 868 | 868 | 1,736 |
| Total | 2,903 | 2,719 | 5,622 |

4. Histocompatability Tissue Typing Cost is $5,700.

5. Total cost of organs from all sources as set forth above are $25,022.

b. 5 of the 15 organs will not be transplanted as they were not preservable.

c. Based on the above data, what is the appropriate "standard charge" for the 10 excised organs to be billed by University Hospitals in the following circumstances:

NUMBER OF ORGANS TRANSPLANTED

1. Two organs furnished other "provider" hospitals: 2.

2. Organs transplanted in Donee patients: Donee A (brother of Donor A)—1; Donor B (brother of Donor B)—1.

3. Organ transplanted in VA Hosp. Iowa City patients who were transferred to University Hospitals for Transplant Services: 2.

4. Other University Hospital patients: 4.

We would appreciate your prompt response to the above questions as we have claims pending relative to these matters.

Sincerely,

KENNETH H. YERINGTON,
*Director, Financial Management and Control.*

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SEPTEMBER 11, 1973.

Mr. ROBERT G. KUHLMAN,
*Assistant Medicare Coordinator, Hospital Service, Inc. of Iowa, Liberty Building, Des Moines, Iowa.*

DEAR MR. KUHLMAN: You wrote August 30, 1973, asking us to comment on questions relating to the renal disease provisions raised by The University of Iowa. We are delaying our answer to question number IV as we are coordinating our investigation with the national policy regarding requirements for the establishment of separate cost centers.

Reimbursement may be made for a transplant, if all other coverage requirements are met, only if it is performed on July 1, 1973, or after. However, if the transplant occurred after July 1 and the kidney was excised at some earlier date, these excision costs may be included in the bill for the transplant.

If a provider bills for a three month quantity of supplies for a home dialysis patient at the time of delivery, this would be acceptable. Note, however the limitation regarding supplies on page 10 of the advance Intermediary Letter on renal disease. Even though the Manual for Provider Limited Care Facilities indicates only one month's supply can be billed, the policy has changed and the provider can bill quarterly for disposable supplies.

A provider may be reimbursed under Part B on a reasonable cost basis for durable medical equipment which it sells to a beneficiary for use in his home. Page 32 of the Chronic Dialysis Provider Limited Care Facilities Manual points out that the provider must submit one SSA–1483 for the purchase price including installation and the intermediary must determine periodic monthly payments and make payment to the provider in installments. The beneficiary is responsible for the deductible and the coinsurance.

Thank you for referring these questions for our consideration. We will be contacting you shortly regarding the additional concern expressed by the University.

Sincerely,

WILLIAM R. BLAKE, Jr.,
*Contractors Officer Health Insurance, SSA.*

SAINT VINCENT HOSPITAL,
*Sioux City, Iowa, May 8, 1974.*

Re Your letter of 3/15/74 to Iowa Hospital Association, Inc. re: Kidney Disease Program

Senator VANCE HARTKE,
*Russell Building,*
*Washington, D.C.*

DEAR SENATOR HARTKE: I wish to compliment you on being the author of this Kidney Disease Program with coverage under the Medicare Program.

We fully agree with your statements and the statements from Hospitals and Physicians contained in the Congressional Record of March 5, 1974 which all indicate a program in chaos. Our problems are identical to those of other providers. Unfortunately the program just isn't working satisfactorily because of entirely too much red tape and special handling. For example, we have still not reached an agreement wtih our physician as to his fee per treatment after ten months of discussion. We have provided this service for ten years and have never experienced so many unresolved problems.

The ultimate payment to the provider of the lessor of (1) charges or (2) costs or (3) $150.00 per treatment seems completely unreasonable and unrealistic.

I believe providers for the Kidney Disease Program deserve some type of current financing and some special consideration during such a monumental trial period of a program which was so badly needed by the American public. Unfortunately this red tape and confusion have tended to thwart the whole purpose of your plan.

Our answers to your specific questions are contained on page 2 which is attached.

Thank you for this opportunity to comment.

Sincerely,

C. J. McGUIRE,
*Controller.*

QUESTIONS AND ANSWERS

1. Q. What problems arose at the inception of the program?

A. There were no specific regulations and we could not get specific answers from our Intermediary nor from the Kansas City Regional office.

2. Q. Have those problems been eliminated as of this date?

A. No.

3. Q. Have new problems arisen?

A. Yes. Although we follow the General Guidelines in submitting our claims, the local Intermediary seems to have more specific guidelines and require us to revise and resubmit numerous claims particularly on Home Dialysis Patient claims. Another survey form SSA9734 is a typical example of additional trivia required by S.S.A.

4. Q. Approximately how many patients are being served by the program?

A. We currently have nine patients receiving treatment here plus two others on home dialysis.

5. Q. Does your state have any program to supplement Federal benefits under the kidney disease program?

A. Yes. However, it again has its own rules and regulations and lacks coordination with Medicare.

6. Q. Is there, at present, any appreciable backlog in intermediary reimbursement to health care providers under the kidney disease program? If so, how much of a backlog?

A. At present we have ten dialysis patients owing a total of over $60,000.00. As you know we can only bill once per month.

As required, we recently finished repaying almost $100,000.00 in current financing. We are not only out the $100,000.00 but on top of that now run an average of $60,000.00 due us from Dialysis patients, which reduces our cash position by a total of $160,000.00.

Shouldn't Hospitals be entitled to some form of current financing just from Kidney accounts?

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[1] Not a "provider" hospital.
[2] Includes surgeon and anesthetist fees.
[3] Includes surgeon fees.

7. Q. Do you believe that any changes should be made in the regulations which govern the kidney disease program? If so, what changes would you recommend?

A. Yes. Because of the limited number of Providers, we think it would be more feasible to deal directly with the Kansas City S.S.A. office rather than through local intermediaries. Hopefully, a Regional Office could handle all claims and questions and provide some consistency and assistance to all concerned and eliminate one more layer of red tape.

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KANSAS HOSPITAL ASSOCIATION,
*Topeka, Kans., April 8, 1974.*

Hon. VANCE HARTKE,
*U.S. Senate,*
*Washington, D.C.*

DEAR SENATOR HARTKE This has reference to your inquiry concerning the implementation of the chronic renal disease program here in Kansas.

One of the hospitals, Trinity in Dodge City, reports practically no activity.

Our response from the University of Kansas Medical Center is quite comprehensive, and I am attaching a copy of Dean Miller's letter of April 4, 1974.

As soon as we've heard from the third hospital, we will forward the information to you.

Thank you for the opportunity to offer these comments.

Respectfully yours,

FRANK L. GENTRY,
*Executive Director.*

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UNIVERSITY OF KANSAS
MEDICAL CENTER,
*Kansas City, Kans., April 4, 1974.*

Mr. FRANK L. GENTRY,
*Executive Director, The Kansas Hospital Association, Topeka, Kans.*

DEAR FRANK: This letter is in response to your inquiry regarding the status of the Renal Disease Program at the University of Kansas Medical Center. It is of some reassurance that Senator Hartke has taken it upon himself to look into this program with an objective of reconciling the original intent of renal legislation to the substitute that has evolved by application of outmoded, incoherent, chaotic and unbelievably restrictive regulations. In general, the enactment of P.L. 92–603 has represented a step backward in the process of relief of chronic renal disease patients from some of the financial burdens inherent to the disease.

Prior to July 1, 1973 patients with chronic renal disease in Kansas were more than reasonably successful in obtaining sources of financial support from insurance carriers, public assistance programs, state, local and private agencies. Subsequent to the enactment of P.L. 92–603 and the implementation of the program, many of these third party payers, particularly state, local and private sources, dropped their coverage based on the assumption that the Medicare program would provide coverage for this catastrophic disease. In general, prior to July 1, 1973 a patient with renal disease could expect at least 95% to 97% financial support for his health services. Today that same patient can expect 80% to 85% coverage for those same services.

With respect to specific questions asked in Senator Hartke's letter, I will respond to each question individually. The following points are by no means all inclusive, but rather, the major highlights which seem to be most critical at this time.

Question 1. What problems arose at the inception of the program?

Virtually no information existed about the program until August or September. There was a distinct lack of any direction even after drafts of regulations were received augmented by what seemed to be definite reluctance to communicate concerning problems for which answers are needed. The same dearth of information has existed with regard to identification of the criteria for fulfilling the requirements of a medicare authorized transplant center.

Problems were encountered once billing instructions were disseminated. Before bills could be submitted or paid, regulations and or interpretations were further changed. This happened on at least three occasions and resulted in a substantial rebilling effort which was made doubly tedious in the first place due to the multiplicity of forms used in connection with the new program.

Doctors fees have been tied to hospital charges lumped under one "screened" charge, without regard to the expenditure of time of physician in care of the home maintenance dialysis patient. This situation has had the effect of taking a financial incentive to establish such home programs out of the picture. The corresponding tendency is therefore a trend away from home dialysis which in terms of program costs is much less costly than in center maintenance dialysis.

Although the 3 month waiting period before start of benefits may have some positive aspects with regard to cost control, program wide, it nevertheless provides an additional financial burden representing the cost of one full quarter of care. In many cases the families can ill afford this burden when, taken in perspective, they will be faced with substantial financial outlays for continuance of care. This is especially true when one can only expect an 80% payment by medicare for some instances of treatment.

Regulations from the beginning have been excessively rigid with regard to consideration of what is routine for the care of a maintenance dialysis patient. Application of the so called medicare routine laboratory criteria to this area of service tends to reduce this aspect of patient care to a numbers game.

Question 2. Have those problems been eliminated as of this date?

Some problems have been alleviated with regard to mechanics. More information has been made available and more definite billing criteria have been promulgated. However, the guidelines with regard to establishment of a facility as a transplant center remain rather nebulous. There is still an impression at this level, however, that every question advanced breaks new ground judging from the responsiveness along the pipeline to the Bureau of Health Insurance. The log jam of back billing has been alleviated somewhat, although the mechanics involved and the information required for billing is burdensome.

The philosophy of tying physicians fees into a hospital charge package still exists and shows little signs of alleviation. This leaves this important factor in a precarious position.

The three month waiting period remains an established fact as does the routine criteria for performance of laboratory procedures on maintenance dialysis patients.

Question 3. Have new problems arisen?

New problems have very definitely arisen. Questions have been resolved with regard to the handling of claims, etc. at the expense of flexibility. Where at one time no information existed we now have the information, however, some of the procedures are so involved in red tape and require such a high degree of physician involvement in documentation that we stand in jeopardy of being prohibited from obtaining reimbursement by the mere fact that it is not economically feasible nor workable from a standpoint of physicians time allocation to go through the routine required to get reimbursed. A case in point concerns the physician's involvement when lab tests considered non-routine by the Bureau of Health Insurance must each be individually documented in order to be approved for payment. If a $1.00 blood test is done and is outside of Bureau of Health Insurance arbitrary guidelines, the specific reason for ordering that test must accompany the bill.

Continuing problems exist with regard to recognition by Bureau of Health Insurance of the myriad of variables and treatment situations in management of patients with Chronic Renal Disease. The Bureau of Health Insurance is attempting standardization of costs and charges which do not lend themselves to fitting of patterns, e.g.: institutions are required to arrive at cost figures for the acquisition of organs to be transplanted into patients. Due to many variables, this is difficult enough, however, in addition to costing for transplant organs this institution or its supplying organ bank is being forced to absorb the cost of component services such as tissue typing lab work done for other hospitals, who are maintenance centers only, for patients who may never be transplanted at this institution. When queried on this subject, the intermediary by phone asked a representative at the Bureau of Health Insurance what could be done and essentially was told that no adjustment in policy could be made.

The paper documentation for billing required for payment of claims is such that administrative expenses alone are forcing costs of renal programs up to an excessive degree. The institution must either pass these costs on, run the operation by subsidy of growing deficits to the detriment of other hospital services, terminate the program or get some relief with regard to the stringency of the bureaucratic regulations under which the program is administered.

There is growing concern at this institution concerning the criteria being evolved in the program in relation to continuance of recognition as a Medicare authorized transplant center. It is feared that the number of transplants required in a given time period arbitrarily set as a standard with which all hospitals will have to conform will not recognize the teaching hospital. A basic consideration for existence of the program at the University of Kansas Medical Center is its value for teaching physicians in this discipline.

Question 4. Approximately how many patients are being served by the program?

Approximately forty patients are on the renal program at the University of Kansas Medical Center. Twenty-five of these fall within Medicare guidelines for chronic renal disease. The others are post transplant, noneligibles and pending eligibilities.

Question 5. Does your state have any program to supplement Federal benefits under the kidney disease program?

State supplemental support exists from Title XIX sources and other programs such as the state renal program. However, many sources are being phased out due to erroneous understandings that Medicare will provide adequate coverage.

Question 6. Is there, at present, any appreciable backlog of intermediary reimbursement to health care providers under the kidney disease program? If so, how much of a backlog?

There is no significant backlog, however, the gap between reimbursement and actual charges is widening especially with respect to outpatient and home maintenance care. In these instances laboratory services provided are not being reimbursed because Medicare documentation requirements are not being met. This problem was discussed earlier in this letter.

Question 7. Do you believe that any changes should be made in the regulations which govern the kidney disease program? If so, what changes would you recommend?

A great deal of time could be spent on itemizing individual problems as related to particular difficulties that require a more equitable means of handling in order to pro-

vide the greatest benefit to the program and hence to the patient. However, it appears, at least by observation from this level that the entire program needs to be reassessed from it's original aspect. The needs of the chronic renal disease patient need to be given the priority rather than what seems to have evolved as an overriding concern for the cost of the program. Parenthetically, it appears that this great concern for cost overrun has of itself induced a bureaucratic process that has increased the cost of the program inordinately in relation to it's importance.

We appreciate the opportunity to voice our opinion and hopefully by doing so will assist in affecting some much needed changes in this program. If further, more detailed information is indicated, please do not hesitate to call us.

Sincerely yours,

RUSSELL H. MILLER,
*Dean for Medical Center Administration.*

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MEDICARE DIVISION,
*Louisville, Ky., April 19, 1974.*

Hon. VANCE HARTKE,
*U.S. Senator,*
*Washington, D.C.*

DEAR SENATOR HARTKE: Mr. Hasty Riddle, Executive Vice-President of the Kentucky Hospital Association, has forwarded to me a copy of your letter concerning the adoption of Section 299I, Chronic Renal Disease Provision of P.L. 92-603.

In your letter you expressed an interest in receiving an answer to the seven questions you proposed. After consultation with members of my staff, we feel that the following are true and concise responses to the questions.

1. What problems arose at the inception of the program?

The benefits under this provision began July 1, 1973. The interim instructions for processing and payment of claims were received after effective date. Social Security Administration forms necessary for submission of claims were received late resulting in a delay of claims processing. Question arose in the area of claims processing, reimbursement, and reimbursement accounting procedures for which there were no answers.

2. Have those problems been eliminated as of this date?

Not completely.

3. Have new problems arisen?

Yes. Problems of complying with Medicare regulations on financial arrangements that existed between facilities prior to Medicare coverage July 1, 1973 such as, one facility acting as a central supply source for other facilities and facilities having arrangements to provide certain ancillary services.

4. Approximately how many patients are being served by the program?

Seventy four.

5. Does your state have any program to supplement Federal benefits under the kidney disease program?

Yes. The Bureau of Rehabilitation Services and the Medicaid Program.

6. Is there, at present, any appreciable backlog in intermediary reimbursement to health care providers under the kidney disease program? If so, how much of a backlog?

None.

7. Do you believe that any changes should be made in the regulations which govern the kidney disease program? If so, what changes would you recommend?

Simplification of form completion. Elimination of stringent requirements on frequency of services and identifying routine/non-rountine laboratory services.

We hope this information will be of help and if we can be of further assistance, please feel free to contact us.

Sincerely,

FRANK F. BROADUS, JR.,
*Director.*

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UNIVERSITY OF KENTUCKY,
*Lexington, Ky., April 17, 1974.*

Hon. VANCE HARTKE,
*U.S. Senate,*
*Washington, D.C.*

DEAR SENATOR HARTKE: I am grateful for this opportunity to comment on your letter about possible problems with Public Law 92603 i.e. the Renal Medicare Program. You already have received a letter from our administrator, Mr. William E. Corley, but I would like to respond also.

I am Director of the Renal Program at the University of Kentucky Medical Center which is responsible for tertiary renal care for half the population of this state i.e. about 1.6 million people. As you are probably well aware, there have been serious delays in implementing the Renal Medicare Program and indeed, during numerous discussions with my colleagues in Nephrology, we have commented that the local arrangements for which we had fought in our various states (with Medicaid and Vocational Rehabilitation and other third party carriers) were in fact superior to the current chaotic situation. I know that the intent of the law was excellent but its implementation has been seriously defective at the local level. The local carriers for both hospital and physician reimbursement were not adequately prepared to administer the law and indeed, as you know, the final guidelines are even yet not promulgated.

There is a further serious situation which, as Chairman of the Veterans Affairs Committee, you are in a special position to influence. I suspect that you may have heard of this problem already from Dr. Stuart Kleit who is Director of the Renal Program at the University of Indiana at Indianapolis. Both in Indianapolis and at Lexington very carefully constructed sharing agreements between University Medical Centers and affiliated V.A. Hospitals were instituted in order to benefit both veteran patients and nonveteran patients requiring tertiary renal care. Speaking for my own center, I am in no doubt that the care of veterans with renal disease is benefitted by this program and that no veteran has been denied appropriate renal care. Delivery of dialysis and transplant therapy requires coordination of many facilities which are often not totally available in any one large hospital. For example, while home dialysis training is performed in the V.A., many of the transplant support facilities are in our University Medical Center. In the past two or three months, Social Security has refused to reimburse University Medical Centers for delivery of dialysis, or other end stage renal care to nonveteran patients in V.A. facilities. This will cause these University-V.A. sharing agreements to fall apart.

Thirty percent of the dialysis beds in this country are in V.A. facilities and to exclude these from involvement in the Renal Medicare Program seems ridiculous. As I understand it, negotiations between the V.A. authorities and the Social Security Administration for the Renal Medicare Program have reached a high level in Washington (Mr. Weinberger and Mr. Johnston) but once again intolerable delays seem to be resulting.

I am sure that I also speak for Dr. Kleit in that we would be most willing to furnish you with any further information and hope that you can help in solving this problem which is seriously interfering with our ability to deliver required end stage renal care to both veterans and nonveterans. I am aware of this situation not only in Kentucky but in several other large medical centers throughout the U.S.A.

Thank you again for this opportunity to comment on an area in which you have been a leader in the Senate and the nation.

Sincerely,

ROBERT G. LUKE, M.D.,
*Associate Professor of Medicine, Director, Renal Division.*

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UNIVERSITY OF KENTUCKY,
*Lexington, Ky., April 12, 1974.*

Hon. VANCE HARTKE,
*U.S. Senate,*
*Washington, D.C.*

DEAR SENATOR HARTKE: A copy of your March 15th letter to Mr. Riddle of the Kentucky Hospital Association has been forwarded to our attention. We are most happy to respond to the questions which you enumerate relating to Medicare assistance to persons with chronic renal disease.

1. What problems arose at the inception of the program?

One of the major problems which arose at the inception of the program was our inability to obtain definitive information as to specific services Medicare would sponsor. Intermediaries also were not prepared to provide reimbursement and lacked a working knowledge of the complexities of the renal program. Agencies (commercial insurance and Vocational Rehabilitation), that provided the majority of financial support to renal patients prior to the Renal Medicare program, began reducing their financial support in anticipation of the Medicare coverage and before specific reimbursable services were identified.

2. Have those problems been eliminated as of this date?

These problems have improved to this extent: intermediaries and providers are developing a working knowledge of the renal program and SSA areas of support. As the temporary guidelines issued by the SSA in July 1973 are interpreted and applied, the problems are easing. However, the responsiveness of the SSA to the immediate need for financial support of the patient continues to be extremely slow.

3. Have new problems arisen?

Yes;

a. Chronic renal patients hospitalized for serious illness related to the dysfunction of the kidneys such as congestive heart failure, hypertension, etc., require detailed justification for exceeding the SSA established types and frequencies of tests and procedures. The SSA established types and frequencies of tests apply to established noncomplicated chronic patients. It appears SSA does not recognize that a defined chronic patient can be in an acute medical condition.

b. At this time, only the artificial kidney machine is considered a reimbursable expense by SSA. Clarification of coverage for other items of durable equipment is needed such as water purifying equipment and single needle unipuncture units.

c. A VA hospital (located contiguous to our institution) recently planned and established a dialysis unit which would provide home training for our non-VA patients. SSA now states they will *not* reimburse us for home training dialysis performed at the Veterans Administration unit. The intent of the sharing agreement between University Hospital and the Veterans Administration Hospital was to reduce duplication and provide efficient economical patient care. If this decision is not reversed, SSA will be forcing unnecessary duplication of very expensive health care services.

d. We experience long delays (several months at least) in obtaining patient Medicare numbers from SSA.

4. Approximately how many patients are being served by the program?

Number of patients being served by our

program: Patients currently in the program, 33; Patients covered under Medicare, 14; and Patients coverage under Medicare pending, 17.

5. Does your state have any program to supplement Federal benefits under the kidney disease program?

Kentucky Medicaid for eligible patients will pay the 20% of costs, not paid by Medicare, for disposable home dialysis supplies. At this time, we have not received information from Medicaid concerning reimbursement of durable equipment. Medicaid will also reimburse for costs incurred during the 3-month Medicare waiting period. Vocational Rehabilitation will sponsor patients, who qualify under their regulations, for the 3-month waiting period and will also pay the 20% of costs not covered by Medicare for disposable supplies and durable equipment.

6. Is there, at present, any appreciable backlog in intermediary regulations which govern the kidney disease program? If so, how much of a backlog?

At the present time, there is an intermediary reimbursement backlog of approximately $32,500.00.

7. Do you believe that any changes should be made in the regulations which govern the kidney disease program? If so, what changes would you recommend?

We recommend a change in the regulations governing the kidney disease program which would reduce the eligibility period from three to two months. Also, we recommend all of the above mentioned problems be resolved.

We appreciate your concern and assistance. If we may provide any additional information, please contact us.

Sincerely,

WILLIAM E. CORLEY,
*Associate Hospital Director.*

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KENTUCKY HOSPITAL ASSOCIATION,
*Louisville, Ky., April 1, 1974.*

Hon. VANCE HARTKE,
*U.S. Senate,*
*Washington, D.C.*

DEAR SENATOR HARTKE: We have your letter of March 15, 1974, with respect to P.L. 92-603, which established the chronic renal disease program for Medicare beneficiaries. I am afraid that from my limited point of view, without completing a statewide survey, I do not have enough information to give you specific answers to the questions propounded in your letter.

In the interest of saving time, I am taking the liberty of forwarding a copy of your letter to the administrator of Louisville General Hospital, Mr. A. G. Dierks; the administrator of the University of Kentucky Hospital, Mr. Judge T. Calton; and Mr. Frank Broadus, Jr., the director of the Blue Cross Medicare Division, whose parent organization, Blue Cross, has the contract for the administration of Medicare here in Kentucky, with the request that they quickly study your letter and provide you with direct replies based on their experience. Short of a complete survey by our organization, which would take several weeks; it would appear that the above approach would provide essential answers to your questions.

We would be most happy to hear from your legislative assistant, Mr. Marlowe, should there be further suggestions as to developing the data which you desire. We realize that time is of the essence and should you think it appropriate, we would go ahead and develop a survey to give you specific answers from the majority of the some 130 hospitals in the state.

We all appreciate your intense interest in the kidney disease program and always stand ready to help when possible.

Sincerely yours,

HASTY W. RIDDLE,
*Executive Vice President.*

MASSACHUSETTS HOSPITAL ASSOCIATION,
*Burlington, Mass., May 8, 1974.*

Hon. VANCE HARTKE,
*U.S. Senate,*
*Washington, D.C.*

DEAR SENATOR HARTKE: At the time of your inquiry concerning the Massachusetts experience with the chronic renal disease program, we solicited information from Edmund Lowrie, M.D., Chief of Dialysis at the Peter Bent Brigham Hospital in Boston. Since approximately two thirds of the patients currently being treated in Massachusetts are under the management of the Peter Bent Brigham, Dr. Lowrie was the most knowledgeable person to answer the questions that you raised. A copy of his comments are attached.

I take the liberty of recommending that you might want to contact Dr. Lowrie in the future for comments. I know that he would be more than willing to assist you in future fact-finding.

Perhaps the recent changes in the policies will help to eliminate some of the difficulties encountered to date.

If we can assist you in the future, please do not hesitate to call upon us.

Sincerely,

MARY B. CONCEISON, R.N., M.S.,
*Director, Professional Relations.*

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PETER BENT BRIGHAM HOSPITAL,
*Boston, Mass., April 17, 1974.*

MARY B. CONCEISON, RN, MS,
*Director of Professional Relations, Massachusetts Hospital Association, Burlington, Mass.*

DEAR MS. CONCEISON: Please excuse my delay in responding to your letter of inquiry. I have unfortunately been out of town, and I hope the delay has not inconvenienced you in any way. I will attempt to answer in numerical order the questions which you have posed.

1. Since its inception, the program has not been well administered either by the Bureau of Health Insurance or the carriers. Many decisions have been arbitrary, poorly planned and inconsistently implemented. Policies of these groups have resulted in legal action brought by physicians in the States of California and New Jersey. While no such action is pending in the Commonwealth, the administration of these programs has been sufficiently poor to warrant it. For example, there were marked delays in reimbursement for services during the last half of 1973 and these have persisted. The local branch of the Bureau of Health Insurance and the intermediary had no reservation about holding claims submitted between June and December of 1973 for payment in 1974. That decision, of course, had tremendous tax implications and took substantial pressure to affect its reversal. Even so, not all physicians and providers were properly paid.

By the intermediary's own admission, payments are still delayed and there is no firm policy regarding what is and what is not a reimbursable service. Those responsible for formulating policy have taken the position that a physician's service is not necessary in the provision of routine hemodialysis therapy. If there is some medical complicating illness, fees may be submitted, but these must be justified on an individual basis. There has been no firm policy defining what is and what is not a reimbursable service, however. Identical claims have been paid and denied at various times.

The problem likely results from some administrative inefficiencies on the part of the intermediary but may be due in large part to delays in formulation of reasonable policy by the Bureau of Health Insurance.

Further, those interim policies promulgated by the Bureau of Health Insurance created a large furor in the medical community. I have enclosed an article written by Dr. John Merrill, Director of this Renal Section, which summarizes our thoughts on those guidelines.

2. & 3. Some problems have improved, but they certainly have not been eliminated. We have recently had productive but preliminary discussions with the intermediaries, but it remains to be seen whether these improved communications will bear fruit. We have not, on the other hand, indulged in recent meaningful communication with the local representatives of the Bureau of Health Insurance.

4. Currently there are some 500 patients receiving dialysis therapy in the Commonwealth of Massachusetts. The attack rate of chronic renal failure is estimated to be between 60 and 70 new patients per million population per year. Most of these patients will be covered by this new Federal program. Not all patients will remain on dialysis, however, because many will receive renal transplants.

5. The State runs hemodialysis units at the Lemuel Shattuck Hospital in Boston and in Lakeville, Mass. There is no state-run renal transplant program, however. Further, the State administers the Medicaid programs which will support or act as co-insurer for individuals with chronic renal failure. In general, their fees to both physicians and providers are less than those offered by other carriers. We believe that the Federal funding of dialysis and transplantation would ultimately preclude the necessity for state-run programs.

6. I have generally covered this subject under item 1, above. There is a severe backlog which may date from 6 to 9 months. A substantial portion of physicians' charges are currently backlogged and there is no clear indication of when they will be paid.

7. The program should be administered in a reasonable, fair and consistent fashion. These principles have been sadly lacking heretofore. Some discussions with representatives of our local Bureau of Health Insurance office leads me to believe that they have an innate distrust of the health care industry and, as such, approach many decisions with preconceived ideas and a highly biased attitude. Such an attitude is not consonant with an efficient, problem-solving approach to the implementation of a new program. As such, better communications between physicians or individuals experienced in this form of health care delivery and persons at some administrative level charged with the administration of this program are essential.

Finally, with regard to the Interim regulations, per se, Dr. Merrill's enclosed comments nicely state many of our own thoughts.

I hope that these comments are of some use to you. I realize that they are general in nature. You may require or desire specific examples or clarification of some points. If so, please do not hesitate to contact me, as I will be more than happy to cooperate with you in all possible ways.

Very sincerely yours,

EDMUND G. LOWRIE, M.D.

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[From the Journal of Renal Technology, December/January, 1974]

[Interim Regulations, Section 2991, Public Law 92-603]

COMMENTARY

(By John P. Merrill, M.D., Director, Cardiorenal Section, Peter Bent Brigham Hospital, Boston, Massachusetts)

The policy guidelines as promulgated by HEW in their letters to the intermediary, I believe, create problems for the practicing physician. The thrust of the communication is that the physician involvement in the care of dialysis patients is minimum and indeed it has been recommended that only 5% of the patients undergoing chronic hemodialysis will require physician input on an ongoing basis. I believe this type of statement is totally unfounded, wtihout any scientific

evidence and should not be promulgated by the Federal Government as a flat statement of intermediaries. I would like to see the data on which such an assumption is based. I am sure there are none.

Secondly, the physician "supervision" or participation for routine functions in the dialysis unit, i.e., responsibility for nursing services, policy manuals, and routine medical care, i.e. fluid orders, etc., are clearly necessary. This is recognized by the documents sent to the intermediary; however, the charge or fee for this service has been included in the facility charge. In other words, for outpatient services, although SSA and HEW recognize that some physician participation is required, the physician has been lumped in the total charge that the hospital or facility levies for the treatment. This to me is a step backwards and a real attempt to salary the physician. I believe it makes more sense to identify a certain dollar value per treatment for this care, i.e., $20 or $25, and allow the physician to bill separately.

What has been created here is a situation in which the physician must quarrel with the institution for his money. In situations where several physicians are attending or caring for patients on a dialysis unit, the situation would be intolerable. In other words, each individual physician must be on some type of "salary" which as far as I can see may or may not be related to the amount of work involved.

It would seem to me that a specific fee for "medical supervision" is in order and should be separated from the facility charge. The facility should not be allowed to include in its calculation of rate, any physician salary unless it has on its staff full-time people part of whose salary is allocated to this procedure.

The guidelines also call for identification of major medical events during a dialysis procedure which can be billed for separately by the physician. This is totally distinct from the "medical supervision" and "usual and customary" charges prevail. I see nothing wrong with this and I believe for too long we have been treating these patients gratis for their interdialysis problems. On the other hand, if a satisfactory medical supervisory fee were established, i.e., $25—it might be possible to attend the patient during dialysis without an individual charge. In other words, a $25 fee for the physician could include any catastrophic circumstance that may occur during the dialysis procedure. I think most physicians would welcome this kind of approach. Any major problems requiring hospitalization or emergency care at night, at home, etc. would have to be identified as separate events and billed for separately.

In the past several years, hemodialysis has grown from a therapy which was offered only in universities and medical centers to a widely spread clinical, therapeutic modality. The criteria for acceptance into hemodialysis programs have become much less stringent and this form of therapy is available in most areas to all individuals who require it. Hemodialysis no longer is denied in most centers on the basis of concurrent medical illness, complicating medical factors and/or age. For instance, a 65 year old patient may now be an acceptable candidate, whereas his age may have precluded his acceptance 5 or 6 years ago. The net effect of these changes has been to increase the proportion of complicated and older patients in recent years.

Generally, only the best patients and those with a stable home environment are selected for home dialysis. Patients on home dialysis are therefore generally more stable and are dialyzed by one family member who, while not being as competent as a nurse or trained technician, dialyzes only one patient and is very familiar with that patient's particular responses. The selection process leaves a residual of older and more complicated patients (i.e., patients with diabetes, arteriosclerotic heart disease, chronic lung disease, etc.) in the center and 3–4 patients are dialyzed simultaneously by a technician or nurse who may dialyze as many as 20 different patients in any given week.

These population and situational differences not withstanding, one year survival rates for our center dialysis patients have been somewhat superior to those observed in our home dialysis population (93% vs. 88.5% respectively). These differences are magnified at two years and reach statistical significance (86% vs. 78% respectively). While patients do not experience a catastrophic or complicating medical episode with each dialysis, physician input in essential to the management of each dialysis for most of our patients.

The early detection of disease is stressed so that acess, infections, congestive heart failure and other complications are discovered and treated early so that unnecessary hospitalization may be prevented. While physician supervision does not attend each home dialysis and while home dialysis is generally considered less expensive than center dialysis, the costs of added hospitalization are usually not accounted for in determining physician and total care costs in home dialysis patients. In general, complicating illness is discovered later in home dialysis patients, and hospitalization is more frequently required. A fair cost comparison which includes these factors is, to our knowledge, not available.

Unfortunately, hemodialysis is not an exact science and certainly not a cure-all. Patients participating in the program develop complications which may be totally unexpected. As such, I believe that it is not fitting to legislate a scheduled program of supervision.

I also believe sincerely that patients on chronic hemodialysis require individual attention by physicians on a continuing basis. It is inadequate to see them once a month for medical problems and even then the "extended visit" as proposed by the Government every six months is not sufficient. As you know, depending upon the population of patients served, one can prevent problems from occurring easier than one can reverse them. This is so true in the type of population we serve. Although not all patients require physician attendance, a sufficient number do to make it good policy to have a physician make rounds in the unit.

If a physician charge which is moderate, i.e., one that would cover a routine visit but be insufficient for more in-depth examination were established, I believe the whole process as far as reimbursement would "balance out." This is how it has been done in the past and, as you know, we attend patients during the procedure on a flat fee basis and do not relate our bill to the amount of time spent with the individual patient. To do the latter would be extremly cumbersome, probably never be done accurately and waste a great deal of physician time in sorting out the paper work. There is no question in my mind that physician participation is necessary in dialysis treatments and we are only quarreling over what level of reimbursement should be afforded for these services.

In short, the major problem with the present guidelines is that they tend to amalgamate the physician supervision with the facility charge and create a situation in which one cannot identify what belongs to the doctor. I believe this should be changed and a dollar fee should be identified per treatment which can be billed separately by the physician. If it is not billed separately by the physician it should be clearly identified by the facility as being a physician component. This is not always so and I am sure a polling of nephrologists would substantiate my position. I think there would be agreement that a patient group recruited from the environs of Seattle requires an entirely different approach than those who dwell in cold-water flats in New York City or in the Roxbury ghetto of Boston. One must individualize and what is preventative medicine for a group of college freshmen is certainly not suitable for residents of Appalachia.

I would disagree with those who maintain that most patients require little supervision by a physician.

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MICHIGAN HOSPITAL ASSOCIATION,
*Lansing, Mich., April 9, 1974.*

Hon. VANCE HARTKE,
*U.S. Senate,*
*Washington, D.C.*

DEAR SENATOR HARTKE: In response to your March 15 letter, Michigan hospitals have experienced a number of problems in obtaining reimbursement for the treatment of chronic renal disease. For the first six months, no payments were received from the Medicare intermediary. Payments are now being made and while the problem is not as serious as it once was, there still exists a considerable backlog of payments.

It is our understanding from talking with the twenty-nine hospitals in Michigan that provide care for the chronic renal patient that this backlog has not been reduced significantly in the the past two months. As a result, the Michigan Hospital Association with support of the Michigan Kidney Foundation has developed a position paper expressing its concern about this new Medicare program. I have enclosed a copy of this position paper for your information. You will note we are also concerned about the fact this program is not based on reimbursement for cost.

In response to your question on state programs, October of 1973, the Office of Health and Medical Affairs developed a Renal Disease Plan for Michigan. When this plan is fully implemented it will provide for the early detection and treatment of renal disease. We feel this will prove an important edge to the Federal program.

If you should have any questions or if you wish to have more detailed information, please contact me.

Sincerely,

H. ALLAN BARTH,
*Execeutive Vice President.*

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RECOMMENDED MHA ACTION PLAN FOR CHRONIC RENAL DISEASE PROGRAMS—OCTOBER 18, 1973

After reviewing the facts surrounding the implementation of the Medicare Chronic Renal Disease Program, we recommend that the Board of Michigan Hospital Association conduct the following activities with regard to the program:

1. Adopt the drafted position statement expressing the concerns of those involved in the delivery of renal dialysis services.

2. Send a letter to Michigan Blue Cross, Social Security Administration, the Secretary of HEW, and all Michigan Congressmen and Senators pointing out the program's shortcomings and requesting immediate corrective action.

3. Encourage national and other state hospital and professional associations to evaluate the Chronic Renal Disease Program and embark on a similar course of concerted action to change the program.

4. Transmit the MHA position to the appropriate state, and local government officials and legislators.

[Chronic Renal Diseases Under Medicare, P.L. 92-603]

POSITION PAPER

(Endorsed By: All Michigan Hospitals with Renal Units, Michigan State Medical Society, Kidney Foundation of Michigan, Michigan Hospital Association, December 11, 1973)

Additionally, the reimbursement ceilings do not consider differences in the definition of care between facilities including variations in the mix of ancillary and supportive services. If strictly enforced, the limits may place undue hardship upon those institutions whose personnel and space costs are above the national average and, whose utilization rate fluctuates. Therefore, reimbursement ceilings should particularly consider differences between in-hospital and limited care units.

HOME DIALYSIS

It is recognized that where medically and psychologically appropriate, home dialysis treatment may be preferable to a hospital treatment from a cost containment point of view. The Intermediary Letter indicates that criteria for determining the proper location (home or facility) for dialysis treatments will be developed and that hospitals not complying with the criteria may be subject to further limitations on reimbursement. In instituting such a policy HEW should realize that home dialysis may be easier and more practicable in some areas of the country than in other areas. For example an educated engineer would usually do better than an uneducated individual living in slum conditions. Since hospitals do not control the prescription of patient services, penalizing hospitals for such problems represents an improper imposition of corrective action. This problem may be particularly acute in hospitals which may not have the resources for monitoring dialysis programs to the extent implied in the Intermediary Letter. Revenue lost through through Medicare's failure to meet its financial obligations to the hospital could only be recovered by passing these losses on to other patients.

DOCUMENTATION

The Intermediary Letter indicated several conditions under which documentation is required of the hospital. Among these are:

1. Completion of a detailed questionnaire for cost data;
2. Medicare Payment form;
3. Inpatient Hospital and Extended Care Admission and Billing form;
4. Provider Billing for Medical and Other Health Services Billing form;
5. Request for Medicare Payment form;
6. Medicare Chronic Renal Disease Patient History form;
7. Medicare Chronic Renal Disease Charge and Service Information form; and
8. Other supplemental forms.

INTRODUCTION

We support the principles advanced in Public Law 92-603 with regard to chronic renal disease and recognize our responsibility in encouraging efficient, high quality delivery of renal transplant and dialysis services. However, we do not believe that the guidelines for implementing the program as expressed in the Department of Health, Education, and Welfare Part A Intermediary Letter No. 73-25 and Part B Intermediary Letter No. 73-22, hereinafter called Intermediary Letter, are conducive to the successful delivery of dialysis services to endstage renal patients. As such, we believe the provisions of the Intermediary Letter do not reflect the full intent of the legislation and is unduly restrictive in the processing and payment of claims and establishing treatment norms for these services.

The following comments are intended as constructive criticism of the program, and it is hoped that these observations and recommendations will be received in the spirit with which they were composed.

NATIONAL KIDNEY FOUNDATION AND PHYSICIANS FOR RENAL REPLACEMENT THERAPY

We support the principles of the National Kidney Foundation as expressed in its revised position paper of August, 1973, and the undated position paper of the Physicians for Renal Replacement Therapy.

REIMBURSEMET LEVELS

The reimbursement limits established by the Intermediary Letter are $150 per treatment for maintenance dialysis services and $190 per training self-dialysis lesson. The limits include hospital costs, physician's component of hospital costs, and laboratory fees. Reimbursement limits fall to $145 and $185 respectively when the laboratory is billed separately under specified conditions. We believe the fee ceilings are inadequate, arbitrary, and do not reflect differences in costs within localities and between regions of the country. We note that all other programs under Medicare are cost-based and that these intermediary regulations are a departure from these programs. Furthermore, these new regulations combine the reimbursement of the facility and the physician, thus providing another significant change in the Part A and Part B philosophy. We feel strongly that reimbursement of physicians should be on a fee for service basis and should be separate from the reimbursement of the facility.

Hospitals are also required to establish separate cost centers related to hemodialysis. Hospitals will incur additional costs in completing these forms and in modifying existing accounting procedures to accommodate the Medicare requirements. Reimbursement for these added costs is not addressed in the Intermediary Letter.

The burden of complying with the myriad of government forms falls on the physician as well as the facility providing service. For example, documentation is required for exceeding the allowable number of weekly dialysis treatments, office visits, and the specified mix and frequency of laboratory and other tests. Besides adding a substantial burden of paperwork on the physician, the requirement complicates patient care by committing the physician to a fixed standard which may not be appropriate and exposes the physician to claims of malpractice.

Recommendations:

1. Because reimbursement limits set by HEW are arbitrary, inadequate and unrealistic, and fail to acknowledge local and regional differences in cost, we recommend reimbursement for dialysis services under Medicare be based on cost. This is not to suggest that costs should be permitted to increase unjustifiably, but that reasonable costs should be recognized as they are incurred by the facility providing services. A regional or local reviewing body should be established with authority to determine the reasonableness of a facility's cost and to adjust reimbursement levels accordingly.

2. We recommend that until such time the reimbursement limits are readjusted and the programs described above are implemented, HEW should authorize facility and physician reimbursement based on the customary and usual charges for such services. Payments should be made to a facility regardless of its participation status and retroactive to July 1, 1973.

3. With regard to physician reimbursement, it is appropriate that the cost of physician administration and supervision of a dialysis unit be included as a part of the facility cost. We recommend reimbursement for the physician's personal services be distinct from facility cost and subject to regional or local peer review.

4. It is recognized the Secretary of Health, Education, and Welfare has the legal authority to establish criteria for determining the appropriate location for dialysis (home or facility) and to limit reimbursement in cases deviating from the criteria. The regulations should permit charges for services rendered in good faith until a determination is made that the patient should receive an alternate service.

5. It is recognized that some documentation and revision of accounting procedures may be necessary to implement the Chronic Renal Disease Program. We recommend the documentation should be kept to a minimum and periodically reviewed by HEW from a cost-benefit viewpoint to reduce costs to their minimum. All costs incurred in adjusting to the new requirements should be recognized as a part of total facility cost.

6. We recommend the determination of appropriate laboratory tests, number of weekly dialysis treatments, number of office visits, and dialysis visits be made by the physician and subject to regional or local peer review. If norms must be established, individual documentation should not be required for every patient. A certain percentage of a physician's patients will exceed the established norm. Only after the physician has exceeded this percentage should documentation be required.

## IDAHO'S SNAKE RIVER PLAIN—A POEM

Mr. McCLURE. Mr. President, some of my colleagues in this Chamber are luckier than I am. They live closer to home and probably do not suffer the occasional pangs of homesickness that I do when I get a particularly moving letter from a constituent. This year the problem is compounded by the probability of a short recess and so less than average time for vacation.

Maybe those who normally take longer trips would like to take a look at the most beautiful State in the Union. One of my constituents, Mrs. Annie H. Hanson, has written something which ought to tempt even the most confirmed beachlover. I hope it makes you feel the way it does me—like catching the next plane to God's country:

IDAHO'S SNAKE RIVER PLAIN

The Snake River Plain is a beautiful place,
Here our Pioneer parents came.
They brought their families, and built log homes,
And with courage the wilderness tamed.

God gave us cool, peaceful forests,
On hillsides of mountains sublime.
Snow covered, they hold and supply moisture,
For our crops through the summertime.

Just stand and look in any direction,
In this lovely Snake River Plain;
Behold the trees, the expanse of green fields,
And acres of gold ripening grain.

The heavens are blue as the sun shines down
On streams running clean and pure.
Where rainbow trout dart here and there,
And fishermen cast their lure.

Here is our Targhee Forest
Where cattle by hundreds graze.
Where the Trumpet Swan in the early dawn,
Honks his message through morning haze.

Mountain valleys sprinkled with blossoms,
Where Sego Lillies and Lupine grow.
Choke cherries and huckleberries
He gave us for food here below.

Oh you who live in this valley—
Keep the Commandments of God!
Show Him your deepest gratitude
For this fertile, life-giving sod!

And for the abundance of water
Unstinted He gave lavishly!
Our thirsty acres drink it up,
The rest feeds another valley!

Oh Idaho! This is your Birthright!
The mountains the lakes and the streams
Use them, enjoy them, with wisdom,
To fulfill life's purpose and dreams.

Learn of Him how He gave them,
To us on the Snake River Plain.
Learn too, how He gave His precious life,
That we might be with Him again.

—ANNIE H. HANSON.

## ECONOMIC POLICY: CURBING THE TWO-PRONGED DILEMMA OF INFLATION AND RECESSION

Mr. GURNEY. Mr. President, several weeks ago, 82 percent of the American public expressed their belief that our economy was in deep turmoil. Just last week, another nationwide poll reported that almost half of all Americans now cite inflation as the country's No. 1 problem.

Mr. President, it is no longer mere rhetoric that the current 12-percent rate of inflation—the most severe rate of inflation in the last two decades—stands to severely ruin this Nation's economic well-being. It is especially disheartening to learn that our Nation's output of goods and services declined for the second quarter in a row, a statistic which falls within the so-called technical definition of a recession.

Whether or not we have experienced a mild recession—and that will not be determined until the prestigious National Bureau of Economic Research has examined all the indicators—it is obvious to every American that our economy is a very sick patient, indeed. Each issue of our magazines' contains articles speculating on a depression. Nervous investors drive up the price of jewelry, precious metals, and gems; for others, real estate is thought to be a good hedge against inflation despite its high price; and the gold bugs warn of a great crash in the value of paper currency, worldwide. Finally, the left-wing militants are eagerly predicting that the age of industrialism is coming to an end.

I do not concur with this doomsday oratory, nor do I believe that we are headed for a depression. Moreover, if we are truly in the midst of a recession, current evidence suggests that its effects will be mild and certainly not insurmountable. Finally, I am firmly convinced that the worst inflation in the last 25 years can be brought under control—but only if more stringent measures are adopted.

### INFLATION

While the United States may, indeed, be more fortunate than other countries—such as Great Britain, Italy, India, or France—inflation has been accelerating at a devastating pace since the mid-sixties. The following are the annual rates of increase in the cost of living index since shortly after the Korean war:

*Percent rise in cost of living*

| Year: | |
|---|---|
| 1955 | 0.4 |
| 1956 | 2.9 |
| 1957 | 3.0 |
| 1958 | 1.8 |
| 1959 | 1.5 |
| 1960 | 1.5 |
| 1961 | .7 |
| 1962 | 1.2 |
| 1963 | 1.6 |
| 1964 | 1.2 |
| 1965 | 1.9 |
| 1966 | 3.4 |
| 1967 | 3.0 |
| 1968 | 4.7 |
| 1969 | 6.1 |
| 1970 | 5.5 |
| 1971 | 3.4 |
| 1972 | 3.4 |
| 1973 | 8.8 |
| 1974 (first quarter, annual rate) | 14.2 |
| 1974 (second quarter, annual rate) | 10.9 |

Source: Consumer Price Index.

Although some economists believe that inflation will slow somewhat during the second half of 1974, this prediction now looks shaky in light of recent information on wholesale and retail prices. For example, the wholesale price index for May 1974 rose at a seasonally adjusted rate of 1.3 percent—an annual rate of 16 percent—due mostly to rising industrial commodity prices. Although the June increase amounted to a seasonally adjusted 0.5 percent—a 6 percent annual rate—this downward shift is not expected to last long, because food prices are now increasing, and because industrial commodity prices jumped 2.2 percent in June—an annual rate of 26.4 percent.

Consumer prices have also resumed their rapid rise since some moderation in April. The Consumer Price Index rose 1.1 percent, seasonally adjusted, in May, equal to an annual inflation rate of 13.2 percent, and prices were some 10.7 percent higher than prices a year ago. Finally, just last week the Commerce Department announced that consumer prices continued to rise in June by 1 percent, seasonally adjusted for normal changes. Here again, this new figure equals an annual rate of 12 percent, and is some 11.1 percent above the index 12 months ago.

CONSUMER PRICE INDEX

[1967=100]

| | Index for June 1974 | Percentage change from— May 1974 | Percentage change from— June 1973 | Point change from May 1974 |
|---|---|---|---|---|
| UNITED STATES | | | | |
| All items | 147.1 | +1.0 | +11.1 | +1.5 |
| Food | 160.3 | +.4 | +14.7 | +.6 |
| Housing | 149.2 | +1.1 | +11.4 | +1.6 |
| Transportation | 140.7 | +2.3 | +12.9 | +3.1 |
| Health and recreation | 139.4 | +1.2 | +7.2 | +1.7 |

Source: Bureau of Labor Statistics.

Of special importance, the prices of all nonfood commodities rose 1.3 percent in June—the sixth straight month in which the increase has exceeded 1 percent. For those economists who acknowledge that inflation has been generated largely by rising food and energy costs, this trend in the nonfood sector is reason for further uneasiness.

Yet, on the bright side, the Commerce Department recently reported that the GNP "deflator"—a price index often used because it is more comprehensive than the familiar Consumer Price Index—had a rate of increase that declined in the second quarter to 8.8 percent. In the first quarter, the rate exceeded 12 percent. Such a trend may very well signal a cooling-off period characterized by more stable supply and demand, especially since the effects of worldwide demand and oil price inflation are now subsiding. But, in spite of these conflicting economic indicators, there are other stumbling blocks on the horizon.

### GROSS NATIONAL PRODUCT

In the first quarter of 1974, the gross national product—a measure of this country's output in goods and services—suffered its sharpest decline since 1958, with a 7 percent loss, adjusted for inflation. In the second quarter, preliminary data indicate that GNP declined again by 1.2 percent, due primarily to a sharp deterioration in our balance of trade; that is, oil imports. While technically speaking, this may qualify as a recession, the National Bureau of Economic Research, the officially accepted umpire for determining when a drop in the economy qualifies as a recession, has consistently held that two quarters of decline are not sufficient. Other economic indicators must be taken into account. Thus, the picture brightens somewhat, for according to Geoffrey Moore, one of the Bureau's senior analysts:

> Unless there is a further deterioration in other measures and a much more widespread decline, this period does not seem comparable with the other five recessions since World War II.

Mr. Moore is alluding to a number of economic trends which run counter to those experienced during a "normal" recession. For instance, unemployment has held steady for the last 3 months—5.2 percent for May and June; 5.3 percent in July—and has risen much less in the last several quarters than during the recessions of 1960 and 1969. Corporate profits even with inflation factored in, have also been rising strongly. According to Argus Research Corp., even excluding inventory profits, profits are up $34.9 billion since 1969, a compound annual growth rate of 10.6 percent, which is faster than the rate of growth of the economy as a whole. Thus, if profits remain sturdy, unemployment might not rise as much this year as some economists have been predicting. Economist William Freund of the New York Stock Exchange cites another reason for minimizing the decline in GNP:

> The decline was not due to any sudden collapse in demand; rather, it resulted largely from shortages in many industries operating at, or near, capacity. Thus, the current weakness should not be interpreted as a recession in traditional terms. An economy afflicted with major materials shortages differs fundamentally from an economy suffering a recession in demand.

Not surprisingly, this country's capacity utilization rate for basic material in-

dustries like steel, paper, cement, and petroleum refining, among others, although down from the fourth quarter of 1973, is still very high when compared to earlier years.

Meanwhile, total industrial output of factories, mines, and utilities rose at an adjusted annual rate of 1.3 percent for the second quarter, compared with a 6.6 percent drop during the first three months of this year.

In a similar vein, total business inventories rose $3.7 billion, 1.6 percent, in May, equaling the largest monthly increase since last year. Unfilled orders also jumped $3.8 billion in June to a record high $131 billion.

INVENTORIES SEASONALLY ADJUSTED

[In millions of dollars]

| | Manufacturing and trade total | Manufacturing | Retail trade | Merchant wholesalers |
|---|---|---|---|---|
| 1973 | | | | |
| January | 198,157 | 108,187 | 57,388 | 32,582 |
| February | 199,956 | 109,082 | 57,823 | 33,051 |
| March | 201,317 | 110,174 | 57,898 | 33,245 |
| April | 202,529 | 110,577 | 58,378 | 33,574 |
| May | 204,623 | 111,625 | 59,012 | 33,986 |
| June | 206,961 | 113,025 | 59,788 | 34,148 |
| July | 208,776 | 113,910 | 60,213 | 34,653 |
| August | 210,548 | 114,907 | 60,677 | 34,964 |
| September | 212,227 | 116,114 | 60,847 | 35,266 |
| October | 214,284 | 117,224 | 61,681 | 35,379 |
| November | 217,637 | 118,435 | 62,937 | 36,265 |
| December | 221,357 | 120,870 | 63,561 | 36,926 |
| 1974 | | | | |
| January | 224,657 | 122,570 | 64,261 | 37,826 |
| February | 227,726 | 124,831 | 64,394 | 38,501 |
| March | 230,590 | 126,500 | 64,743 | 39,347 |
| April | 232,586 | 128,438 | 64,855 | 39,293 |
| May | [1] 236,295 | 130,763 | 65,615 | 39,917 |
| June | | | | |
| July | | | | |

[1] Preliminary data.

*Unfilled orders, seasonally adjusted*

Manufacturing

[Millions of dollars]

| | |
|---|---|
| 1973: | |
| January | $86,473 |
| February | 88,251 |
| March | 91,269 |
| April | 94,239 |
| May | 97,460 |
| June | 101,120 |
| July | 103,145 |
| August | 106,268 |
| September | 108,144 |
| October | 110,586 |
| November | 113,015 |
| December | 114,694 |
| 1974: | |
| January | 116,445 |
| February | 118,599 |
| March | 119,955 |
| April | 122,961 |
| May | 127,114 |
| June (preliminary data) | 130,872 |

SOURCE.—Dept. of Commerce.

All of the above data, including a slight improvement in consumer spending for the second quarter, a slight resurgence in outlays for housing, and an apparent bottoming out of U.S. automobile production, support what I have been saying all along. It is unlikely that our economy will fall into a "real" recession; although if it does, its effects will be mild. However, most analysts still expect the economy to show little or no real growth in the second half of 1974.

THE HIGH COST OF LIVING

But, while a severe recession does not appear too likely, the high cost of living is another matter altogether. According to the Labor Department, the average cost of supporting an urban family of four rose, from autumn 1972 to autumn 1973, 10.8 percent for a lower budget, 10.3 percent for an intermediate budget, and 9.9 percent for a high budget. Social security taxes rose even more rapidly—23.9 percent for the lower budget, and 34 percent for each of the other two budgets. Finally, personal income taxes have also increased, thus revealing one of the most painful effects of inflation; namely, as personal income rises in order to keep pace with inflation, a family's tax bracket shifts, and the breadwinner ends up paying a greater percentage of his or her income in taxes.

At the same time, however, personal income has also been rising. Personal income rose $21 billion in June of 1974—seasonally adjusted to a rate of 0.7 percent over May—to $1.142 trillion, due primarily to increases in the minimum wage and salary adjustments for Federal employees. Nonetheless, the purchasing power of the average worker's weekly take-home pay has dipped an additional 4.5 percent in the last 12 months.

INTEREST RATES

Interest rates has surged during the last several months largely because of the Federal Reserve Bank's deliberate policy of limiting credit in order to discourage bank loans, and hence, the inflationary pressures in the economy. For example, business loans at commercial banks expanded at an annual pace of 22 percent in the first quarter, followed by a 23-percent rate in the second quarter. Meanwhile the prime rate which is the rate that banks charge on loans to their most credit worthy corporate customers has climbed from a momentary low of 8½ percent this March to over 12 percent in July. This not only represents a 30-percent increase in less than 5 months' time, but understates the actual rate of interest being charged to other less credit worthy customers. Reports reaching my office have mentioned figures in the 13- to 15-percentile range, when all costs are considered. In light of these developments, many small businessmen have been unable to obtain loans due to a host of factors, including such things as State usury laws, SBA regulations which limit interest rates to 10½ percent, or their own lack of retained earnings.

Many economists attribute the spurt in short-term interest rates primarily to inflation. Corporations and large retail firms, dismayed by the sagging stock market and short on internal resources to cover rising operations costs, have run to the banks to tide them over. In other cases, the propensity toward inventory hoarding during an inflationary period has spurred the number of bank loans. Still other businessmen believe that their long-awaited expansion programs will never become any cheaper so they are borrowing now. All in all, the effect has been to drive down stock and bond prices, to unleash a massive outflow of funds from savings and loan institutions to higher yielding credit instruments, and to literally starve the housing industry which depends on the savings and loan for financing. Mortgage rates across the country now vary between 9 and 10 percent.

HOUSING

There is probably no better weather vane of inflation and the impact of exorbitant interest rates than the current housing slump.

In June of this year, despite an 8-percent rise in new housing starts over May, the rate is still 26 percent off from the 2,152,000 units started in June of 1973. Even more serious, building permits over the past 12 months have declined 45 percent. Moreover, Michael Sumichrast, chief economist for the National Association of Home Builders, has stated that home contractors now have an inventory of 450,000 houses that are unsold.

Reflecting the general hard times in the home construction industry, some 440 firms have collapsed in the first quarter of this year, up 40 percent from 1973's first quarter, while over 10 percent of this Nation's construction workers are now out of work.

As I have stated, investors have been withdrawing their funds from mortgage-making savings and loan institutions to invest in the capital market: Certificates of deposit, corporate promissory notes, Government paper, and the like. The effect on our country's savings banks has been a reported net outflow of $650 million in the first 4 months of 1974, a reduction larger than in any other 4-month period in our history. More recently, the Federal Home Loan Bank Board reported that savings and loan deposits exceeded withdrawals by only $40 million for the month of June, some 20.6 percent below that of a year ago. Because of declining deposits, mortgage loans at savings and loan institutions totaled $4.16 billion in June, down 13 percent from May and off 26 percent from $5.59 billion last year. Complicating matters further, the Mortgage Bankers Association recently reported that inflation has resulted in the highest number of late home mortgage payments in the last 20 years.

These factors, added to the rising cost of construction and materials, make the outlook for housing in this country very grim news indeed.

PROSPECTS FOR A WAGE EXPLOSION: INFLATIONARY DYNAMITE

The most likely cause of built-in, long-term inflation now appears to be the probability that wage increases in the next several months will outrun gains in productivity. Already wage settlements have been moving to the level of 10 percent per annum; and several observers, including the Chairman of the Federal Reserve System and the former director of the now-defunct Cost of Living Council, now fear double-digit inflation for the remainder of this year because of rising labor costs.

According to Data Resources, Inc., an economic research organization based in

Cambridge, Mass., the average hourly earnings in the nonfarm private economy rose at an annual clip of 19.1 percent during May, compared with a rate of increase of only 6.3 percent in the 12 preceding months. For example, in the week that ended June 15, 1974: 54,000 California food workers got a pay raise of 10.7 percent; 110,000 low-paid textile workers got 12.9 percent; 18,500 American Airlines workers got 11.3 percent; some Pennsylvania operating engineers got 9.9 percent; some Detroit supermarket clerks 14.3 percent; and some San Francisco automobile mechanics 13.7 percent.

Predictably, the Department of Labor announced that average wage increases yielded by all new contracts, with and without escalator clauses and covering 1,000 workers or more, rose 10 percent in the second quarter of 1974, up sharply from the 7.6-percent rate in the first quarter. As of this July, strikes—another indicator of wage discontent—now number almost 600 individual disruptions, the highest total since records were first kept in 1958.

Many economists now suspect that as material costs abate, the economy will move into wage-push inflation in the latter quarter of 1974 and into 1975 as labor attempts to overcompensate for recent losses in purchasing power. Thus, if there is one fact most likely to perpetuate double-digit inflation, it will be a wage explosion. Unless wage demands are curbed, serious inflation may be here to stay for the next 2 or 3 years.

ASSESSMENT

Is it little wonder that consumer confidence in our economy remains at one of its lowest points in the last 25 years? A recent survey by the University of Michigan's survey research center that—

In May of 1974, the proportion of the public expecting inflation of 10 percent or more increased from 14 percent to 25 percent of respondents, while the proportion saying that prices wouldn't go up further decreased from 31 percent to 18 percent.

Of special importance, much of the decline in consumer confidence has been attributed to inflationary expectations and a "lack of faith in Government."

Mr. President, I cite the above statistics not as a scare tactic, but to show that new and more stringent anti-inflationary measures are urgently needed. More than just a dose of that "oldtime religion"—and here I refer to balancing the budget, limiting monetary growth, and restraining the demand for credit—the economy deserves the talents of a skilled surgeon. It is for this reason that I concur with economist William J. Fellner of the President's Council of Economic Advisers who has stated that—

Our difficulties with inflation have resulted very largely from a lack of credibility of policy makers' promising that they will adopt the measures required for assuring an acceptable behavior of the price level.

However, if Congress loses the confidence of the American people, and that prospect is getting worse every day, I fear a crisis of "inflationary expectations" will result whereby consumers rush to spend rather than save.

Mr. President, as Economist Alan Greenspan has warned, the United States "is rapidly approaching the crisis threshold of inflationary expectations which if pierced, threaten massive economic disruption." The times truly demand far-reaching solutions, and I intend to support a number of measures which will be discussed below. For the moment, however, I should like to give my personal views on the major cause of inflation: excessive Government spending and monetary growth.

GOVERNMENT: THE MONEY MACHINE

Without a doubt, inflation is the single greatest problem we face today, and Federal overspending and indebtedness, over the long term, has been the greatest single cause of inflation. To be sure, the inflationary trends in our economy have been primarily generated by rising food and energy prices. But some of our troubles have external origins. An increase in world demand, two devaluations of the dollar in the space of 3 years, a poor wheat harvest, the temporary failure of the anchovy catch, and the Arab oil boycott have all stimulated cost-push inflation.

Inflation may originate with devaluations, crop failures, swings in psychology, and even abrupt cost increases for energy and raw materials. In the long run, however, it is a monetary phenomenon. It cannot be sustained unless the money is there to finance it, and it will not be reduced if growth in money remains excessive. Thus, after allowance for special factors such as food and energy, the current inflation dates back to the deficit financing of the Vietnam war and to the expansionist policies following a mild recession in 1970–71. Since the sixties, a whole new batch of social programs has been undertaken by the Federal Government. In the last 10 years, while defense spending was increasing by 50 percent, spending for domestic programs leaped 191 percent. As a result, the budget has grown from $118.4 billion in fiscal year 1965 to an estimated $305.4 billion in fiscal year 1975.

DEFICITS IN FEDERAL FUNDS AND INTEREST ON THE NATIONAL DEBT, 1956–75 INCLUSIVE

[In millions of dollars]

| Fiscal year | Receipts | Outlays | Surplus or deficit | Debt interest |
|---|---|---|---|---|
| 1956 | 74,547 | 70,460 | +4,087 | 6,787 |
| 1957 | 79,990 | 76,741 | +3,249 | 7,244 |
| 1958 | 79,636 | 82,575 | −2,939 | 7,607 |
| 1959 | 79,249 | 92,104 | −12,855 | 7,593 |
| 1960 | 92,492 | 92,223 | +269 | 9,180 |
| 1961 | 94,389 | 97,795 | −3,406 | 8,957 |
| 1962 | 99,676 | 106,813 | −7,137 | 9,120 |
| 1963 | 106,560 | 111,311 | −4,751 | 9,895 |
| 1964 | 112,662 | 118,584 | −5,922 | 10,666 |
| 1965 | 116,833 | 118,430 | −1,596 | 11,346 |
| 1966 | 130,856 | 134,652 | −3,796 | 12,014 |
| 1967 | 149,856 | 158,254 | −8,702 | 13,391 |
| 1968 | 153,552 | 178,833 | −25,161 | 14,573 |
| 1969 | 187,784 | 184,548 | +3,236 | 16,588 |
| 1970 | 193,743 | 196,588 | −2,845 | 19,304 |
| 1971 | 188,392 | 211,425 | −23,033 | 20,959 |
| 1972 | 208,649 | 231,876 | −23,227 | 21,849 |
| 1973 | 232,225 | 246,526 | −14,301 | 24,167 |
| 1974 (est.) | 266,000 | 269,500 | −3,500 | 29,100 |
| 1975 (est.) | 294,000 | 305,400 | −11,400 | 31,500 |

Source: Budget of the U.S. Government, fiscal year 1975, Office of Management and Budget, and the Treasury Department.

For the fiscal years 1970 through 1975, the cumulative deficit according to recently published figures will come to $78.3 billion. Thus, the national debt, which was $367.1 billion at the end of fiscal year 1969, is now expected to reach $507.3 billion by the end of fiscal year 1975, an increase of 38 percent in little over 6 years.

Not only has Federal spending gone unchecked, but the money supply has been growing at a pace which exceeds our ability to expand production. For example, unless Federal deficits are accompanied by an expansion in the money supply, they tend to induce sharply rising interest rates. This occurs because deficits are financed through Federal borrowing which reduces money in circulation that would otherwise be available for lending. In the last 6 months, the money supply, consisting of currency and bank checking accounts, grew at an annual rate of 8.1 percent. By comparison, even during the spendthrift decade of the sixties, the average growth in the money supply amounted to approximately 3.8 percent. Hence, an indispensable ingredient to eventually controlling our excessive rate of inflation, must be to gradually reduce monetary growth to between 2 and 3 percent a year and then to stabilize that rate over a period of years. Unfortunately, this is a painful 2- to 4-year proposition which may not bring quick results and suffers from the possibility of inducing a recession.

Monetary restraint will only be effective if it is backed up by fiscal restraint. The administration has announced that it will seek a balanced budget for fiscal year 1976 approximating some $330 billion in estimated spending. Even more recently, we have been told by Presidential Adviser Kenneth Rush and Director Roy Ash of the Office of Management and Budget, that the fiscal year 1975 budget will create a deficit of perhaps no larger than $2 or $3 billion. With an enforced spending limit of $300 billion, revenue is now estimated to exceed the original figure of $294 billion due to inflation, better growth, and lower unemployment than anticipated.

Despite these bright appearances in an otherwise dreary picture, I am convinced that with inflation running as high as it is, the Government ought to be running a surplus instead. I, therefore, heartily endorse the statement of Arthur Burns, Chairman of the Federal Reserve Board, to the effect that the budget should be cut by at least $10 billion. This may require some belt-tightening, and even austerity for awhile, but in the long run, it is just plain good commonsense. In fact, I recently voted for an amendment on the Senate floor which limits fiscal year 1975 expenditures to $295 billion, in effect, this allows a small budget surplus.

For the time being, however, we should not be fooled into thinking that only a balanced budget and less monetary growth will stem the tide of inflation. For, while the Federal debt has grown enormously in the last several years, as a percentage of the gross national product, it has actually declined. Thus, for the short term, the causes of unemployment,

recession, and inflation are no longer influenced as significantly by a budget surplus or deficit as they once were. Limiting the money supply should, therefore, not be the sole means of combating inflation.

PROPOSALS

Mr. President, the Harris survey recently reported that a near majority of the American public no longer has confidence that the Federal Government knows how to prevent a depression or even to control a recession. Moreover, 48 percent of the American public interviewed in a mid-July survey of the Gallup organization now hold the Government responsible for causing inflation. This is, indeed, a sad commentary on the public's trust in Government, but perhaps a positive signal for the adoption of more stringent anti-inflation measures. Philosophically, I am in complete agreement with economist Alan Greenspan as to the underlying reasons for public malaise over the economy. According to Mr. Greenspan, the failure of Government in controlling inflation can be attributed to an "ever-increasing focus on short-term benefits at the expense of long-term costs." Mr. Greenspan, of course, is referring to the polarization of the economy and the inability of Government officials to adopt long-range goals, instead of opting for short-term political benefits.

Mr. President, the measures which I propose today should curb inflation as well as soften any negative effects stemming from higher unemployment. It will be a painful task, during which economic growth will probably be sluggish and unemployment may increase.

In general, the program which I have outlined today will reverse our long-held policies that penalize saving and encourage consumption. It will eventually curb high interest rates while at the same time providing much needed liquidity to our long-term debt markets. Finally, the Federal budget must be brought under control if long-term inflation is to be held in check. Increased authority on the part of the Federal Reserve to regulate reserve requirements as well as to enhance monetary policy is included. Double-digit inflation can be controlled, but only if we are willing to adopt a long-term solution.

A. BALANCE THE BUDGET

The administration has already announced a revised fiscal year 1975 budget figure which suggests that the deficit will approximate some $2 or $3 billion, rather than the $11 billion originally anticipated. Outlays are not expected to exceed $300 billion, down substantially from an earlier figure of $305.4 billion. For fiscal year 1976, the President will seek a balanced budget of approximately $330 billion.

But, this is not sufficient. In the midst of this country's worst inflation since World War II, I see no reason why the Federal budget cannot be balanced this coming year. I have already voted to place a $295 billion limit on the fiscal year 1975 budget, and I urge my fellow colleagues here in the Senate to carefully consider whether pending legislation to increase outlays should be rejected in the interest of reducing inflation.

B. CUT SPENDING BY $10 BILLION

I propose that Federal spending be cut across the board by at least $10 billion in fiscal year 1975. All agencies of the Federal Government should bear their fair share of an anti-inflationary cutback in spending.

C. LIMIT MONETARY GROWTH

I am in total agreement with numerous economists that this Nation's money supply which is a reflection of deficit spending must be reduced from its 8-percent rate for the first two quarters and eventually stabilized at a rate which varies between 2 and 4 percent. However, notwithstanding my support for a lower rate of monetary growth, cutting back too quickly on our country's money supply could produce a serious economic disruption. Thus, caution must be exercised as growth is gradually reduced. Of equal importance, Congress should make a commitment to keep this lower rate permanent, so that we may avoid the wide fluctuations in the rate over the last few years.

D. STRICT CONTROL OVER THE BUDGET

The Budget Reform Act of 1974, which the President recently signed into law, will set up a new budget office in order to provide Congress with the same expertise as that of the executive branch. The new legislation provides that oversight committees in both the Senate and the House will be established with the primary objective to enforce spending limits. Thus, for the first time in its history, Congress will have the ability to recapture control over the budget. Although I cannot overemphasize the need for rapid implementation of this new law, I hope that the members of these committees will not use their position as a weapon to advance their own pet projects, or to promote their own version of social reform.

E. CAPITAL GAINS TAXES

Taxes on capital gains should be reduced via a graduated rate the longer an investor holds on to an asset, whether it be real estate, securities, or whatever.

Our effort to curb inflation and lower exorbitant interest rates is presently hindered by depressed growth in our Nation's long-term equity markets. Especially at this juncture in our Nation's history, there are too few incentives to save and invest for the future. Thus, because stock and bond prices are depressed, expansion-oriented companies are being forced to drive up the prime interest rates in order to expand their productive capacity and to meet the new antipollution regulations. By enacting the above tax reform, I believe the following beneficial effects would occur: A resurgence of investment in stocks and bonds, reduced consumer spending and greater savings, a gradual deflation of interest rates, more money for housing construction, and a healthier economy.

F. A $200 INTEREST EXCLUSION

The housing industry is currently suffering from a drought produced by high interest rates and too little money to finance construction. In order to encourage savings and repair the damage to home construction, I announce today my support for a $200 tax exclusion applicable to the interest from regular savings accounts and retail certificates of deposit of up to $20,000 at savings and loan institutions.

G. MONETARY REFORM: RESERVE REQUIREMENTS FOR LOANS

The Federal Reserve Board has introduced legislation in Congress to regulate the reserve requirements of all banks as well as to require more comprehensive reports on their daily monetary status. Currently, only 41 percent of this Nation's banks belong to the Federal Reserve System, a fact which severely hinders the Fed's effort to control inflation by adjusting certain reserve requirements or by tightening up bank credit.

Effective monetary control—and hence the success of our antiinflation policy—is best carried out by a strong central bank with sufficient power to insure the outcome of its program. However, at the present time, the Fed's course of action is jeopardized by its inability to obtain up-to-date information necessary to foster an economic environment more consistent with high employment and stable prices. I, therefore, intend to support this legislation.

H. MINIMUM TAX

Taxpayers should not be permitted to avoid the income tax rates, graduated from 14 to 70 percent, either through exclusion preferences, itemized deductions or the payment of a 10-percent surcharge. At the present time, however, the existing minimum tax has not been effective with respect to wealthy individuals who pay little or no tax. I, therefore, intend to support legislation that will require every taxpayer to subject at least half of his adjusted gross income—including certain tax preferences—to Federal income taxation. The Treasury Department estimates that this proposal will net the Government an additional $745 million in revenue.

I. WAGE AND PRICE TASK FORCE

While I oppose wage and price controls as both unfair to workers and as a restraint to increased output, the Government needs some device to monitor wages and prices during the next year or two. I, therefore, heartily endorse the recommendation of Arthur Burns, Chairman of the Federal Reserve Board, that a special task force be established which could delay wage and price increases in key industries by 30 or 45 days, hold hearings, make recommendations, monitor results, and generally bring the force of public opinion to bear against wage or price increases that involve an abuse of economic power, or which could otherwise prolong inflation.

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## LETTER FROM AN IMPRESSIVE SLUGGER

Mr. HART. Mr. President, let me share with you the letter of Sandy Cash, of Oak Park, Mich., who has written what surely is the last word about the "girls in Little League dispute." This impressive slugger writes:

This is like all prejudice. It doesn't matter who or what you are . . . If girls fairly make the team, they should not be excluded just because they are girls . . .

And she is surely right.

So that we may all benefit from Ms. Cash's wisdom, I ask unanimous consent that her letter be printed in the RECORD.

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

DEAR SENATOR HART: I am writing to you about the controversy on girls in the Little League. I think there would *be* no problem if Little Leaguers' parents would stop living in the "20's" and "30's" when they were our age. I know girls that are *as* strong (or plenty stronger) as the boys in my neighborhood. If you just look at it this way. Some boys are stronger or weaker than others. So are girls. But stop making so many generalizations! People used to think you had to be white, protestant, rich and male to be successful in anything. This is like ALL prejudice. It doesn't matter who or what you are! Girls are just as good ballplayers as boys, and if they *fairly* make the team, and meet the team's standards, they should NOT be excluded just because they are girls.

Sincerely,

SANDY CASH.

## TRIBUTE TO NEW JERSEY SBA OFFICE

Mr. WILLIAMS. Mr. President, recently the Newark, N.J., Star-Ledger did a story on the activities of the Newark Area Office of the Small Business Administration.

As the article will indicate, the Newark SBA Office is providing an outstanding service to small businessmen in New Jersey in providing much-needed financial assistance when conventional borrowing is unavailable.

I have known the Newark Area Director, Mr. Andrew Lynch, for many years and I commend him and his staff for the fine job they are doing in helping small businessmen. I would like to share with my colleagues the article which appeared in the Star-Ledger on Wednesday, July 3.

Mr. President, at this point in my remarks, I ask unanimous consent that the article from the Star-Ledger be printed in the RECORD.

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

[From the Newark Star-Ledger, July 31, 1974]

SBA GIVES BUSINESSES AN AVENUE FOR NEW HOPE

(By Alexander Milch)

A meat-cutting firm which was able to stay in Newark, a clothing store restored after the 1967 riots and a steel wire company in Carteret encouraged to enlarge—those are some of the results of lending activities of the Small Business Administration (SBA) office in Newark.

Andrew P. Lynch, state director who has been on the job since the SBA office was established in Newark in 1962, has filed his annual report showing a record $50.5 million in loans to small business of the state in the fiscal year ended June 30, and an overall total since 1953 of $330.3 million. Prior to the establishment of the Newark office, loans for New Jersey were authorized out of New York and Philadelphia.

The stories behind these figures are told by grateful businessmen helped by the SBA when conventional borrowing was unavailable.

Davis White Co., a wholesale meat company, in 1964 wanted to renovate and expand its plant at 222 Norfolk St., in Newark's Central Ward, but bank or insurance company financing was not available.

"We were told we could get the loan only if we would build in the suburbs, not Newark," said Franklin Davis, president and chairman.

But Davis, whose company had been founded in 1906, wanted to remain in Newark, where he does substantial institutional selling. He explained his predicament to the SBA and was granted a long-term loan of more than $200,000. Ordinarily, banks are encouraged to do the lending, with the SBA guaranteeing up to 90 per cent of the loan. Direct loans, at 5½ per cent interest, are made only in special cases such as Davis White's.

Davis, who employs 40 in his plant, is happy to remain in Newark and expressed gratitude for the SBA assistance. The plant was not touched in the 1967 riots.

That however was not the case with Andy's Clothing Store at 482 Springfield Ave., Newark, which was wrecked and vandalized in the riots.

Andrew Gondov, a Hungarian emigre who started the store in 1965, a year after he came to this country, was unable to start up again, for no clothing manufacturer would give him credit.

His appeal to the SBA for help was quickly answered with a direct loan of $10,660, now mostly repaid. It enabled him to replace the store front, install new fixtures and obtain new stocks of men's clothing. He is back in business, and according to his brother-in-law and store manager, Anton Wilheim, business is good.

"Without that loan, nothing would have pulled us through," said Wilheim. "There was no way we could have continued otherwise. About 85 per cent of our business is from regular customers. Even people who have moved away come to shop at our place," he said.

A problem of a different sort concerned Martin Mayer, head of Mayer Management Group Inc. of Livingston. The holding company wanted to set up a Foodtown supermarket in a mall proposed for 50 Sussex Avenue in East Orange's Fourth Ward, but didn't have the credit rating of national food chains, none of which, incidentally, was interested in the project. Financing for malls is usually obtainable only if firm leases are in hand.

The SBA came to Mayer's aid with insurance guaranteeing $1.4 million in rental payments over a 20-year lease period by his Sussex Mall Foodtown Inc. for 24,000 square feet out of 45,000 square feet of space in the mall. This permitted First National State Bank of Newark to provide construction financing for the developer, and the Prudential Insurance Co. of Newark to take over the long-term financing. The one-time premium for the insurance came to $30,000.

The store was opened in 1972 and is doing quite well, according to Mayer, who also has two Foodtown stores in Newark, and is planning two more in Bergen County. He said he was "delighted" with SBA's cooperation and assistance.

Republic Wire Corp. of Carteret was started in 1957 as a small wire mill. According to Norman Geller of South Orange, its president, the firm has expanded its operations through the years with SBA help. Sales this year are estimated at more than $10 million.

In 1962, a $350,000 bank loan guaranteed by the SBA, plus $200,000 in debenture lending by customers, enabled Republic to enlarge by bringing in new equipment. The financing also brought an end to Republic's reliance on high-cost factoring.

Republic has paid off its SBA obligations, and has since obtained conventional bank financing for a multimillion dollar electric-furnace steel mill in Sayreville. Started in 1971, it is the New Jersey Steel and Structural Corp., with an annual capacity of 300,000 tons of the metal.

Rudolfo Strauss and his brother Luis came to this country 10 years ago, giving up their plastics business in Cuba. Rudolfo, after working in plastics plants in Newark, finally was able to start up Strauss Plastic Co. at 111 Gotthardt St., Newark, with his brother in 1972 with the help of an SBA-guaranteed bank loan for $75,000.

The company, employing 32, makes plastics parts for cars and cosmetics use. Sales were $1.2 million last year—but are being threatened now by shortage of styrene and other plastics manufacturing components.

Carmel Santonello had a little linen supply business in Jersey City employing eight people and doing $60,000 in annual sales—until a $150,000 SBA-guaranteed loan in 1965 enabled him to expand by acquiring Supreme Linen Supply Co. at 124–130 Delancy St., Newark. That loan was repaid, and then another $130,000 SBA-backed loan was obtained in 1973 for further expansion through purchase of routes. The business, Supreme Santell Linen Supply Inc. at the Delancy Street location, employs 100 people and has sales of $1 million a year.

One move out of Newark aided by the SBA took place in 1968, when M. Polaner & Sons Inc., makers of jams, had to leave because their plant on Morris Avenue was condemned to make way for the New Jersey Medical College. The agency approved a $350,000 bank loan for Polaner repayable over a 10-year period, and the firm built a new plant at 462 Eagle Rock Ave., Roseland.

## CONSUMER PROTECTION

Mr. HART. Mr. President, much of the debate on the Agency for Consumer Advocacy has centered on whether a new agency to protect consumers is really necessary. Critics of the bill argue that existing agencies adequately protect the consumer's interest. The National District Attorneys' Association's economic crime task force has recently studied this question. This group, perhaps more familiar with economic crime directed at the consumer than any in the country, has concluded that the ACA is not only necessary but indispensable in protecting the consumer from improper business conduct. I have recently received a letter from Mr. Robert Leonard, chairman of the economic crime committee and able prosecuting attorney of Genesee County, Mich., and signed by 23 prosecuting attorneys from around the Nation, which states the reasons for the N.D.A.A.'s endorsement of the ACA. I ask unanimous consent that this letter be printed in the RECORD.

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

PROSECUTING ATTORNEY,
*Genesee County, Mich., July 13, 1974.*

Hon. PHILIP A. HART,
*U.S. Senator,*
*Russell Senate Office Building,*
*Washington, D.C.*

DEAR SENATOR HART: Chairman of the Economic Crime Committee of the National District Attorneys' Association, I am writing this letter to you and to every other member of the United States Senate in regard to your

current consideration of the proposed Consumer Protection Agency Act, which is designated as S. 707. This letter is being sent to you in behalf of all the members of the National District Attorneys' Association's Economic Crime Task Force as well as in behalf of other participating officers of the N.D.A.A., all of whom acknowledge and concur in my writing to you the following statement of support for S. 707. The names of these several officers of the N.D.A.A. appear beneath my signature, *infra*. As representatives of the N.D.A.A., we believe it is incumbent upon us to express to you our position in regard to this important piece of proposed legislation which would establish, on the national level, an agency which we believe would be of tremendous benefit to every consumer throughout the United States.

We, as prosecutors, are all too familiar with the onslaught of economically-based crime which is directed toward the consumer. In our opinion, it is indeed unfortunate that the Congress of the United States has failed in the past to create such a Federal agency to protect consumers. We urge that the present opportunity to act favorably upon S. 707 should not be ignored.

As Chairman of this Economic Crime Task Force my colleagues and myself have within the last several months been actively engaged in the investigation of many forms of "white-collar" crime which have been perpetrated against the American consumer. For example, we have actively looked into the current practices and procedures of the oil industry in this country, among other things, in an effort to discover whether these actions have involved the violation of our state anti-trust and fraud laws. Our basic purpose has been to ferret out much of the conduct which is so difficult to observe and which has such a pervasive effect on the welfare of the American consumer. The unconscionable rise in the price of fuel and gasoline has had devastating impact on the economic welfare of many of our citizens. As a result, our organization and Task Force have pursued their obligations to the public to investigate this situation with vigor and immediacy.

I would like to here relate to you several of our experiences in this context which, I believe, point out with specificity the reasons why a national agency to protect the American consumer is necessary. In this regard, I would like to discuss some of the experiences that our Task Force has faced in the recent past as well as some of the pertinent experiences which I have experienced as Prosecuting Attorney in our consumer protection efforts on behalf of our citizens.

Let me first speak to some of the difficulties which the Economic Crime Task Force has faced in attempting to pursue its investigation of the oil industry and to gain cooperation from the supposedly concerned federal agencies. During the week of March 15, 1974, in preparing for a meeting with the oil company officials in April the member offices of the Energy Crisis Committee of the Economic Crime Task Force of the N.D.A.A. sent staff people to Washington, D.C., to attempt to collect data and to conduct interviews with legislative committees, administrative agencies and trade associations.

The Committee staff people received a generally unsatisfactory reception at the U.S. Department of Justice, the F.T.C., and at most of the legislative committees currently involved in similar investigations of the oil industry. These staff members had considerable difficulty in obtaining information from any of the legislative committees which concern the current investigations of the various aspects of the petroleum industry, and which information had not already been publicly disseminated. Two predominant attitudes of these legislative committees became apparent, in our opinion, both of which operated to impede any meaningful cooperation with our staff members.

First, the legislative committees involved here perceived the investigative efforts of the Energy Crisis staff as being merely local, narrow in scope, and therefore not "truly serious" and deserving of their full and co-equal cooperation.

Second, these committees displayed a patently "jealous" posture in relation to the data and information which they had collected. In effect, each committee seemed desirous of guarding its own information and of isolating the same for its own particular investigative purposes, notwithstanding that such information obviously would have been helpful to our common objective of investigating the petroleum industry.

This kind of a "balkanized" attitude on the part of these several legislative bodies was shared by the several federal administrative agencies, which are also now involved in the investigation of the oil business. Thus, the U.S. Justice Department, the Federal Trade Commission, and the Federal Energy Office all took much the same "non-cooperative" attitude in regard to our requests for information as the legislative committees had.

As a result of this lack of cooperation, the N.D.A.A.'s investigation of the oil industry has been denied the extremely valuable benefits of access to the vast amount of relevant information and evidence which has already been garnered on the national level.

Of course, we are well aware that these committees and agencies may have quite valid reasons for not disclosing to us at this time the content of certain information. We recognize that some of this information may be of a confidential nature. But this very fact confirms the basic need for a central, federal consumer agency which, as a part of the federal government itself, could have access to such information without violating any well-founded need for preserving this confidentiality. Such a federal agency would at least be granted initial "insider" access to this material which is apparently being denied to the various, "outside" state and local investigative units. The federal consumer agency would conversely present to all other federal agencies and bodies a picture of permanence, stability, and peerage—all of which characteristics would promote intra-federal, inter-state and inter-local cooperation in investigative efforts.

Another example of the need for a CPA-type of law is my poor experience with the efforts and aid provided by the F.D.A. in our investigation of dangerous toys in our community. I would like now to bring to your attention our experience in this regard in relation to the area of dangerous toys.

The Consumer Protection Division of the Genesee County Prosecutor's Office has been involved in toy safety pursuits, investigations, and projects since before the Christmas toy season of 1971. In 1971 and 1972, toy safety regulation on the federal level was in the hands of the Food and Drug Administration (F.D.A.). Our experience, in general, with the F.D.A. in this field was distressing and unrewarding. Although the F.D.A. had published a so-called "banned toy" list for public dissemination, its list was not only incomplete, but was moreover misleading, inaccurate, and was the result itself of highly questionable "safety-testing" procedures.

The F.D.A., in fact, appeared to us to wish to discourage action on our part to effect compliance by local retail toy outlets with the federal agency's own standards, as weak and incomplete as they were. Furthermore, the "safety-testing" standards of the F.D.A. were themselves specious, illusory, arbitrary, and wholly unscientific, and allowed toy manufacturers to easily make minimal and meaningless "alterations" or "revisions" to "banned" toys to technically bring them outside of the limited purview of the "banned toy" list with F.D.A. acquiescence and approval. F.D.A. regulation then, in our experience, was regulation in form only without substance and without true protection for children-consumers, the most helpless consumers of all.

In 1973, federal regulation of the top industry passed from the F.D.A. to the newly created Consumer Products Safety Commission (C.P.S.C.). Although the C.P.S.C. appears to be more favorable to citizen and local agency input in regard to hazardous toys than was the F.D.A. "leadership". The present "banned toy" list is still incomplete and inadequate. Although the C.P.S.C. appears to more actively encourage local attempts to effect compliance with its standards, it nevertheless appears just as recalcitrant to initiate prosecutions against the toy manufacturers for non-compliance, as with the F.D.A.

Thus, although the Genesee County Consumer Protection Division has identified hundreds of *per se* "banned toys" and other dangerous toys not technically on the "banned toy" list, and has further informed both the former F.D.A. and the present C.P.S.C. of these findings over the last some three years, not a single federal prosecution has been commenced in Genesee County, Michigan. It can safely be assumed that such lack of federal agency action on the local level has been repeated across the United States.

In December, 1973, my office filed 81 petitions in regard to dangerous toys found in Genesee County with the C.P.S.C. pursuant to its rules, wherein we requested the C.P.S.C., on behalf of all citizens in Genesee County, to abate the sale and marketing of such dangerous toys in our county. Now, some seven months later, the C.P.S.C., to our knowledge, has taken absolutely no action whatsoever in response to any of these 81 petitions.

The indifference and "do-nothing" attitude of the former F.D.A. and the more positive but as yet unproductive action of the C.P.S.C. toward helpless American children who use and play with such dangerous toys has further demonstrated to me the imperative demand for a concerned and active federal Consumer Protection Agency. The heretofore lack of concern on the part of these federal administrative agencies for our children has indeed been personally disheartening and distressing to me as Prosecuting Attorney of Genesee County, Michigan. I sincerely believe that a federal Consumer Protection Agency, being a federally equivalent agency of the C.P.S.C. and other federal agencies, would more likely be successful in abating this inexcusable neglect on the part of the federal government in this important sphere of activity which so strongly affects the interests of every American family.

Another area which has been of extreme concern to me, to my office, and to consumers throughout my county as well as throughout this nation, is the mobile home industry. Many Americans have, out of economic necessity, been forced in ever-increasing numbers to turn to this less expensive mode of living from conventional housing. They have concomitantly been required to accept the many fire and safety hazards which are inherent in the numerous, presently mass-produced mobile homes throughout this nation, which have been and are being manufactured under the most minimally protective "industry" codes and regulations which can be imagined. The current issues relating to this industry indeed involve the very life or death of the mobile home resident.

In Genesee County, Michigan, alone in the last few months at least 10 persons have died horrible and agonizing deaths in at least 22 mobile home fires. There have also been many other such fires and similar deaths across the state of Michigan in the same time period. The Consumer Protection Division of my office, as a result of these "fire trap" and "tinder box" consumer deaths, has

waged an ongoing campaign and investigation to have greater and more protective "life-safety" rules and standards promulgated by the concerned state bodies and regulatory agencies in Michigan over the manufacture and sale of mobile homes in our state. The impact of our efforts has just recently begun to have been felt on the state level and has been reflected in the enactment of both rules and legislation creating somewhat higher but still inadequate "fire-safety" standards for mobile home construction in Michigan.

One of the primary reasons that our efforts and the efforts of other consumer groups have not met with greater success is the extreme and overwhelming industry-dominance and influence within the concerned state agencies, bodies, and *ad hoc* advisory committees which have the responsibility for adopting or enacting mobile home safety standards. This "pro-industry" bias which exists at the state level of government in Michigan has operated to deny all efforts to have the consumer interest fairly and impartially considered at that level in regard to the issue of mobile home safety.

There does not exist in Michigan an independent, governmental agency with the technical expertise and resources to match those of the national mobile home manufacturers, of their component manufacturers, or of their respective insurance companies. Thus, our state government in Michigan has been and will be continually presented with a biased and one-sided set of documents, information, statistics, and experimental data which will surely support the desire and ends of the mobile home industry to keep building and safety standards to the bare minimum, notwithstanding the repeated tragedies associated with mobile home living.

Indeed, such a "pro-industry" bias and imbalance of financial and technical resources in regard to this business exists not only on the state level but also on the federal level of government. A gross example of this situation is reflected by recent action on the part of the National Bureau of Standards (N.B.S.) taken in 1973. Last year, the Mobile Home Manufacturers Association, the national trade association of mobile home manufacturers (M.H.M.A.), provided a substantial private grant of money to the N.B.S., a federal agency within the U.S. Department of Commerce, for the purposes of conducting experimental, scientific tests of the fire and flammability characteristics of mobile homes and their component materials.

Although it would be presumptuous to believe that the N.B.S. would be at all "pro-industry" biased, either in the conducting of such tests or in the compilation of the results therefrom because of the fact that the federal agency was in part privately funded by the industry itself, it can safely be assumed that the results of any such governmental testing may, when they are finally made public, clearly remain beneath a cloud of suspicion and doubt.

The public may very well *perceive* that such "official", governmental test results, paid for in part by the private industry which itself was the subject of such testing, necessarily must reflect some inherent bias in favor of the industry whose "gift" made the very tests possible in the first place. Neither the NBS nor any other federal agency charged with the responsibility of vindicating the public interest should ever have to be placed in a position where its actions or published information are inherently "tainted" in the public eye because of any forced reliance upon private industry for necessary funding, either in whole or in part.

The proposed federal Consumer Protection Agency would cure and correct the very appearance of impropriety or bias alluded to above by itself providing necessary funds to other governmental or private agencies for research and testing in areas vitally affecting the consumer interest. The existence of the CPA thus would obviate any need for federal testing agencies to turn to questionable private or industry sources of funding.

The "pro-industry" bias (and even the appearance of such bias) toward business and the interests of industry on the part of concerned governmental agencies, both on the federal and state level, certainly operates to the detriment of the public and the consumer. This bias directly results in the dissemination of misinformation, selective information favorable only to the industry side of a question, and inadequate knowledge and understanding for the people. It is my hope that a federal Consumer Protection Agency would tend to at least give some semblance of balance in the resolution of the many important issues which affect the public interest, such as those concerning the mobile home industry in which I have been deeply and personally involved.

In this context, it is extremely relevant that another vital function of the proposed CPA will be to *independently* gather information to carry out its purposes effectively in behalf of the consumer. The CPA will have the authority to conduct and promote research and investigation into all matters which affect the consumer interest. The CPA will be able to publish and inform the public about matters closely connected to the public interest. It will provide *bona fide* information for public dissemination. It will provide such information from a centralized, uniform and authoritative source. It is the lack of just such a source of information that has so severely jeopardized the health, safety and well-being of the American public countless times in the past as a result of the public's uniformed uses of dangerous and hazardous goods, among other things.

We are all aware that the Federal government should and must take positive leadership and initiative in the battle to protect our citizens from those forms of crime and improper business conduct which are perhaps the least observable crimes of all. We believe that it is imperative that the Federal government now take positive and immediate action to protect the American consumer.

Proposed Senate Bill 707, which would establish a Federal Consumer Protection Agency (C.P.A.) to represent and advocate the interests of all consumers throughout this nation before all the federal agencies and federal Courts, is a remarkable and laudable vehicle to further the above goals. We strongly urge every member of the U.S. Senate to favorably support, endorse, and vote for the enactment of this Bill into law.

Crimes against the consumer and economic crime are a *national* problem. Prosecutors on the state and local levels by themselves cannot deal with this problem in the most effective terms. National recognition of the problem is an essential precondition to effectively dealing with it on the local level. The proposed legislation would be a fundamental and necessary first step in the ongoing battle which we must wage to protect the American public and its economic welfare. There now exists in this country a strong lack of confidence in the processes of government and the ability of government to protect the individual in those areas where he most needs protection in this day and age of inflationary spirals. It is thus essential that this lack of confidence be dealt with on a firm and direct basis. Certainly, one of the major ways in which the public's confidence in its government can be restored is by the action of the U.S. Congress in creating a federal agency, the only purpose of which will be to directly serve and protect the economic interests of every individual in this nation. A federal Consumer Protection Agency can and must now be made a reality.

Such an agency, would serve and promote many worthwhile protections, goals and needs which are now demanded by the American consumer. The American people desperately need an effective "voice" in the policy-making decisions of the federal government which directly affect them.

The establishment of the CPA would merely allow the side of the consumer to be heard. We cannot understand how any federal agency or business could properly object to this simple and basic expression of fundamental fairness.

The proposed CPA under S. 707 would additionally perform other vital functions on behalf of the consumer which we wholeheartedly support. The CPA would further serve as the focal point or "clearinghouse" in the federal government for complaints by consumers. This centralized function, which would further augment the effective access by the consumer to his government, will also certainly tend to enhance the average citizen's confidence in the processes of his government. It will help to restore the public's basic faith and trust in government at every level.

As Chairman of the Economic Crime Committee, and on behalf of the other designated public prosecutors and members of the foremost National Association of Prosecuting Officials in this nation, my colleagues and myself have felt a special and urgent obligation to express to you our unqualified endorsement and approval of the proposed consumer protection agency act as it is now embodied in S. 707.

It is our part as public officials to help stem the current onslaught of economic crime against the American consumer on the state and local levels. However, this battle cannot be successfully waged merely on our levels. It is essential for the federal government to provide uniform, centralized and authoritative help in this task. The proposed federal Consumer Protection Agency would indeed provide such necessary help and direction. A centralized and integrated response to the plight of the American consumer on the federal level has been desperately needed for a long time. We strongly urge that every Senator respond to this serious plight at this time and endorse the passage of S. 707 into law.

Sincerely yours,

Robert F. Leonard, Chairman, Economic Crime Committee National District Attorneys' Association.

John O'Hara, President, Covington, Kentucky.

Milton Allen, Baltimore, Maryland.
Eugene Gold, Brooklyn, New York.
Patrick Leahy, Burlington, Vermont.
Joseph Busch, Los Angeles, California.
Edward Cosgrove, Buffalo, New York.
Richard Gerstein, Miami, Florida.
Carol Vance, Houston, Texas.
John Price, Sacramento, California.
George Smith, Columbus, Ohio.
William Cahn, Mineola, New York.
Donald Knowles, Omaha, Nebraska.
Edwin Miller, San Diego, California.
Christopher Bayley, Seattle, Washington.
Keith Sanborn, Wichita, Kansas.
Dale Tooley, Denver, Colorado.
Carl Vegari, White Plains, New York.
Preston Trimble, President Elect, Norman, Okla.
Brendan Ryan, St. Louis, Missouri.
Emmet Fitzpatrick, Philadelphia, Pa.
Harry Connick, New Orleans, Louisiana.
Bernard Carey, Chicago, Illinois.
Dennis DeConcini, Tuscon, Arizona.

## APPALACHIAN STATE UNIVERSITY CONFERS HONORARY DEGREE UPON SENATOR SAM J. ERVIN, JR.

Mr. ROBERT C. BYRD. Mr. President on July 13, 1974, Appalachian State University held its 75th Anniversary Convocation on its beautiful campus at

Boone, N.C., and conferred the honorary degree of doctor of constitutional law upon our colleague, Senator SAM J. ERVIN, JR., who spoke at such convocation.

The degree was conferred by Chancellor Herbert W. Wey, who read the following citation:

A native-born son of northwestern North Carolina and a life-long worker for its improvement, who through application of ability and responsibility is recognized as one of the nation's foremost constitutional lawyers—a devoted and beloved husband and father—an acclaimed legislator and statesman—a defender of his country in time of peril—an ardent and consistent supporter of higher education—a devout churchman—a defender of individual freedoms—a widely sought and highly respected friend and counselor—Appalachian State University recognizes and honors you, *Sam J. Ervin, Jr.*, and doubly honors herself by unanimously choosing you to receive her honorary degree. Therefore, I, too, am honored and also highly pleased to confer upon you the degree of *Doctor of Constitutional Law.*

In presenting Senator ERVIN to Chancellor Wey for the awarding of the degree, D. Dwight Crater, chairman of the board of trustees of Appalachian State University, made the following remarks:

Three years prior to the founding of Appalachian State University, Sam J. Ervin, Jr. was born in Morganton, North Carolina. He was reared and has continued to live—when not involved with the business of the United States—in the city of Morganton and Burke County. He is a true son of northwestern North Carolina whose ancestry helped to shape the form of their native area of our state. Even his speech associates him more intimately with those of us who love this portion of the state, for whatever his accomplishments or however famous he may have become, there remains in his accent the colorful overtones of his heritage.

Senator Ervin's formal education charts a classic route—the public schools of his home county and later undergraduate work at the University of North Carolina at Chapel Hill where in 1917 he received his A.B. degree. *After* he had been admitted to the North Carolina bar in 1919, he went to Harvard Law School where in 1922 he received his LL.B degree. His total education, however, has been drawn from many sources: the halls of the North Carolina General Assembly and the United States Congress; the benches of the Criminal Court of Burke County; the North Carolina Superior Court and the North Carolina Supreme Court; Membership on the North Carolina State Board of Law Examiners, and Chairmanship of the North Carolina Commission for the Improvement of the Administration of Justice. The Senator is the recipient of over 10 honorary doctorate degrees and has served on the Board of Trustees of Morganton graded schools, Davidson College and the University of North Carolina at Chapel Hill.

A defender of his country, he was twice wounded in battle and twice cited for gallantry while serving with the American Expeditionary Force in France during the First World War. He is the wearer of the French Fourragere and holds the Distinguished Service Cross, ranked only by the Congressional Medal of Honor.

By profession and vocation, Senator Ervin is a lawyer, specifically a constitutional lawyer without peers. From the beginning of his distinguished career as a jurist in 1935, the first amendment to the Constitution has been the measure in the law—the preservation of individual freedom. To that end he is the author or sponsor of significant legislation such as the Criminal Justice Act of 1964, Law Enforcement Assistance Act of 1965, Bail Reform Act of 1966, Narcotic Addict Rehabilitation Act of 1966, Military Justice Act of 1968, Omnibus Crime Control and Safe Streets Act of 1968, and Bill of Rights for American Indians (1968).

Senator Ervin has served the State of North Carolina in the United States Senate since 1954. He is chairman of the Committee on Government Operations; a Member of the Judiciary Committee and Chairman of its Subcommittee on Constitutional Rights, Revision and Codification of the Laws, and Separation of Powers; Chairman of the Subcommittee on Status and Forces Treaty of the Armed Services Committee, and Chairman, Select Committee on Presidential Campaign Activities.

Some of the Senator's Morganton friends and neighbors say that, although he has reached the apex as a constitutional lawyer, he is really a statesman at heart. They say his first diplomatic characteristics were noticed when he somehow persuaded Margaret Bruce Bell to marry him back in June, 1924. From that union has come a son, two daughters and, at last count, seven grandchildren.

Numerous oral commentaries have been made and history will verbally record the accomplishments of the Senator from North Carolina, but none will describe him more accurately than Joseph McCaffrey. Mr. McCaffrey said on the program "Meet the Member" over Radio Station WMAL, Washington, D.C.:

"Sam Ervin is (the) one of freedom's last hopes. He is a man who believes the constitution means what it says, and that the protection it offers man and his rights is as real today as when those men in Philadelphia hammered it all together almost 200 years ago.

Sam Ervin of North Carolina is one of the great ones in an age that doesn't boast very many."

It is therefore altogether fitting and proper, Chancellor Wey, that the institution which serves his native area now recognize and honor Senator Ervin.

It is with honor and with pride that I present to you Senator Sam J. Ervin, Jr., one of the most outstanding citizens and public servants of North Carolina, and a personal friend, for the awarding of the degree *Doctor of Constitutional Law.*

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## ASSISTANCE TO VIETNAMESE CHILDREN

Mr. WILLIAMS. Mr. President, on July 30, I introduced an amendment to S. 3394, the Foreign Assistance Act Amendments, which would significantly increase the assistance our Government is providing to the South Vietnamese children who have been disadvantaged by the war. I have introduced legislation on four separate occasions for the relief of these children, and Congress initiated a program for them last year as an earmarked priority in the foreign assistance program.

The child welfare program in South Vietnam is designed to provide immediate and urgently needed assistance to the indigent children. It is also accomplishing a longer ranged objective of strengthening the family unit. An article on child welfare programs in the August 2 edition of the New York Times by David K. Shipler documents the successes this approach has had in South Vietnam. I think it will be especially gratifying to those Members of Congress who have actively supported this program to know that it is working so well.

Mr. President, I ask unanimous consent that the article from the New York Times be printed in the RECORD.

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

### SAIGON WELFARE PLAN AIMS AT REDUCING ABANDONMENT

(By David K. Shipler)

SAIGON, SOUTH VIETNAM, August 1.—Something very minor but very important happened not long ago in a wooden shack with a dirt floor near the vast garbage dumps at the edge of Saigon, Mrs. Tang A. Kieu, who lives there with her six children, was given $24.

She had not asked for the money, for she had despaired of help. It was offered by a kind-faced Buddhist nun who is working at the frontier of a pioneering Government effort to introduce a welfare program to South Vietnam.

It is a program for children, aimed primarily at preventing their abandonment by mothers and grandmothers who, hard pressed as the economy continues to deteriorate, might be tempted to relinquish a child to the misery of an orphanage.

This form of welfare plays to the industriousness of the Vietnamese. It succeeds only when the recipient responds with hard work and enterprise.

#### THE PLASTIC BAG BUSINESS

Mrs. Kieu, for example, used to scavenge in the dumps, picking up discarded plastic bags to sell for recycling. She gathered so few and earned so little—100 to 200 piasters, or 15 to 30 cents a day—that it was not enough for food, she explained, "so we were weak and could not work as hard."

When the Buddhist nuns who run a day-care center heard about Mrs. Kieu, they investigated. "They said I was poor so they gave me money," she said.

The small grant was like a pitcher of water to prime a pump. Now Mrs. Kieu no longer collects the bags herself but buys what neighborhood children have gathered, washes them in soapy water and resells them. Since she has capital, she can deal in larger quantities, and her income has more than doubled.

"Now we have enough to eat," she said. "We can have two full meals a day."

"She has gone from being destitute to being poor," observed Miss Phan Ngoc Quoi, who directs the program for the Ministry of Social Welfare.

Funded with $476,000 from the United States Agency for International Development, the welfare program, known as family assistance, gives only one-shot grants, or short-term subsidies in an effort to avoid the dependence that is typical of welfare in the United States.

Furthermore, Miss Quoi, who has a master's degree in social work from Loyola University in Chicago, has tried to keep the program unbureaucratic by bypassing the ministry's own workers in the provinces and channeling the money through private agencies, mostly religious groups with grass-roots contacts.

This cuts overhead; she says—only 10 per cent of the funds go for agency expenses—and probably keeps the program more honest than if Government officials handled the money.

Even so, "we have to run this program on trust," Miss Quoi explained, adding, "I make random checks, and agencies have to keep their prestige."

The effort is too new and too small to have had much impact on the 900,000 to one million children who have lost one or both parents. But it has already taught something about the resilience of the economy and its ability to amplify the impact of a bit of well-placed cash.

Mrs. Dang Thi Kai, for example, has been struggling to feed her seven children since 1968, when her husband was killed. She would buy a few vegetables on credit, sell

them in the market and then pay her creditors with interest. She barely made a profit, and her children were thin and weak.

BABY PIGS AND VEGETABLES

When the family-assistance program presented her with $55, she used $16 to buy two baby pigs. The rest she put into buying vegetables—this time for cash and in large quantities, which she sold on the market for a larger profit.

She used the unsold vegetables and scraps around the marketplace to feed her pigs, which grew in about five months to the point where she could sell them for about $130. Of that $48 went for a sewing machine and to send a daughter to dressmaking school.

Mrs. Kai is fattening three baby pigs now and her children are in school. "If they hadn't given me money," she said, "I might have become a beggar. No other choice—begging or stealing—but with stealing you land in jail."

"We have failures too," Miss Quoi noted. But she is determined to do what she can to keep children with their families, and her program's theme taps several significant currents in South Vietnamese society.

One is resentment against the notion of adoption by foreigners. Many Vietnamese in government and the press view the idea that a child is automatically better off in the United States or Western Europe as insulting, and there is a growing conviction—shared by American aid officials—that the problems of children in Vietnam are so vast that they must be solved in Vietnam.

GRANT TO ADOPTION AGENCY

The American aid program, and even an adoption agency, Holt Children's Service, take the position that adoptions abroad, which are expected to total only about 1,100 this year, and child-welfare programs must be pursued simultaneously.

Holt has a $500,000 grant from the United States with which it plans to begin a family-assistance program similar to the Social Welfare Ministry's, but using private American agencies to select recipients and distribute the funds.

Another current of change is the increased acceptability of Government intervention in an area—child welfare—that had traditionally been the jurisdiction of the extended family. Family stability has been so disrupted that social workers find considerably less aversion to the once-unthinkable idea of Government help.

As a consequence both American and South Vietnamese officials demonstrate growing interest in the child-welfare programs. The United States Government gave $7.2-million to such efforts in the last fiscal year and has asked Congress for $10 million for this year.

"We could use twice as much," a South Vietnamese official said.

## THE RESTORATION OF HERBERT HOOVER

Mr. HATFIELD. Mr. President, Saturday, August 10, commemorates the 100th anniversary of President Herbert Hoover's birth. Being a great admirer of the Nation's 31st President, I wish to print in the RECORD an article by Lee Roderick and Stephen W. Stathis which appeared in the Wall Street Journal on Monday, August 5.

This article, "The Restoration of Herbert Hoover," goes a long way toward helping us understand a greatly misunderstood man—a man whose achievement and greatness are only now gaining full appreciation.

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

THE RESTORATION OF HERBERT HOOVER

(By Lee Roderick and Stephen W. Stathis)

Think of the men who were great Presidents and Herbert Hoover won't leap to mind. Think of the Presidents who were great men, however, and he's got to be somewhere near the top of the list.

Hoover, who died in 1964 after one of the stormiest public careers in American history, would have been 100 next Saturday. The first of two Quaker Presidents, he obviously shares something else with the current occupant of the White House: Few other men have ridden the roller coaster of public opinion to such heights and depths.

Hoover, fortunately was blessed with longevity. He was a living ex-President for more than three decades—longer than any other man in U.S. history—and the nation again came to appreciate and honor him as an outstanding humanitarian and public servant.

But questions still remain: Where do the disparaging myths surrounding the 31st President end and the facts begin? How do you separate the image of the public Hoover, the "rugged individualist" and parsimonious President, from that of the private Hoover whose personal generosity and love of children become legendary? His life was full of paradoxes.

With the advent of the Depression, Hoover gained a reputation as a flint-hearted leader blind to the suffering of others. Yet, as the instrument of America's generosity during and after two world wars, he did more than any man of his time to alleviate human misery.

Although a self-made millionaire, Hoover, no believer in laissez-faire, accepted an unprecedented role for government control of the economy.

He was convinced that other men, given the will, could climb the same road to success he had climbed; while his successor, Franklin D. Roosevelt, who lived securely on inherited wealth, came to represent government benevolence toward the unemployed.

Following his presidency, Hoover was defamed as personifying the evils of capitalism. Yet he had refused to keep much of the money given him for public service, distributing it instead among his aides. "The duty of public men in this republic is to lead in standards of integrity—both in mind and money," Hoover wrote. "When there is a lack of honor in government, the morals of the whole people are poisoned. . . ."

Adding to the difficulties of sorting out the "real" Hoover are the vestiges of the unrelenting and disgraceful smear campaign that dogged him during and long after his White House years. Hoover did not cause the Depression. It came at the end of a deceptively prosperous decade in which Americans had grown dizzy with speculative fever. Nonetheless it was his bad luck to be President when the stock market crashed on October 29, 1929, and inevitably he became the nation's scapegoat.

Hoover's very name became a hate-filled prefix: To "Hooverize" formerly had meant to act in a humanitarian way; now it meant to pauperize. Crude wooden shanties were "Hoovervilles," newspapers on park benches were "Hoover blankets," and empty pockets turned inside out were "Hoover flags." Democrats lampooned the President's initial optimism over the Depression. "Prosperity," they said, "is just Hoovering around the corner."

HORATIO ALGER CAREER

It was a precipitate fall from grace for a man who had known little else but success during a Horatio Alger career in which he had lived a lifetime of adventure before ever entering the political arena. An orphan at eight when his mother died, Hoover was a member of the first graduating class at Stanford University in 1895 and began his colorful mining career at the bottom of a shaft in California at $5 a day.

At 23 he was put in charge of some gold mines in the Australian desert and in 1899 became chief mining engineer for the Chinese government. His lasting contributions to humanity were presaged the following year when he directed the food relief in Tientsin during the Boxer Rebellion. Over the next 14 years Hoover's work took him to more than a dozen far flung countries and he was widely regarded as one of the world's foremost mining experts.

Hoover, having amassed a comfortable fortune and not yet 40, was in London when Germany declared war on France in 1914. He was asked by the American Consul General to help get tourists home. "I did not realize it at the moment," he wrote later, "but . . . my engineering career was over forever. I was on the slippery road of public life."

After expediting the return of 120,000 Americans stranded in Europe, Hoover, under President Wilson, then directed the emergency relief of millions of starving civilians in German-occupied Belgium and France and, later, throughout central Europe. He crossed the mine-infested English Channel and North Sea 40 times.

His sympathy for the suffering people of Russia outweighed his disdain for its oppressive new Bolshevik government, and as early as 1919 Hoover vigorously advocated feeding them as well. Snags developed, however, and it was not until a great famine had momentarily humbled the Lenin-Trotsky regime two years later that Hoover was able to take his program to the Russians, some of whom had reached the point of cannibalism. "Twenty million people are starving," he told a critic. "Whatever their politics, they shall be fed."

Novelist Maxim Gorki, who had first publicly appealed to America for aid, wrote Hoover that "in all the history of human suffering (I know of no) accomplishment which in terms of magnitude and generosity can be compared to the relief that you have actually accomplished. Your help will be inscribed in history as a unique, gigantic accomplishment worthy of the greatest glory and will long remain in the memory of millions of Russians . . . whom you have saved from death."

Also serving in Wilson's administration, as Under Secretary of the Navy, was another young man whose political star was rising fast: Franklin Roosevelt. Hoover and Roosevelt became good friends and early in 1920 the latter wrote to their mutual friend Hugh Gibson that Hoover "is certainly a wonder, and I wish we could make him President of the United States. There could not be a better one." To Roosevelt's chagrin, however, when his wish became prophecy, Hoover, whose politics were unknown at the time, would be a Republican.

In 1921 Hoover was appointed Secretary of Commerce by President Harding and was retained by President Coolidge upon Harding's death. Although his progressive principles contrasted sharply with those of his two predecessors and caused concern among some Republicans, in 1928 the GOP nominated him for President and, in the first election he ever entered, Hoover easily defeated Al Smith of New York.

Hoover's presidency, as a whole, was an unfortunate detour in an otherwise brilliant career. Seldom had a President assumed office with greater international stature. Yet Hoover proved singularly unable to translate the wellspring of admiration into political capital. He was not above politics; rather, he was by nature doctrinaire and by practice woefully inept in the art of compromise. Added to these native handicaps was one beyond the power of any single individual to prevent—the worst depression in U.S. history.

Hoover was in office barely six months when the market crashed and the gloom of the

Depression started spreading across the American landscape like a cold bay fog. Hoover, contrary to popular impression, took a series of swift and unprecedented actions to revive the nation's economy. Although he first relied on local initiative and moral suasion, he later turned to direct federal intervention.

"Although Hoover had gone much further than any preceding President in taking positive steps to combat the Depression, he had made little political headway for himself or his party," writes historian Frank Freidel. "His measures, while significant innovations, were far below the scale economists would now consider minimal to counter the deflationary spiral."

All of the government's efforts to right the economy proved inadequate and when Hoover drew the line on federal aid to the unemployed and refused to cross it, the stage was set for Roosevelt and his promise of a "new deal." For a generation after Hoover's crushing defeat by FDR in 1932, Democrats would stay in power by running against what was shamefully called "Hoover's Depression."

Throughout the rest of his life, Hoover remained convinced that the nation had been on the road to recovery in the summer of 1932. His voice was drowned out, however, in the color and cacophony of the coming New Deal with its AAA, TVA, WPA and a dozen other agencies and movements. While the Depression obstinately lingered on for years, Roosevelt and his partisans, to their discredit, continued to blame the Depression on Hoover ("a great compliment to the energies and capacities of one man," said the ex-President) and to stubbornly refuse his offers of service. Millions of other Americans also blamed him for their woes.

RETIRING TO PRIVATE LIFE

Hoover and his wife, Lou Henry, retired to private life in Palo Alto, Calif., where he swallowed his hurt and lost himself in causes close to his heart; the Boys Clubs of America, American Children's Fund, better medical education and working directorships of a dozen scientific and educational institutions. For a dozen years he didn't set foot in Washington.

Although he was widely misunderstood by adults, Hoover had no such problem with children, in whose company he often found reprieve. "Children are our most valuable resource," Hoover was fond of saying and, in characteristically practical ways, he cultivated the resource. He served as active chairman of the Boys Clubs from 1935 until his death and originated the idea for the United Nations Childrens Fund (UNICEF).

Hoover, who became a super-uncle to the nation's youngsters, maintained a delightful and voluminous correspondence with children, explaining that "answering their letters . . . has been a great relief from the haunts of nights sleepless with public anxiety." He received many of the world's honors but once said his favorite was this testimonial from a boy's club: "Herbert Hoover is a good egg."

Shortly after Roosevelt's death in 1945, President Truman, scanning the morning newspaper, read that Hoover was in Washington. He sent a limousine to Hoover's hotel and had the former President brought to the White House.

"They brought him into the Oval Room, and I said to him, 'Mr. President, there are a lot of hungry people in the world and if there's anybody who knows about hungry people, it's you,'" Truman related to author Merle Miller. "'Now there's plenty of food, but it's not in the right places. Now I want you to'

"Well, I looked at him. He was sitting there . . . and I saw that great big tears were running down his cheeks. I knew what was the matter with him. It was the first time in 13 years that anybody had paid any attention to him."

THE HOOVER-TRUMAN STORY

The warm friendship that subsequently developed between Hoover and Truman—the man who had given him back his pride is one of the great human interest sketches of American history. "The Hoover-Truman story one day may rival in interest the Adams-Jefferson relationship which also involved two Presidents of sharply divergent political views," said Raymond Henle, who coordinated a long series of recorded interviews as director of the Herbert Hoover Oral History program.

While head of Truman's emergency famine committee, Hoover directed the feeding of millions of starving people in war-ravaged Europe and Asia as he had done a quarter century earlier, traveling 35,000 miles in 22 countries. At an age when most men are in the grave, he proceeded to direct two Hoover Commissions, two-thirds of whose numerous proposals for streamlining the Executive Branch were eventually adopted. When not pursuing his favorite hobby, fishing ("All men are equal before fish. . . ."), Hoover was also a prolific writer and lecturer.

Well before his death at the age of 90, the passage of time had brought a new perspective to Hoover's life and prodigious accomplishments. His fellow citizens had regained an appreciation for him and most of them once more regarded him as a truly great American.

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## DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATION ACT, 1975

The PRESIDING OFFICER (Mr. METZENBAUM). Under the previous order, the Senate will now proceed to the consideration of H.R. 16027, which the clerk will report.

The assistant legislative clerk read as follows:

Calendar 1026, H.R. 16027, an act making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1975, and for other purposes.

The Senate resumed the consideration of the bill.

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## QUORUM CALL

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

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

Mr. BIBLE. Mr. President, what is the pending business?

The PRESIDING OFFICER. H.R. 16027.

Mr. BIBLE. Mr. President, I ask unanimous consent that the pending business be temporarily laid aside.

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

Mr. BIBLE. I believe the Senator from Missouri (Mr. SYMINGTON) has a bill that he wants to call up. I understand that those who are interested in this bill are present and ready to proceed.

## HARRY S. TRUMAN MEMORIAL SCHOLARSHIP ACT

Mr. SYMINGTON. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1025, S. 3548.

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

The assistant legislative clerk read as follows:

A bill (S. 3548) to establish the Harry S. Truman memorial scholarships, 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 Labor and Public Welfare with an amendment.

Mr. SYMINGTON. Mr. President, when I introduced the Harry S. Truman Memorial Scholarship bill on the next to last day of May, I expressed the hope that the legislation would be approved in this session of Congress. At that time 59 Senators, Democrats and Republicans, cosponsored the bill and in subsequent days, the number grew to 67. The bipartisan support for this measure no doubt has contributed to prompt consideration in committee.

I wish to express my appreciation to the Senator from Rhode Island (Mr. PELL), chairman of the Subcommittee on Education, and the Senator from New Jersey (Mr. WILLIAMS), the chairman of the full committee, as well as my colleague Senator EAGLETON, who is a member of the committee, for the early and favorable consideration of the legislation. Hopefully this example may be followed in the House so that before this year is out, the Harry S. Truman Scholarship program will have been established.

Clearly, however, it is the substance of the bill and the provisions for the award of 51 undergraduate scholarships annually on a competitive basis for those young men and women who would pursue public service careers that has brought the prompt and favorable action on this bill in the Senate; also, the fact that the memorial is particularly appropriate for our 33d President and has the wholehearted support of Mrs. Truman.

Some of our finest leaders have not been college graduates. Harry S. Truman is among them.

He was known, however, as a widely read student of American history. President Truman also held a firm belief in the value of formal education and took every opportunity to encourage young people to pursue educational advantages.

In the span of Harry S. Truman's lifetime there was an explosion in the number of college trained men and women in the United States.

In 1884 when Harry Truman was born, some 811 colleges and universities awarded 13,372 degrees, both bachelor and advanced degrees.

Eighty-eight years later, 1,192,000 men and women received college degrees in 1972 from the Nation's 2,665 institutions of higher education.

As the Nation has grown and society

has become more complex, government too has expanded in size, scope and also in terms of the variety of knowledge and skills required.

Many scholarship programs have been initiated and are now available, but there are none we know of at the undergraduate level designed specifically to encourage young Americans to prepare in college for careers in government.

Through the Truman memorial scholarship program we would hope to help to motivate young people to consider and to prepare for careers in public service during their college years.

We see Truman scholars entering public service at all levels of government—city, county, State and Federal.

We also see the Truman scholarship program as an additional step in expanding opportunities for those young Americans desiring college educations to obtain them.

We believe as well that the Truman scholarship program should serve as an impetus toward better recognition of the talents required and the contributions made by many men and women in political life who work through the democratic process and democratic government to improve human affairs.

After all, the supreme need of our time today is no different than described by Harry Truman in 1949 when he said:

The supreme need of our time is for men to learn to live together in peace and harmony

Seeking to forge a framework through which men and women locally, nationally and internationally can better learn to live together in peace and harmony must be a prime goal of those men and women who would serve in a government based on the consent of the governed.

I am proud that the Senate will honor the 33d President with a memorial which will serve these both practical and idealistic purposes. It is a particularly fitting memorial for Harry S. Truman.

Mr. President, I also want to express appreciation to my colleague (Mr. EAGLETON) for expediting this bill through his committee.

Mr. EAGLETON. Mr. President, I thank my distinguished senior colleague from Missouri, the guiding light and genius of this bill now pending before the Senate.

If I can speak on behalf of my colleague and use words which perhaps modesty would not permit him to use on his own behalf, I think his bill was truly a labor of love on his behalf.

The senior Senator from Missouri modestly failed to mention his long and meritorious service under former President Truman in a whole host of responsible capacities. Memory may fail me in reciting Senator Symington's service under President Truman. My recollection is that STUART SYMINGTON serves as head of the Reconstruction Finance Corporation, as Assistant Secretary of War for Air, and the Nation's first Secretary of the Air Force, all under Harry S. Truman, a man STUART SYMINGTON served, knew, loved and respected.

I shall take a few minutes to talk about Harry Truman in the context of August 7, 1974, when our Nation finds itself in a time of enormous travail; at a time of great national sadness; at a time in which there is no partisan glee; at a time, to use the vernacular of baseball, when "there is no joy in Mudville."

Would that we could have with us, living, a Harry S. Truman, the independent man from Independence! Harry S. Truman would be the last to describe himself as a genius. Like all of us, he was mortal and subject to human frailty. He had a temper, and sometimes that temper got the better of him. Some of those expressions are well known and are recorded in history, as, for example, his famous exchanges with columnist Drew Pearson.

Despite the fact that Harry Truman's formal education was that of a high school graduate, and despite the fact that he did not possess the oratorical eloquence of his immediate Presidential predecessor, Franklin Delano Roosevelt, Harry Truman had two qualities in such enormous abundance that they were with him, a way of life. Those qualities were candor and courage. Harry Truman, although the phrase was not common in his era, "told it like it is." You may not have liked what he said—at times, he was abrasively blunt—but you knew what he meant, you had no doubt as to the sincerity of the positions that he espoused—and you knew he would "do his damnedest" to see his decisions carried out.

Bear in mind that some of those positions, in their day and their time, were quite controversial. He was the President who integrated the armed services.

He espoused at the 1948 Democratic Convention—when everyone said President Truman was destined to go down to overwhelming defeat—the first civil rights plank for the Democratic Party. The resulting "Dixiecrat" splitoff showed how courageous an action this was.

He was the first President to espouse some system of public national health insurance. Although medicare and medicaid did not come into being until 1965, the concept of medicare and medicaid was the concept of Harry S. Truman. It, too, was controversial.

But he spoke out. I repeat: He spoke out with a refreshing candor, a refreshing bluntness that we find missing from the American body politic in the year 1974.

So I think it is tremendously appropriate on August 7, 1974, at a time when this country is going through a reliving of Theodore Dreiser's "An American Tragedy," that a bill that will perpetuate the memory and the love of Harry Truman comes before the Senate.

This bill is more than symbolic. It has true meaning. Young men and women for generations to come will be the beneficiaries of this legislation and, as they go through their lives, will proudly carry with them the memory of him in whose name this bill is enacted. I hope that whoever those young men and women may be—parenthetically I hope that some of them end up in this body and that perhaps one of them some day ends up at 1600 Pennsylvania Avenue—that they will comport themselves in the honest, candid, courageous style of Harry S. Truman—one of the most extraordinary men this great Nation has ever produced.

Mr. President, Harry Truman's gravestone reads as follows:

HARRY S. TRUMAN

Born May 8, 1884, Lamar, Missouri.
Died December 26, 1972.
Married June 29, 1919.
Daughter born February 17, 1924.
Judge, Eastern District, Jackson County, Jan. 1, 1923 to Jan. 1, 1925.
Presiding Judge, Jackson County, Jan. 1, 1927 to Jan. 1, 1935.
United States Senator, Missouri, Jan. 3, 1935 to Jan. 18, 1945.
Vice President, United States, Jan. 20, 1945 to Apr. 12, 1945.
President, United States, Apr. 12, 1945 to Jan. 20, 1953.

Were I permitted to add some words to this gravestone, I would add these: A candid and honest man.

Mr. TAFT. Mr. President, I rise to support this measure and to commend the distinguished Senator from Missouri for bringing it to the attention of the Senate.

Harry Truman, it seems to me, particularly in these difficult days we face in the area of foreign policy, should be recognized for having taken a realistic and very courageous attitude toward a reconsideration of our policy at a time when it was very difficult—indeed, it often must have been soul-searching—to make some of the decisions which he made in this connection.

This is a most appropriate type of memorial, one that will continue as a living gift to the memory and life of Harry Truman, a fine cause. I am glad this choice has been made.

When the bill came before the committee, my intention was drawn to another matter of unfinished business insofar as memorializing our ex-Presidents is concerned, in proposed legislation that is pending relating to the memorial that Congress helped establish for President Eisenhower (Eisenhower College). I considered whether or not it might be appropriate to bring up this bill as an amendment to this measure, and I have determined that it would not be appropriate. But I do take this occasion to mention the matter, because the House Committee on Banking and Housing has reported the Eisenhower College bill favorably. It is my understanding that the bill will go to the House floor shortly and hopefully may be coming to this body.

Without some appropriate action by Congress, the effort that Congress has already put into this matter and that many thousands of private citizens have undertaken for this college will not be successful.

I merely raise this matter so that the Senate may be aware of the situation, and in acting upon the Truman memorial, we will be aware of the other obligation, which I hope we will honor.

Mr. President, I would very much appreciate it if the Senator from Missouri would add my name as a cosponsor of the bill.

Mr. SYMINGTON. First, I wish to say that it would be an honor to have the bill cosponsored by the distinguished Senator from Ohio.

Also, I thank him, for my colleague, who has been very busy in the last few days, and myself for his kindness in handling the matter in which he is so interested, apart from the bill that we are considering. I also am grateful for the kind words that he said about the former late President from our State of Missouri, Harry Truman, who was so eloquently described by my colleague a few minutes ago.

In regard to the Senator's comment concerning former President Eisenhower, I assure the Senator that the great American in whose name a college has been established also happened to be my good friend. When I was Assistant Secretary of War, he was Chief of Staff of the Army. His office and mine adjoined. I visited him in Denver several times before he became President, and I know we all respect him as another truly great American.

Again, I thank my friend from Ohio for his understanding about this situation, and I assure him that I shall support him to the best of my ability when he brings any bill incident to a memorial to President Eisenhower to the floor of the Senate.

Mr. BIBLE. Mr. President, will the distinguished senior Senator from Missouri yield to me for an observation and comment on this particular legislation?

Mr. SYMINGTON. Mr. President, it is always a privilege to yield to one of my favorite Senators, not only because of his intelligence, but also because of the kindness he has shown to me in the 20-some years we have served together in the Senate, the senior Senator from Nevada.

Mr. BIBLE. I appreciate that comment, Mr. President. I reciprocate. I share a similar high esteem and affection for both Senators from Missouri.

I am proud to be a cosponsor of this particular legislation. It brings back to mind my first meeting with the late Harry S. Truman. I met him in Carlin, Nev., in one of my campaigns. He looked at me—I knew who he was; he did not know me from Adam. He just looked at me and said,

Bible, Bible. I want you to know that is the greatest political name I have ever heard.

I have always associated that remark with the late President Truman. During the times I met with him, when he often came back to Washington, we chuckled a bit over it.

I commend all the Senators for their comments, especially the speech by—I call him "Race Horse Eagleton" now as a result of the fine showing he made in Missouri yesterday. I say that the speech he made in behalf of Harry Truman brought a tear to my eye. It was one of the most dynamic, one of the most positive I have ever heard. I commend him for it. I wish him well as he goes into the general campaign.

I think he is off to a good start. Out our way, he would be, maybe, a 3–to–1 favorite now, perhaps even better than that.

I am glad to put that in the RECORD. If there is anything that might indicate that that has a gambling tinge to it, I shall let him expunge it from the RECORD.

I yield the floor.

Mr. SYMINGTON. Mr. President, I ask that the bill be considered favorably by the Senate.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed. the question is on agreeing to the committee amendment in the nature of a substitute.

The committee amendment in the nature of a substitute 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, was read the third time, and passed, as follows:

That this Act may be cited as the "Harry S. Truman Memorial Scholarship Act".

STATEMENT OF FINDINGS

SEC. 2. The Congress finds that—

because a high regard for the public trust and a lively exercise of political talents were outstanding characteristics of the thirty-third President of the United States;

because of special interest of the man from Independence in American history and a broad knowledge and understanding of the American political and economic system gained by study and experience in county and national government culminated in the leadership of America remembered for the quality of his character, courage, and commonsense;

because of the desirability of encouraging young people to recognize and provide service in the highest and best traditions of the American political system at all levels of government, it is especially appropriate to honor former President Harry S. Truman through the creation of a perpetual educational scholarship program to develop increased opportunities for young Americans to prepare and pursue careers in public service.

DEFINITIONS

SEC. 3. As used in this Act, the term—

(1) "Board" means the Board of Trustees of the Harry S. Truman Scholarship Foundation;

(2) "Foundation" means the Harry S. Truman Scholarship Foundation;

(3) "fund" means the Harry S. Truman Memorial Scholarship Fund;

(4) "institution of higher education" means any such institution as defined by section 1201(a) of the Higher Education Act of 1965;

(5) "State" means each of the several States of the United States and the District of Columbia; and

(6) "Secretary" means the Secretary of the Treasury.

ESTABLISHMENT OF THE HARRY S. TRUMAN SCHOLARSHIP FOUNDATION

SEC. 4. (a) There is established, as an independent establishment of the executive branch of the United States Government, the Harry S. Truman Scholarship Foundation.

(b) The Foundation shall be subject to the supervision and direction of the Board of Trustees. The Board shall be composed of fifteen members, appointed by the President, by and with the advice and consent of the Senate, one of whom shall be selected annually by the Board to serve as Chairman. Members of the Board shall be appointed as follows:

(1) one member from among the Members of the Senate;

(2) one member from among Members of the House of Representatives;

(3) one member who is a representative of the Truman family;

(4) four members from among individuals who are educators or scholars;

(5) one member from among the chief executives of the States;

(6) one member from among individuals who are mayors or chief executives of counties;

(7) one member from among individuals who are in the field of finance;

(8) one member from among individuals who are in the field of foreign policy;

(9) two members from among individuals who are members of the bar of the highest court of a State, of whom one shall be a Federal judge or a State judge; and

(10) two members to be citizen representatives of the public.

(c) The term of office of each member of the Board shall be six years; except that (1) the members first taking office shall serve as designated by the President, five for terms of two years, five for terms of four years, and five for terms of six years, and (2) any member appointed to fill a vacancy shall serve for the remainder of the term for which his predecessor was appointed, and shall be appointed in the same manner as the original appointment for that vacancy was made.

(d) Members of the Board shall serve without pay, but shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred in the performance of their duties.

SCHOLARSHIPS AUTHORIZED

SEC. 5. (a) The Foundation is authorized to award, in accordance with the provisions of this Act, not to exceed fifty-one scholarships in any fiscal year beginning after the first fiscal year in which sums are appropriated pursuant to section 14 for undergraduate study for persons who plan to pursue a career in public service. An award recipient shall be chosen in each State and shall be known as a Truman scholar.

(b) Scholarships awarded under the provisions of this Act shall be for undergraduate study leading to a bachelor's or equivalent degree at any institution of higher education approved by the Foundation in accordance with section 6(a) as an institution offering courses of study, training, research, and other educational activities designed to prepare persons for a career in public service including the history, tradition, and practice of American politics, the development of any skills useful to the solution of problems customarily associated with public service.

(c) Scholarships under this Act shall be awarded for such periods as the Foundation may prescribe but not to exceed four academic years.

(d) In addition to the number of scholarships authorized to be awarded by subsection (a) of this section, the Foundation is authorized, as it deems advisable and practicable, to award scholarships equal to the number previously awarded during any fiscal year under this Act but vacated prior to the end of the period for which they were awarded.

SCHOLARSHIP REQUIREMENTS

SEC. 6. (a) A student awarded a scholarship under this Act may attend any institution of higher education, if that institution—

(1) offers courses of study, training, research, and other educational activities designed to prepare persons for a career in public service as determined pursuant to criteria established by the Foundation; and

(2) agrees to participate in a program established by the Foundation providing for a course of study for such scholarship students for a period not to exceed one academic year at an institution of higher education or a consortium of such institutions, located in or near Washington, the District of Columbia.

(b) Each student awarded a scholarship under this Act shall sign an agreement, in such terms as the Foundation may prescribe, stating that he has a serious intent to enter the public service upon the completion of the educational program. Each institution of higher education at which such a student is in attendance will make reasonable continuing efforts to encourage such a student to enter the public service upon completing his educational program. For the purpose of this section, educational program is not limited to the academic program for which a scholarship is awarded under this Act.

SELECTION OF TRUMAN SCHOLARS

SEC. 7. (a) The Foundation is authorized to enter into arrangements with the chief executive of each State under which a State selection committee for Truman scholars is established in that State in order to conduct a statewide competitive examination and to select each year the Truman scholar for that State.

(b) The Foundation is authorized under limitations prescribed by the Board to reimburse each State for necessary and reasonable expenses incident to the selection of a Truman scholar pursuant to this section.

(c) If no Truman scholar is selected from a particular State for any year pursuant to an arrangement under this section, the Foundation may select an outstanding student from that State through competitive examination conducted within that State.

(d) No person may be selected as a Truman scholar for any State who, at the time of his selection, is not a resident of that State.

STIPENDS AND INSTITUTIONAL ALLOWANCES

SEC. 8. Each student awarded a scholarship under this Act shall receive a stipend which shall not exceed the cost to such student for tuition, fees, books, room and board, or $5,000, whichever is less, for each academic year of study.

SCHOLARSHIP CONDITIONS

SEC. 9. (a) A student awarded a scholarship under the provisions of this Act shall continue to receive the payments provided in this Act only during such periods as the Foundation finds that he or she is maintaining satisfactory proficiency and devoting full time to study or research in the field in which such scholarship was awarded in an institution of higher education, and is not engaging in gainful employment other than employment approved by the Foundation or pursuant to regulation.

(b) The Foundation is authorized to require reports containing such information in such form and to be filed at such times as the Foundation determines to be necessary from any student awarded a scholarship under the provisions of this Act. Such reports shall be accompanied by a certificate from an appropriate official at the institution of higher education, approved by the Foundation, stating that such student is making satisfactory progress in, and is devoting essentially full time to, the program for which the scholarship was awarded.

(c) No scholarship shall be awarded under this Act for study at a school or department of divinity.

TRUMAN MEMORIAL SCHOLARSHIP FUND

SEC. 10. (a) There is established in the Treasury of the United States a trust fund to be known as the Harry S. Truman Memorial Scholarship Trust Fund. The fund shall consist of amounts appropriated to it pursuant to the authorization provided by section 14 of this Act.

(b) It shall be the duty of the Secretary to invest in full the amounts appropriated to the fund. Such investments may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States. For such purpose, such obligations may be acquired (1) on original issue at the issue price, or (2) by purchase of outstanding obligations at the market place. The purposes for which obligations of the United States may be issued under the Second Liberty Bond Act, as amended, are hereby extended to authorize the issuance at par of special obligations exclusively to the fund. Such special obligations shall bear interest at a rate equal to the average rate of interest, computed as to the end of the calendar month next preceding the date of such issue, borne by all marketable interest-bearing obligations of the United States then forming a part of the public debt; except that where such average rate is not a multiple of one-eighth of 1 per centum, the rate of interest of such special obligations shall be the multiple of one-eighth of 1 per centum next lower than such average rate. Such special obligations shall be issued only if the Secretary determines that the purchase of other interest-bearing obligations of the United States, or of obligations guaranteed as to both principal and interest by the United States on original issue or at the market price, is not in the public interest.

(c) Any obligation acquired by the fund (except special obligations issued exclusively to the fund) may be sold by the Secretary at the market price, and such special obligations may be redeemed at par plus accrued interest.

(d) The interest on, and the proceeds from the sale or redemption of, any obligations held in the fund shall be credited to and form a part of the fund.

EXPENDITURES FROM THE FUND

SEC. 11. The Secretary is authorized to pay to the Foundation from the interest and earnings of the fund such sums as are necessary and appropriate to enable the Foundation to carry out the purposes of this Act.

EXECUTIVE SECRETARY

SEC. 12. (a) There shall be an Executive Secretary of the Foundation who shall be appointed by the Board. The Executive Secretary shall be the chief executive officer of the Foundation and shall carry out the functions of the Foundation subject to the supervision and direction of the Board. The Executive Secretary shall carry out such other functions consistent with the provisions of this Act as the Board shall delegate.

(b) Section 5316 of title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"(132) Executive Secretary of the Harry S. Truman Scholarship Foundation.".

ADMINISTRATIVE PROVISIONS

SEC. 13. In order to carry out the provisions of this Act, the Foundation is authorized to—

(1) appoint and fix the compensation of such personnel as may be necessary to carry out the provisions of this Act, except that in no case shall employees other than the Executive Secretary be compensated at a rate to exceed the rate provided for employees in grade 15 of the General Schedule set forth in section 5332 of title 5, United States Code.

(2) procure temporary and intermittent services of experts and consultants as are necessary to the extent authorized by section 3109 of title 5, United States Code, but at rates not to exceed the rate specified at the time of such service for grade GS–18 in section 5332 of such title;

(3) prescribe such regulations as it deems necessary governing the manner in which its functions shall be carried out;

(4) receive money and other property donated, bequeathed, or devised, without condition or restriction other than that it be used for the purposes of the Foundation; and to use, sell, or otherwise dispose of such property for the purpose of carrying out its functions;

(5) accept and utilize the services of voluntary and noncompensated personnel and reimburse them for travel expenses, including per diem, as authorized by section 5703 of title 5, United States Code;

(6) enter into contracts, grants, or other arrangements, or modifications thereof, to carry out the provisions of this Act, and such contracts or modifications thereof may, with the concurrence of two-thirds of the members of the Board, be entered into without performance or other bonds, and without regard to section 3709 of the Revised Statutes, as amended (41 U.S.C. 5);

(7) make advances, progress, and other payments which the Board deems necessary under this Act without regard to the provisions of section 3648 of the Revised Statutes, as amended (31 U.S.C. 529);

(8) rent office space in the District of Columbia; and

(9) make other necessary expenditure.

(b) The Foundation shall submit to the President and to the Congress an annual report of its operations under this Act.

APPROPRIATIONS AUTHORIZED

SEC. 14. There are authorized to be appropriated $30,000,000 to the fund.

## MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Marks, one of his secretaries.

## PRESIDENTIAL APPROVAL

A message from the President of the United States stated that he had approved and signed S. 39, an act 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.

## EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer (Mr. METZENBAUM) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

## REPORT ON GOVERNMENT SERVICES TO RURAL AMERICA—MESSAGE FROM THE PRESIDENT

The PRESIDING OFFICER (Mr. METZENBAUM) laid before the Senate a message from the President of the United States transmitting the fourth annual report on Government services to rural America, which, with the accompanying report, was referred to the Committee on Agriculture and Forestry. The message is as follows:

*To the Congress of the United States:*

I am transmitting herewith the fourth annual report on Government services to rural America, as required by the Agricultural Act of 1970.

RICHARD NIXON.

THE WHITE HOUSE, *August 7, 1974.*

## MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House has passed the following measures with amendments in which it requests the concurrence of the Senate:

S. 210. An act to authorize the establishment of the Boston National Historical Park in the Commonwealth of Massachusetts;

S. 3301. An act to amend the Act of October 27, 1972 (Public Law 92–578);

S. 3355. An act to amend the Comprehensive Drug Abuse Prevention and Control Act of 1970 to provide appropriations to the Drug Enforcement Administration on a continuing basis;

S. 3782. An act to amend the Public Health Service Act to extend for one year the authorization of appropriations for Federal capital contributions into the student loan funds of health professions education schools;

S.J. Res. 229. A joint resolution to amend the Export-Import Bank Act of 1945; and

S. Con. Res. 72. A concurrent resolution extending an invitation to the International Olympic Committee to hold the 1980 winter Olympic games at Lake Placid, N.Y., in the United States, and pledging the cooperation and support of the Congress of the United States.

The message also announced that the House has passed the following measures in which it requests the concurrence of the Senate:

H.R. 8352. An act to establish the Cascade Head Scenic-Research Area in the State of Oregon, and for other purposes;

H.R. 14402. An act to amend the Act of September 26, 1966 (Public Law 89–606), as amended, to extend for 2 years the period during which the authorized numbers for the grades of lieutenant colonel and colonel in the Air Force are increased;

H.R. 15172. An act to authorize the Secretary of State to prescribe the fee for execution of an application for a passport and to continue to transfer to the U.S. Postal Service the execution fee for each application accepted by that Service;

H.R. 15912. An act to amend chapter 37 of title 38, United States Code, to improve the basic provisions of the veterans home loan programs and to eliminate those provisions pertaining to the dormant farm and business loans, and for other purposes;

H.R. 16045. An act to amend the Solid Waste Disposal Act to authorize appropriations for fiscal years 1975 and 1976, and to make certain technical and conforming changes;

H.R. 16243. An act making appropriations for the Department of Defense for the fiscal year ending June 30, 1975, and for other purposes;

H.J. Res. 1104. A joint resolution to extend by 62 days the expiration date of the Export Administration Act of 1969; and

H. Con. Res. 583. A concurrent resolution authorizing the Clerk of the House to make corrections in the enrollment of H.R. 69.

## ENROLLED BILLS SIGNED

The message further announced that the Speaker has signed the following enrolled bills:

H.R. 2537. An act for the relief of Lidia Myslinska Bokosky; and

H.R. 4590. An act for the relief of Melissa Catambay Gutierrez and Milagros Catambay Gutierrez.

The enrolled bills were subsequently signed by the President pro tempore.

## HOUSE BILLS AND JOINT RESOLUTION REFERRED

The following bills and joint resolutions were each read twice by their titles and referred as indicated:

H.R. 8352. An act to establish the Cascade Head Scenic-Research Area in the State of Oregon, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 14402. An act to amend the Act of September 26, 1966 (Public Law 89–606), as amended, to extend for 2 years the period during which the authorized numbers for the grades of lieutenant colonel and colonel in the Air Force are increased; to the Committee on Armed Services.

H.R. 15172. An act to authorize the Secretary of State to prescribe the fee for execution of an application for a passport and to continue to transfer to the U.S. Postal Service the execution fee for each application accepted by that Service; to the Committee on Foreign Relations.

H.R. 15912. An act to amend chapter 37 of title 38, United States Code, to improve the basic provisions of the veterans home loan programs and to eliminate those provisions pertaining to the dormant farm and business loans, and for other purposes; to the Committee on Veterans' Affairs.

H.R. 16045. An act to amend the Solid Waste Disposal Act to authorize appropriations for fiscal years 1975 and 1976, and to make certain technical and conforming changes; to the Committee on Public Works.

H.R. 16243. An act making appropriations for the Department of Defense for the fiscal year ending June 30, 1975, and for other purposes; to the Committee on Appropriations.

H.J. Res. 1104. A joint resolution to extend by 62 days the expiration date of the Export Administration Act of 1969; to the Committee on Banking, Housing and Urban Affairs.

## DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATION ACT, 1975

The Senate resumed with the consideration of the bill (H.R. 16027) making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1975, and for other purposes.

Mr. MANSFIELD. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is H.R. 16027.

Mr. BIBLE. Mr. President, I ask unanimous consent that Mr. Dwight Dyer and Mr. James Bond of the staff of the Committee on Appropriations have the privilege of the floor during consideration of H.R. 16027.

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

Mr. BIBLE. Mr. President, it is my privilege to bring before the Senate the appropriations bill for the Department of the Interior and related agencies. Further, I am pleased to report that the total recommended new budget authority, combined with those portions that were funded this year in the special energy research and development appropriation, is under the budget estimates by some $2 million. Discounting items that were not considered by the House, the bill is also below the House-passed measure by some $2.5 million. The combined total of new budget authority is more than $891 million over 1974 appropriations, but this figure should be adjusted to $577 million to present a fair comparison. I will get to that in more detail later.

I bring these figures out early because, as we are all well aware, there is a growing mood to cut back appropriation bills the past few weeks. So I think it is important to note at the outset that, as far as appropriations handled by the Interior Subcommittee that I have the privilege to chair, we are under the budget and under the House. And when we examine the increases over 1974, which is a comparison that my good friends have been using lately—as I shall do shortly—I think we can understand why the committee has not recommended any deeper cuts in the budget.

### BILL SUMMARY

For the record, Mr. President, I shall briefly summarize the bill. As outlined in the committee report, a total of $3,389,239,310 is recommended for the bill. This includes $3,170,394,310 in new budget authority and $218,845,000 in appropriations to liquidate contract authority. For this bill, that is $18,164,600 over the budget estimates and $21,064,000 over the House allowances. The bill total is an increase of $599,743,110 over 1974.

These figures apply to all Interior Department agencies except those specified in the report, and as I noted earlier, the bill does exclude appropriations carried this year in the energy R. & D. appropriation bill.

For the Interior Department agencies a total of $2,159,589,000 in new budget authority and contract liquidation funds is recommended while the balance of $1,229,650,310 is for related agencies including the Forest Service, National Foundation on the Arts and the Humanities, Smithsonian Institution, Indian Health Service and Indian education, and the American Revolution Bicentennial Administration.

### 1974 INCREASES

I noted at the outset that the combined appropriations handled by the Interior and related agencies subcommittee fall below the budget and the House amounts. But I also noted they run some $891 million over 1974 in new budget authority. That is the figure we must examine.

First, $313 million of that combined increase was in the Interior portion of the energy R. & D. bill and has been enacted. That relates directly to urgent energy programs for the Nation.

Second, another $340.7 million of the increase is for programs that did not exist in 1974 or were largely bypassed in funding. I am speaking, for instance, of the land and water conservation fund, which is funded at $300 million this year as it was in 1973. Only $76 million was provided in 1974 under an austerity program. Although we are resuming normal funding for this essential program, last year's reduction makes it appear as a major increase of more than $223 million. Then there is $68 million in the bill for the new Indian Financing Act and $49 million for acquisition of Klamath Indian lands.

On the other hand, there is some $113 million in firefighting costs in the 1974

appropriation which is not yet reflected in 1975 estimates. The end result is an approximate adjustment to $227 million in 1974 increases for ongoing programs that are controllable. What are these increases for? Let us take a closer look.

Energy: In this bill alone there is more than $120 million directly related to energy—Outer Continental Shell leasing, oil and gas pipeline studies, geothermal leasing, strip mining research and the like. That is more than $50 million over 1974.

Environmental protection: Another major factor in the increases is environmental protection. There is more than $190 million in this bill involved in this essential activity—much of it tied to the environmental consequences of the proposed new energy initiatives. This represents an increase of some $60 million over 1974 and results mainly from strict new requirements for environmental protection imposed by Congress.

Natural resource management: For ongoing programs in management of the Nation's natural resources—the development and protection of its timber, minerals, range, and recreation programs there is more than $1.5 billion in the bill. This itself represents an increase of $300 million over 1974. Involved in this are the energy and environmental programs I mentioned earlier.

Indian programs: There is a total of more than $1 billion in this bill for Indian programs, an increase of more than $150 million over 1974. Here, as in other programs, the committee has recommended reductions in some areas, increases in others. A large part of the increase is the new Indian Financing Act which I mentioned a moment ago.

Bicentennial: This bill also funds many important aspects of the American Revolution Bicentennial celebration. There is nearly $74 million for Bicentennial activities of the National Park Service, the Smithsonian Institution and the American Revolution Bicentennial Administration. That is an increase of more than $12.9 million over 1974, reflecting an increase in tempo as we approach the Nation's 200th anniversary year, which is obviously just around the corner.

These are the major increases, and as may be quickly seen, they are tied to some of the Nation's highest priorities. Although the committee's recommendations did reflect a net reduction in the combined budget total, we felt it was necessary to respect these priorities.

REVENUES

Another important point that must be emphasized in considering funding for Interior and related agencies is the revenue generated by several of these activities. I think one thing to which we can point with pride in this bill is the fact that this measure, involving appropriations of close to $4 billion, will generate $8.7 billion in revenue. That is the estimated total income from oil and gas leases, timber and grazing receipts and related programs. This is an appropriation measure that pays for itself twice over and more. Obviously, the committee would not have met its responsibilities if it had not considered the impact of any budget reductions on income-producing activities.

PROPOSED AMENDMENTS

This is an item which I am sure I shall be repeating many times during the course of the debate today, if I anticipate correctly what might happen: It should be stressed that the committee was confronted with more amendments than ever before during the 6 months of hearings, analyses, and refinements on the budget proposals. In addition to budget amendments totaling more than $500 million from the administration itself, 64 Members of the Senate offered more than 180 separate proposals that involved some $950 million in additional appropriations. Adding to this the requests of hundreds of nongovernmental witnesses, the committee received requests that, if approved, would have driven the budget upward by $1.5 billion or more.

There was not one single, solitary request to reduce the budget except within the committee, and that was at the tail end of our deliberations.

SUMMARY OF CHANGES

To conclude my remarks I will briefly summarize the major changes in the budget recommended by the committee:

Timber and range resources: We have agreed with the House in providing some $15 million in additional funding for reforestation and timber stand improvement. This is clearly a vital program, and the administration's failure to meet deficiencies in this area and others pointed out by the GAO and others must be corrected. In all we increased the Forest Service budget by $28.2 million. We also added $2 million in range management for the Bureau of Land Management and Forest Service, another area that was lacking.

Indian needs: The President's budget recommended more than $920 million for ongoing programs for Indian health, education and welfare. The committee has increased this amount by nearly $10 million, and has also approved $68 million to implement the new Indian Financing Act.

Energy: There is more than $120 million in the bill for the various energy-related programs of the Interior Department, over and above those amounts included in the energy R. & D. appropriation. The committee generally has endorsed the full budget request for these activities but has applied restraints in such areas as expanded Outer Continental Shelf leasing to insure the Nation's environmental integrity will not be sacrificed to its energy needs. We believe both ideals can be served under our recommendations.

Recreation and wildlife: To programs serving the Nation's fish and wildlife and recreation needs the subcommittee has added more than $17 million. These are selected additions directed at the highest priorities of the Fish and Wildlife Service, the Park Service and the Forest Service. They include an additional $2 million for salmon production to meet the recent crisis that has occurred in Washington State as the result of a Federal court decision on Indian treaty fishing rights.

Reductions: Clearly, we could not meet these needs without some reductions, and we have recommended what we believe to be reasoned and selective cuts. We are reducing Federal agency travel requests by more than $4 million by applying a selected cut of approximately 10 percent. We have adopted the standard 10 percent GSA space cost reductions. We have trimmed salaries and expenses wherever possible. We have reduced the Smithsonian administrative budget $2 million, for example, but still allowed a $10 million increase over 1974. We have also concurred in the House reduction of $16 million in the total programs of the Arts and Humanities endowments.

In that connection, as I think the report probably makes a little more crystal clear, I am very well aware of the great interest in the arts and humanities in this country. I am sure that these two items have probably elicited more mail, more pleas, and more requests than almost any other item we had. But let me try to put this in perspective.

I have been a long-time strong supporter of the arts and humanities. If my memory serves me well, I think I saved this appropriation from sudden collapse early in its history. But let me say that in fiscal year 1973, we increased the total appropriations for the arts and humanities by $20 million. Last year, in fiscal year 1974, we increased it by $43 million. This year, under the committee's recommendations, we will increase it by another $40 million.

So, capsulizing, that means that the Appropriations Committees of both the House of Representatives and the Senate have recognized the popularity of, the need for, and the interest in this program, and I think we have been more than generous.

We have increased that fund for the arts and humanities by $100 million over a space of 3 years. It seems to me that, with our budgetary priorities and budgetary restraints, that has been recognition of the value of these great programs. I think the House did an admirable job this year on that particular item, and I am very happy to say that we stayed with the House on it.

Mr. President, in order to put this bill in its proper parliamentary form, I ask unanimous consent that the committee amendments be agreed to en bloc, and that the bill as thus amended be regarded for the purpose of amendment as original text, provided that no point of order shall have been considered to have been waived by agreeing to this request.

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

The committee amendments agreed to en bloc are as follows:

On page 2, in line 9, strike out "$140,696,000" and insert "$141,126,000".

On page 2, in line 14, strike out "$6,655,000" and insert "$6,725,000".

On page 5, in line 25, strike out "$13,795,000" and insert "$13,990,000".

On page 6, beginning with line 3, insert:

"OFFICE OF SALINE WATER

"SALINE WATER CONVERSION

"For expenses necessary to carry out the provisions of the Saline Water Conversion Act of 1971 (42 U.S.C. 1959–1959h, as amended), including not to exceed $1,043,000

for administration and coordination expenses during the current fiscal year, $3,007,000, to remain available until expended."

On page 6, in line 15, strike out "$5,010,000" and insert "$5,210,000".

On page 7, in line 19, strike out "$100,666,000" and insert "$101,168,000".

On page 8, in line 3, strike out "$13,447,000" and insert "$14,347,000".

On page 9, at the end of line 21, after the comma, insert "including not to exceed $100,000 for reconstruction of certain streets in Harpers Ferry, West Virginia,".

On page 9, in line 23, strike out "$209,437,000" and insert "$209,425,000".

On page 10, in line 18, strike out "$53,466,000" and insert "$63,290,000".

On page 10, in line 24, strike out "$24,126,000" and insert "$27,500,000".

On page 13, in line 17, strike out "$203,195,000" and insert "$205,044,000".

On page 14, in line 3, strike out "ADMINISTRATION" and insert "ADMINISTRATIVE".

On page 14, in line 26, strike out "$67,803,000" and insert "$68,413,000, of which not to exceed $1,500,000 shall remain available until expended".

On page 16, in line 8, strike out "$77,703,000" and insert "$76,163,000".

On page 16, in line 9, strike out "$26,991,000" and insert "$27,791,000".

On page 17, in line 12 after "reservations," strike out "or lands," and insert "lands, or treaty fishing rights tribal use areas;".

On page 17, in line 22, strike out "$467,096,000" and insert "$466,100,000: Provided, That $570,000 shall be available to assist the Pyramid Lake Paiute Tribe of Indians in the operation and maintenance of facilities for the restoration of the Pyramid Lake fishery pursuant to the Washoe Act (43 U.S.C. 614)".

On page 18, in line 8, strike out "$66,571,000" and insert "$55,512,000".

On page 18, line 23, after "further," strike out "That not to exceed $1,300,000 shall be available to assist the Brockton Public Schools, Montana, for construction of school facilities" and insert "That the unobligated balance of $10,300,000 previously appropriated for Mt. Edgecumbe School and four Regional Dormitories in Alaska shall be made available for the construction of Chevak, Northway, Hooper Bay, Galena, and Alakanuk Schools, Alaska: *Provided further*, That not to exceed $100,000 appropriated under this head in the Department of the Interior and Related Agencies Appropriations Act, 1974, to the Edgar, Montana, Public School District No. 4, shall be made available to the newly established Plenty Coups High School District No. 3, Big Horn County, Pryor, Montana: *Provided further*, That $580,000 shall be available to assist the Pyramid Lake Paiute Tribe of Indians in the construction of facilities for the restoration of the Pyramid Lake fishery pursuant to the Washoe Act (43 U.S.C. 614): *Provided further*, That not to exceed $110,000 shall be for assistance to the Rough Rock School on the Navajo Indian Reservation, Arizona, for equipment: *Provided further*, That not to exceed $1,195,000 shall be available to assist the Ramah-Navajo School Board, Inc., including not to exceed $800,000 for construction of school facilities and not to exceed $395,000 for purchase of school equipment: *Provided further*, That not to exceed $128,000 shall be available to assist the Heart Butte School, Blackfeet School District No. 1, Montana, for planning for construction of school facilities;"

On page 20, in line 6, after "Neopit" strike out the semicolon and "and that not to exceed $1,433,000 shall be available to assist the Ute Indian Tribe of the Uintah and Ouray Reservation, Utah, for development and construction of the Big Springs Domestic Water System."

On page 23, in line 23, strike out "$14,950,000" and insert "$14,450,000".

On page 25, in line 3, strike out "$63,500,000" and insert "$61,700,000".

On page 25, in line 4, strike out "$2,500,000" and insert "$700,000".

On page 26, in line 13, strike out "$11,790,000" and insert "$12,040,000".

On page 26, in line 18, strike out "$19,629,000" and insert "$19,504,000".

On page 26, in line 22, strike out "$10,954,000" and insert "$10,523,000".

On page 28, in line 2, after "Interior", insert "and for the emergency rehabilitation of burned-over lands under its jurisdiction".

On page 29, beginning with line 20, insert:

"SEC. 107. The sum of $261,278,000 appropriated under the head, Office of Coal Research, Salaries and Expenses, in Public Law 93-322, signed June 30, 1974, includes $12,500,000 for a program for magnetohydrodynamics (MHD), of which $5,000,000, as described in Senate Report 93-903 and House Report 93-1123, shall be used in part to initiate design of an MHD engineering test facility, and there shall be undertaken immediately the design and planning of such engineering test facility, to be located in Montana, large enough so as to provide a legitimate engineering basis which when achieved will enable the immediate construction of a commercial scale MHD plant (500 MWe or above) for possible operations in the mid-1980's."

On page 30, in line 19, after "lands" insert "and emergency rehabilitation".

On page 30, in line 25, strike out "$306,278,000" and insert "$305,627,000".

On page 31, beginning with line 2, insert "and for the emergency rehabilitation of burned-over lands under its jurisdiction".

On page 31, in line 15, strike out "$75,487,000" and insert "$74,860,000".

On page 32, line 5, strike out "$31,459,000" and insert "$28,692,000".

On page 32, beginning with line 10, insert:

"YOUTH CONSERVATION CORPS

"For expenses necessary to carry out the provisions of the Act of August 13, 1970, as amended by Public Law 92-597, $10,240,000, to remain available until the end of the fiscal year following the fiscal year for which appropriated: *Provided*, That $5,120,000 shall be available to the Secretary of the Interior and $5,120,000 shall be available to the Secretary of Agriculture: *Provided further*, That the funds appropriated in this paragraph shall be available only upon the enactment into law of authorizing legislation."

On page 32, in line 25, strike out "$120,464,000" and insert "$121,275,000".

On page 37, at the end of line 14, strike out "$174,000" and insert "$171,000".

On page 37, in line 25, strike out "$225,352,000" and insert "$227,336,000".

On page 38, in line 9, strike out "$55,406,000" and insert "$61,912,000".

On page 44, in line 15, strike out "$6,673,000" and insert "$6,623,000".

On page 45, in line 20, strike out "$644,000" and insert "$693,000".

On page 46, beginning with line 3, insert:

"PENNSYLVANIA AVENUE DEVELOPMENT CORPORATION

"SALARIES AND EXPENSES

"For necessary expenses, as authorized by section 17 of Public Law 92-578 as amended, $824,000, to remain available until expended: *Provided*, That the funds appropriated in this paragraph shall be available only upon enactment into law of authorizing legislation."

On page 46, in line 18, after "Purchaser" insert a colon and *"Provided*, That this limitation shall not apply to specific quantities of grades and species of timber which said Secretaries determine are surplus to domestic lumber and plywood manufacturing needs.

Mr. BIBLE. Mr. President, before I yield the floor, I want to state what a fine experience it has been, during this past few years, to work with my delightful and knowledgeable expert friend from the great State of Alaska (Mr. STEVENS). Senator STEVENS has been the ranking minority member on this committee during that period of time. He has been at all times cooperative. He served as chairman of many of the hearings because of the pressures of time on all of us, and I want to commend him again, and say what a great pleasure and privilege it has been to work with him.

Mr. President, I yield the floor.

Mr. STEVENS. Mr. President, I am grateful to the chairman of our subcommittee for his last statement. Before I present a brief summary of the bill from my point of view, I would like to make a few statements about my distinguished colleague from Nevada.

The Senator from Nevada is managing the regular Interior appropriations bill for the last time. He will be retiring upon the completion of his present term. This will complete 20 years of outstanding service to his State and the Nation in the U.S. Senate. Senator BIBLE has been a member of the Interior Committee since 1955, and since that time has been chairman of the Parks and Recreation Subcommittee, which prior to 1965 was known as the Public Lands Subcommittee.

I might state that during that period of time from 1956 through 1960 I was with the Interior Department and worked from the other end of the avenue with the distinguished Senator from Nevada.

To this position, he added his membership on the Appropriations Committee in 1959. In 1969 he took over from former Chairman Carl Hayden as chairman of the Interior Appropriations Subcommittee.

Mr. President, during the time Senator BIBLE has been chairman of these two subcommittees, the National Park Service has undergone its period of greatest growth. This, along with his work in natural resources, has been his greatest accomplishment. He has always been a very hard worker, willing to take on extra duties as he did last year when he chaired the Public Works Appropriations Subcommittee in Senator STENNIS' absence. This has not won him a lot of headlines here in Washington but he has won the deep respect of all his colleagues and he is, I would venture to say, one of the best liked Senators on either side of the aisle.

I speak, Mr. President, as a Senator from Alaska because we in Alaska owe Senator BIBLE a special "thank you" for all he has done for my great State. He led the fight in the conference for the Alaskan Native Claims Settlement Act, worked hard to help us recover from the earthquake of a few years ago, and his leadership in the natural resources area has been very beneficial to our State.

As a State which has over half of the public lands of the United States, we owe him a particular debt of gratitude. I

personally thank him for his knowledge of the Nation's and Alaska's peculiar problems, and his invaluable help to me in my service on the subcommittee to date.

I can only say to the Senator from Nevada that we regret very much that he is leaving. We wish him good luck and, we hope, good fishing in the years to come, and look forward to his repeated visits to our State where he will always be welcome as a great friend of Alaska.

Mr. President, going now to the bill, our distinguished chairman has given a good and complete summary of the Interior appropriations bill for fiscal year 1975. There are, however, some aspects of the bill that I would like to reemphasize.

The bill provides for an appropriation of $3,389,239,310, and while this is $18,164,600 over the budget for the bill, the appropriations for the Department of the Interior and related agencies is below the budget if you include Interior's portion of the special energy research and development appropriations bill that we previously passed and which has now become law.

Mr. President, the fact that some activities funded in this bill will generate a large amount of revenues must be pointed out again and again and reemphasized again and again. The current forecast is that receipts will be in excess of $8.7 billion. Most of these receipts will come from activities under the Bureau of Land Management, including timber sales, mineral leasing, grazing fees, rights of way leases, sale of public land, and materials and mineral leasing on the Outer Continental Shelf. And again I point out that a substantial portion of those revenues are from my State.

Mr. President, the committee's recommendations are, I think, fair and reasonable. We are providing funds for human needs benefiting the Indian people and Alaskan Natives, support for cultural activities by the Arts and Humanities and the Smithsonian Institution and funds for wise management of our Federal land, mineral, and timber resources. As well, we are providing a large amount of funds for the Nation's Bicentennial activities.

Mr. President, as the chairman mentioned, we received a substantial number of requests from our colleagues totaling more than $800 million. We have tried to be as fair to each request as possible without bringing to the Senate a bill that is too far over the budget and I do hope that our colleagues who submitted these amendments appreciate the position the committee is in. We just could not recommend all of the additions that were requested without substantially placing the budget in an imbalance for this year.

Mr. President, our distinguished chairman has been most kind and courteous in his cooperation with every Member of the Senate without regard to which side of the aisle he is on. He has demonstrated through the hearings and the markup of this bill his usual courtesy, and again he has leaned over backward to accommodate all of the members of the committee and the Senate and all of the members of the public who wished to testify on this bill.

It is with a great deal of sadness that we realize that the Senator from Nevada (Mr. BIBLE) will not again be managing a regular appropriations bill. I am sure he will be here again for the supplemental this fall, but I again thank my distinguished colleague for the wisdom that he has tried to pass on to those of us who serve with him and for his generous cooperation with everyone who appeared before the committee.

I reemphasize, Mr. President, what the chairman has said, and I shall try to learn from his leadership again by perhaps not getting too personal about it, but the amendments that have been suggested by those who have voted to cut appropriation bills on the floor this past week are so substantial that had we listened to their advice in committee we would have added more than $800 million to the bill.

I understand many of them will come on the floor and urge us to cut the bill in spite of the consideration which had been given to these amendments and in spite of the balance that is present in this bill, and I hope that my distinguished senior colleague will not mind if I get a little more particular with these people as they approach us in connection with this bill as it is here on the floor, because I think it is a good bill. It is a bill that should go on now to conference with the House, and it should be passed as early as possible so that these moneys may be put to work as early as possible to generate a greater income from our natural resources in the years to come.

Mr. President, I yield the floor.

Mr. HOLLINGS. Mr. President, in consideration of the other amendment, in whatever form the manager of the bill would like it to come up, I am prepared to make a motion for recommittal of this bill to the Appropriations Committee with instructions to cut it by $170 million, which is approximately 5 percent, and to let them pick out the particular items. But I emphasize in the very first breath it will not affect the Indians, as we do not intend to be cutting the Indians' welfare payments.

Before I yield momentarily to our distinguished colleague from Illinois (Mr. PERCY), let me say that I guess I have voted and been associated, amongst all the senior Senators, with no one more than the distinguished Senator from Nevada (Mr. BIBLE).

I am always interested in votes.

There are various groups, the ECA, ADA, and AFL–CIO, which put out voting analyses.

The University of South Dakota is the only one I know of that uses all the votes, that does not single out specific votes, only the ones they want to interest themselves in. The University of South Dakota study takes every single vote cast and identifies the individual Senator with the remaining 99 Members in the body.

I have been interested in the fact that I voted almost each time very near the vote that my distinguished friend from Nevada has cast. It tells me, when I am in doubt and wondering whether I am wandering from the path, that I can go and find good counsel and sustenance from his advice. I have done it many times.

I am distressed, as we all are, that he is leaving. I am pleased that he will be associated with his son in the practice of law and instructing in Nevada, and traveling some. I hope he travels to our State.

I do not know any better expression than that he is the nicest Senator I know. He is pleasant, respectful, helpful; he is intellectually a giant; and he has great, good judgment.

I go back to Lyndon Johnson, who told me, as he told others, that there are two kinds of Senators: we have work horses and we have show horses.

I think ALAN BIBLE from Nevada leads the pack as the work horse of this body. He does it very thoroughly and I commend him on his hard work.

I hate to have to be placed in a position to make this particular motion, but I shall speak to that later.

I yield to the Senator from Illinois.

Mr. BIBLE. Before he does that, will the Senator yield to me?

Mr. HOLLINGS. Yes, sir.

Mr. BIBLE. After those fine things being said, I feel like the prize fighter coming out of the corner of the ring when his second gives him some chloroform.

I am sure that is what my distinguished friend from South Carolina has done; he has given me the chloroform. I know the solar plexus punch will come along later.

He has commented that his record is very similar to mine and I am mighty proud of that, that we regard these issues in such close accord all the time.

All I would say is that if he wants to improve his batting average and stay close to me, the best way to do it is just to withdraw that motion he plans to make, because I do not support that motion.

I just wanted to spread that comment on the RECORD and I shall be ready for the solar plexus punch a little later on.

Mr. HOLLINGS. I yield to the Senator from Illinois.

Mr. PERCY. Mr. President, I send an amendment to the desk and I ask unanimous consent that its reading be dispensed with because I will explain it later.

The PRESIDING OFFICER. Without objection, it is so ordered, and the amendment will be printed in the RECORD.

The amendment is as follows:

On page 10, line 18, insert the following: in lieu of $63,290,000 insert $64,036,000.

Mr. PERCY. Mr. President, first I would like to say that one of the most enjoyable periods I have ever spent in the Senate was working on the Appropriations Subcommittee on the Interior, working on the matters we are dealing with today.

Working with the Senator from Nevada (Mr. BIBLE) was one of the greatest experiences I have had. Working with the Senator from North Dakota (Mr. YOUNG), who has distinguished himself through the years, and with other colleagues in the Senate on these matters that are so important to this country, was a wonderful experience.

I could not have been more pleased when my distinguished colleague from Oregon (Mr. HATFIELD) succeeded me as the ranking minority member on the subcommittee, and now the distinguished Senator from Alaska (Mr. STEVENS).

One of the matters I dealt with at the time and was very gratified, indeed, to have the understanding and full accord of the members of the subcommittee and the members of the Appropriations Committee, was the Lincoln Home National Historical Site in Springfield.

Mr. President, in 1971, President Nixon went to Springfield, Ill., to sign the bill establishing the Lincoln Home National Historic Site. This home honors one of the country's greatest Presidents, as well as the State and the city which he called home. It was in Springfield that Abraham Lincoln developed as a skillful country lawyer, able politician, and a gallant statesman. The only home he ever knew was this one, and he left it with great reluctance when he moved from Springfield to Washington in 1861 to take the oath of office as President. It was during his years of ownership of this home that Lincoln prepared himself for the Presidency. With the coming of the 1976 bicentennial this place will become an important part of our Nation's celebration. The Illinois Bicentennial Commission has declared the Lincoln Home National Historic Site a "focal point" for the American Revolution Bicentennial celebration in Illinois.

Since 1971, progress has been made on this homesite: the State of Illinois has deeded the home to the Federal Government; the city of Springfield has transferred to the Federal Government all of the land it owned in the four-block area surrounding the home; and the National Park Service has reprogramed from existing funds the money to purchase the remaining land in the area. Recently, the NPS acquired 11 pieces of property on which will be located a future visitors center.

Funds are needed now for the construction of a visitors center, parking facilities, and to relocate a house. The House of Representatives has approved the Department of the Interior's appropriation bill containing $746,000 for the Lincoln Home Project. This amount for the homesite was based upon the attached March 19, 1974 letter from the National Park Service. The Senate Appropriations Committee's recommendation for the Department of the Interior's appropriation does not include this figure. Today, I am introducing an amendment which would add $746,000 to the Senate's Department of the Interior appropriation bill.

It is my understanding that one of the reasons that money for this project was not included in the Senate Committee's recommendation is the timing on the filing of the environmental impact statement. I have been informed that the environmental impact statement on this construction will be sent to Washington in the next 2 weeks and that the Director of the homesite in Springfield will be ready to let a contract during this fiscal year. If the Senate does not include in the Interior appropriation the $746,000 for this project, then the progress of the project will have stopped in midstream, with buildings standing vacant and the present and the potential visitors unaccommodated. In addition, the Lincoln Home National Historic Site will not be ready for our Nation's 1976 celebration. Let us proceed as planned with this project so that we can in the year of the Bicentennial honor appropriately a great man and a great President.

I request the Senate's affirmative action on my amendment.

I defer to the good judgment of the chairman of the subcommittee who I know shared from the outset my enthusiasm for this project.

I am happy to yield to the distinguished Senator from Oregon. He is one of the outstanding experts, certainly in the Senate if not in the country, on Abraham Lincoln.

Mr. HATFIELD. I thank the Senator for his very fine compliment, and I would like to associate myself with his plea today to the Senate.

Mr. President, I want to add a few very personal comments in tribute to my distinguished colleague and beloved friend, Senator BIBLE, who is retiring from Senate service at the end of the year. While I have tried in the past to express my sense of loss that I will feel when Senator BIBLE leaves the Senate, I think it is fitting to pause during debate on this appropriations bill—where he so ably gives those of us on the subcommittee so much guidance—and reflection his impact on the bill, and in broader terms about the entire question of public lands management, and their "Bible imprint."

As a first term Senator, I began service on the Committee on Interior and Insular Affairs with Senator BIBLE, and he served as my mentor on many public lands issues where we from the West share common interests. His wise counsel, his guidance and leadership on this committee, helped me personally a great deal during my early years in the Senate. He has supported many bills of direct importance to my State.

When I later jointed the Committee on Appropriations Senator BIBLE again assisted me in gaining a better understanding of the workings of this committee. Just as Senator BIBLE had used his wisdom to guide matters before the Interior Committee, he also applied this understanding of our country's natural resource matters in areas before the Interior Appropriations Subcommittee, where he has chaired it so ably.

As the only other Senator besides Senator BIBLE who serves on both the authorizing Senate Interior Committee and the Senate Appropriations Committee, I will miss my colleague's wise counsel in the years ahead, as will all of us with an interest in natural resources.

I shall not go any farther in praising my good friend, for I do not want these comments to sound like a eulogy. I do want, however, to express my appreciation, both for myself and for residents of my State, for the leadership on public land matters shown over the years by the Senator from Nevada. We are in your debt for your service.

Senator BIBLE, the Senate subcommittee chairman on the Interior Committee, and I heard the testimony given in 1971 on a bill introduced by the Senator from Illinois (Mr. PERCY) calling for the authorization of this national historic shrine.

The Senator from Nevada (Mr. BIBLE) and I both gave it full support at that time, which led to its passage by the entire Senate.

Mr. President, I am deeply concerned that the Nation as a whole have a program for adequate celebration of the Bicentennial. I am frankly rather heartsick at this time to see this endeavor struggling along with very little evidence of a national program or any grand strategy.

I therefore feel that when a State like the State of Illinois has made its contribution and has indicated its preference of having the focus of the Bicentennial placed on the Lincoln home, that we now, at the Federal level where we have assumed the responsibility of sufficient development and adequate provision for visitors for this shrine, must move ahead with our responsibility in terms of not only the funding in this fiscal year, but also in the preparation of having it ready for the Bicentennial.

I am sure there will be many people from the western part of the country, from my part of the country, and from other parts of the country, who will travel to and from Washington, crossing and traversing the Middle West, who will want to see these extraordinary and outstanding shrines along the way of which this, to me, will be one of the greatest.

I know that Senator BIBLE, our chairman of the Interior Subcommittee of the Committee on Appropriations, has expressed his keen interest in this. I think the Senator from Illinois, in dicating this impact study is now available, has certainly added new evidence to the consideration of this particular proposal in the conference committee.

As one of the conferees, I want to assure the Senator from Illinois that I will cooperate with the ranking member (Mr. STEVENS) and with my chairman (Mr. BIBLE) in giving this very careful consideration in the conference committee that will be coming up in the next few days, and hopefully work out a solution which will meet his request.

Mr. PERCY. Mr. President, I ask unanimous consent that the letter dated March 19, 1974, to Representative FINDLEY from the Associate Director of the U.S. Department of Interior, be printed in the RECORD.

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

U.S. DEPARTMENT OF THE INTERIOR,
*Washington, D.C., March 19, 1974.*

Hon. PAUL FINDLEY,
*House of Representatives,*
*Washington, D.C.*

DEAR MR. FINDLEY: Thank you for your letter regarding a "One Year Program" for the Lincoln Home National Historic Site which the National Park Service would be

capable of undertaking if sufficient funds were available. We apologize for this late reply.

Under the regional alignment recently implemented, the Lincoln Home came under the jurisdiction of our Midwest Region. On March 8, a team from the Midwest Regional Office visited the site to determine the priorities and what could be accomplished in fiscal year 1975.

Our Denver Service Center is responsible for accomplishing most of the National Park Service's planning and design work. Because of its current heavy workload on parks directly associated with the American Revolution Bicentennial program, it advises that planning for the Lincoln Home must be delayed until later this fiscal year. These plans are to start with preparing the interpretive prospectus, then follow up with the prerequisite preplanning to design drawings for projects to be constructed. At best, it would be late in fiscal year 1975 before any contracts could be awarded for actual construction on these projects.

We have requested a reprogramming of fiscal year 1974 funds for planning of a visitor center, site improvements, landscaping, and parking facilities at the Lincoln Home. Assuming that our request is granted and the necessary lands are acquired this fiscal year, we believe that we would be able to award contracts for the following work late in fiscal year 1975. These are preplanning estimates based on costs of similar facilities:

Amount: Visitor center, exhibits, audiovisual programs, site preparation, landscaping and parking facilities, $693,000; Relocation of the Corneau House and site preparation, $53,000; Total, $746,000.

We appreciate your continued interest and support of the Lincoln Home.

Sincerely yours,

J. LEONARD NORWOOD,
*Associate Director.*

Mr. PERCY. The distinguished Congressman, Representative PAUL FINDLEY, in whose District Springfield is located, has been a pioneer in this whole concept of restoring this home.

It was his initiative that brought this project about in the House. I have been very pleased, indeed, to work with him in the Senate.

The Department of Interior has indicated that if funds are made available, contracts can be awarded in fiscal year 1975.

Mr. BIBLE. Mr. President, the distinguished senior Senator from Illinois had earlier spoken to me about this item. It is true that this was in the House-passed bill as it came to the Senate. We checked the item out. We were advised that the planning, design and environmental impact work was not to be ready to go to construction. I am happy to learn from the Senator from Illinois that it appears that that timetable has now been updated and that they will move faster than was originally indicated to us.

Let me say that no one admires Abraham Lincoln more than the senior Senator from Nevada. We have always felt he was the father of our State because, as a matter of fact, we came into the Union in 1864 and we came in to do several things: We came in No. 1, to preserve the Union, to bring the treasure of our gold and silver from the mining camps of the West into the Union side of a misunderstanding between the States. It has been called everything else, but I have always called it a misunderstanding.

In addition to that, we were brought into the sisterhood of States at a time when they needed additional votes for the ratification of the 13th, 14th, and 15th amendments.

If my memory serves me well, and I am not the great historian that my distinguished friend from Oregon is, I believe one of our earliest Senators was the sponsor of an amendment and led the fight here on the Senate floor for ratification of the 13th, 14th, and 15th amendments. So we feel very close to Abraham Lincoln.

I assure my friend that in view of these newly discovered facts, I would hope that he would withdraw his amendment; that he would allow us to consider it, and to take it to conference because it will be in conference, even if the amendment does not prevail.

We did not have all the facts before us, evidently. Two fellow Members who will be with me on that conference are both on the floor, the Senator from Alaska and the Senator from Oregon. I gather from the sentiment expressed by the Senator from Oregon that he rather favored the amendment of the Senator from Illinois.

That being true, one could almost hazard a guess that we might do pretty well in conference.

I would hope the Senator would let us take it to conference and see if we can get it worked out.

Mr. PERCY. Mr. President, I deeply appreciate the comments of the distinguished senior Senator from Oregon and the distinguished senior Senator from Nevada. I would presume we would have the support of the ranking minority member, the distinguished Senator from Alaska, to whom I referred earlier in my remarks. If this would have his support as well, then I think that I would be inclined to follow the advice of the floor managers of this bill who will be going to conference, and withdraw the amendment.

I would be happy to yield to my distinguished colleague from Alaska for his comments.

Mr. STEVENS. Mr. President, I, of course, will follow the lead of our distinguished chairman in the negotiations in the conference. I recognize the great urgency that the Senator from Illinois has stated.

There will be other items in conference. I am sure the Senator from Illinois knows that there is a give and take in conference and we will do our best to see to it that his desires are achieved.

Mr. PERCY. I appreciate that very much indeed.

With those assurances I am prepared to withdraw my amendment.

Mr. STEVENSON. Mr. President, I am pleased to support this amendment which would add $746,000 for construction of a visitors center for the Lincoln Home in Springfield. That sum was approved by the House of Representatives but deleted by the Senate Appropriations Committee.

Mr. President, the significance of the Lincoln Home does not need elaboration—particularly during our preparations for the Bicentennial celebration. I am sure no one will argue that this historic site should not be preserved and made accessible to the public.

What may need elaboration is the need for this appropriation. The Lincoln Home ranks 10th on the list of National Park Service attractions—drawing more visitors per year than all but 9 other Park Service facilities. Yet it has no visitors center to accommodate the 659,700 people who pass through annually.

Unless this appropriation is made, it will be impossible to have the visitors center finished in time for the Bicentennial—when we can expect many more visitors to the Lincoln Home.

Almost all of the land needed for this visitor center has been acquired. The necessary relocation has been accomplished. We need only this appropriation to start construction.

Mr. President, the Illinois Bicentennial Commission has officially declared the Lincoln Home a focal point for the 1976 celebration. This appropriation will enable the Park Service to provide an enriching experience for those who visit this site during our 200th anniversary, and in years after. I hope the distinguished managers of the bill will accept the amendment or, if not, that they will accept the House position in conference.

Mr. PERCY. Mr. President, I ask unanimous consent that my amendment be withdrawn.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. MANSFIELD. Mr. President, MHD electric power generation, which was first developed in the United States, promises operating efficiency 50 percent better—60 to 40 percent—than the most advanced steam turbine plants, and a greater increase—60 to 32 percent—over that of nuclear plants. It will burn coal, our most abundant domestic fuel resource. It will operate with greatly reduced stack emissions, well within the specified limits for pollution control. And it will require much less, or no, cooling water, thus greatly decreasing or eliminating thermal pollution.

MHD is currently under development in other countries besides the United States, particularly the Soviet Union, which has built and operates an experimental 25 MW MHD powerplant. We are falling behind. If MHD is to play its role in solving the Nation's energy crisis by 1990, and if the United States is to maintain its technological leadership in the field and establish itself as a principal world supplier of MHD systems, an aggressive national MHD development program is needed.

Since 1968, Senator METCALF and I have been urging a national program to develop MHD power generation. I believe that the distinguished manager of the bill, chairman of the Appropriations Subcommittee on Interior and Related Affairs, will attest that Senator METCALF and I have been the principal proponents for funding MHD in the Interior Department's Office of Coal Research's budget every year, including fiscal year 1970 when the first funds were provided.

On August 9, 1968, Mr. Cordell Moore, Assistant Secretary of the Interior, wrote me—

We are convinced that a direct energy conversion system, such as MHD, holds considerable promise for the development of the vast energy resources of the Northern Great Plains.

On August 22, 1968, I wrote to the President urging him to include $10 million in the fiscal 1970 budget request to be utilized during a 4-year period for construction of a pilot plant to be in operation by 1975. I also asked that he consider Montana as the most logical site for such a plant.

On September 20, 1968, Senator METCALF and I wrote to the Secretary of the Interior Stewart Udall urging him to give serious consideration to the construction of an MHD pilot project near the vast coal fields in Montana. Secretary Udall responded and stated—

I am personally sold on the MHD research project and I agree with you that it would make sense to have such a project based in Montana. Further, the several hours I have spent inquiring into this subject have convinced me that our country must undertake a major MHD research project within the next few years.

Note, this was September 1968.

On May 8, 1969, James R. Smith, Assistant Secretary of the Interior, informed me that fiscal constraints under the fiscal year 1970 budget were not conducive to the undertaking of a new MHD pilot plant.

On May 23, 1969, I called the attention of the Senate to an article by Mr. Gene Smith entitled, "The United States Trails Soviet in Exotic Power." I pointed out that it was a sad commentary on the attention this Nation is giving to advanced power generator techniques especially since it was an American scientist who developed the Nation's first MHD generator 10 years before. Senator METCALF and I again urged an immediate initiation of plans for a pilot plant in Montana to bring low-cost power to our growing population and to industry without the side effects of air and water pollution.

On November 6, 1969, Senator METCALF and I wrote to Secretary of the Interior Hickel again asking that funds be requested to get underway with an MHD research program. Secretary Hickel replied on December 18, 1969, stating—

We are as enthusiastic as you are about this program and we, too, are aware of its great promise for eliminating thermal pollution.

But he also pointed out that no decision had been reached concerning MHD and the Office of Coal Research budget.

On April 1, 1970, I appeared before the Subcommittee on Interior Appropriations again asking for funds for this important project. Only $400,000 was included in the budget that year for MHD, and this committee increased that amount by $200,000 for a total of $600,000 in fiscal year 1971. This was the first significant step in providing impetus to this important research.

On July 22, 1970, I asked the distinguished manager of the bill whether it was the intent of this committee that the Department should initiate research in the immediate future on MHD even in advance of a final report of an electric research council task force. He assured me that was the intent.

Nothing significant was achieved by the Office of Coal Research in this area, and, again, on May 9, 1973, after the onset of the worldwide energy crisis, I appeared before this committee asking that the request of the administration for $3 million for MHD research be increased to $8 million. I pointed out that MHD technology had not gone along as far as I had hoped due to the inadequate interest and support of the administration.

Again, in 1974, I requested consideration for an appropriation of $2.5 million in fiscal year 1975 to further develop MHD techniques and applications within the State of Montana. This resulted in the following language being adopted in the report supporting Public Law 93–322, the energy research and development appropriations bill:

The net decrease below the amount proposed by the House includes an addition of $5,000,000 for MHD (magnetohydrodynamics) to initiate design and planning work on an engineering test facility and to provide for additional research on MHD techniques and applications at the Montana College of Mineral Science and Technology and other units of the Montana University System . . .

The Office of Coal Research has spent only a fraction of the moneys appropriated and has consistently ignored the intent of the Congress that MHD development should be accelerated. Indeed, not only has OCR failed to properly use the general funds provided for this purpose, but has to date even refused to use any of the funds specifically designated at the initiation of the distinguished Chairman of the Appropriations Committee, Senator MCCLELLAN, for use at the University of Tennessee.

Recently, the members of the Appropriations Committee discussed the need for accelerating MHD research and development and the immediate beginning of the design and planning for an MHD engineering test facility as provided in the Special Energy Appropriations Act referred to above. That legislation, as you will recall, specifies that MHD research and development will be done at the Montana College of Mineral Science and Technology at Butte, in cooperation with the Montana University system and in collaboration with existing MHD expertise in the private sector.

In past years, the MHD appropriations amendments which Senator METCALF and I authored were general in nature. Given the urgency of the current energy crisis and the attitude of OCR, I believe it is now incumbent upon the Congress to strengthen MHD research and development activities and to leave no doubt in the minds of the Secretary of the Interior and the Director of the Office of Coal Research, that Congress does not intend to be ignored and that an accelerated program will be initiated so as to make MHD commercially available in the 1985–1990 period.

The Office of Coal Research is leaning heavily on a so-called national plan which envisions a demonstration of engineering feasibility of MHD by 1984 with a commercial application near the year 2000.

Given the facts available and the time already wasted, I believe that this time schedule is much too conservative. For example, the OCR plan states that—

Past research and development efforts have not disclosed any fundamental technical barriers requiring major scientific discoveries or break-throughs.

Recently, John C. Sawhill, the Federal Energy Administrator, reported in connection with the signing of the U.S./U.S.S.R. Energy Cooperation Agreement in Moscow by Presidents Nixon and Podgorny, that the Soviet Union has planned a 1,000 megawatt electric powerplant using an MHD generator.

Various distinguished scientists and engineers, representing universities and industry, have repeatedly testified before the Appropriations Subcommittee on the Interior and Related Affairs that the technology is on hand to design and build the large scale MHD generator. Further, that given the will to do so, MHD can be commercially available before 1990. Incidentally, in his statement, Mr. Sawhill said that—

The United States can learn a great deal about magnetohydrodynamics from the Soviets and could improve U.S. efficiency in that area.

That this statement was made is a sad commentary since the first successful MHD generator was developed in the United States and most of the theoretical work has been done here.

Given this background, I am convinced that the United States can recapture its lead in this new technology and make MHD commercially available well in advance of the OCR timetable. To do so requires determination, and a willingness to spend the money to accomplish this goal.

Since Public Law 93–322, the Energy Research and Development Appropriations Act, was signed, my office has been informed by the Director of the Office of Coal Research that that agency is unable to comply with the language outlined in the report. Dr. William Gouse, has indicated that he needs specific legislative authority to proceed with an experimental test facility in Montana as directed and appropirated for by the Congress. He and his advisers take the position that his office does not have grant authority, which is true, and must pursue a lengthy and cumbersome contractual and site selection procedure unless specifically directed otherwise.

In my view of the history of this important project, I feel it is incumbent upon the Congress to direct the executive branch, specifically the Office of Coal Research, under the Department of the Interior, to move aggressively in this field and to carry out the intent of Public Law 93–322.

With respect to establishing the engineering test facility, let me say that I am convinced that all the resources of the Nation should be brought to bear on this technology. I support the work going on in Tennessee, Massachusetts, California, Ohio, and elsewhere, and I believe it should be expanded. Hopefully, OCR will cease its delay in funding the University

of Tennessee with the moneys appropriated for that institution.

MHD is a technology particularly suited to the western coal States and it is appropriate that a significant portion of the research and development effort should take place there. The Montana College of Mineral Science and Technology is one of the leading schools in its field in the country and the Montana State University at Bozeman has outstanding faculty and facilities. The two schools are in the process of completing a cooperative effort with the AVCO Everett Research Laboratory. AVCO developed the first operating generator, has designed and built every large MHD generator that has operated in the United States and is currently involved in designing the channel for the Soviet Union's 25 megawatt MHD plant. The laboratory is internationally recognized as the leader in the field of MHD.

By placing the engineering test facility in Montana and combining the MHD expertise at AVCO with the resources and capabilities at Montana Tech and the Montana University, system we will have created a most powerful national team to conduct MHD development.

This brings me to the purpose of my amendment included in the bill. Given the history of OCR's attitude, we cannot reasonably expect it to respond to the will of the Congress. I believe that this amendment will demonstrate with the force of law that it is national policy that MHD is to be commercialized in the 1980's unless some now unforeseen, fundamental, technical barrier should arise.

The language will also demonstrate that the Congress has the will to provide OCR with both the direction and the funds necessary to expand MHD research and development and to get on immediately with the engineering test facility in Montana.

Mr. BIBLE. Mr. President, I commend the Senator from Montana, our most distinguished and lovable and expert majority leader.

The speech he has just made sounds familiar to me. I have heard it many times on the floor of the Senate. We have tried to accommodate ourselves to his wishes in this matter, and in this particular bill I hope we are successful.

In order to get the power of his office and his feeling behind this matter, I am going to suggest that he be added as a conferee on this bill. I am sure that his position will prevail. I think he is right. I know his position will prevail in the Senate. I would like to have the added weight of his prestige, of his office, and of his great State behind us when we go to conference, which I hope will be sometime next week.

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

Mr. BIBLE. I am happy to yield.

Mr. MANSFIELD. May I say to the distinguished manager of the bill now being considered and debated by the Senate that it will be a pleasure for the Senator from Montana to serve as a conferee under the chairmanship of the distinguished Senator from Nevada.

Mr. BIBLE. I appreciate that. We will leave off our western holsters as we walk into the conference.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. BIDEN). The bill is open to further amendment.

Mr. HATHAWAY. Mr. President, I should like to call to the attention of the manager of the bill, the Senator from Nevada, an amendment I had prepared, which I discussed with him earlier, which would earmark a certain amount of funds for spruce budworm disease, which is of unusual proportions in the State of Maine at this time.

I understand that because of different climatic environmental conditions that have not prevailed in other years, the budworm is much more plentiful than usual. In past years, we have been able to take care of it with the appropriation that has been given to the Forest Service.

Also, I understand that the money appropriated in May to take care of such insects and diseases, even though authorized to carry over to this fiscal year, has already been committed.

I am simply calling this matter to the attention of the subcommittee chairman, the floor manager of the bill, so that we may have on the RECORD a colloquy indicating that we would like the Forest Service to use the funds that are appropriated under this bill to the extent they can be used to help in connection with this matter, until such time as another supplemental comes up, which I understand will be some time in September, which would address itself to this problem directly.

Mr. BIBLE. Mr. President, the Senator was kind enough to discuss with me his concern about this problem, which is of almost crisis proportions, in connection with our constant fight against the insects that invade our trees. All over the United States, we have tried to be responsive to that need. This problem certainly should have top priority.

I am not familiar with the details of the particular insect invasion that the Senator has mentioned. I hope he keeps in touch with me. I am sure we will have at least one more supplemental before we recess or adjourn sine die this year. He can rest assured that it certainly will have my very careful attention.

We have this problem with the gypsy moth. We have the tussock moth in the Northwest region of our country. We are making some headway in this very difficult problem, but we should make more.

We will advise the Senator when we are going to have a hearing. I do not know whether it will be in the budget, but I am sure he can make an adequate showing to have some dollars in the budget to fight this problem.

Mr. HATHAWAY. I understand that, in the meantime, the Forest Service will do what it can. The State in this case is willing to appropriate $5 million of its own. About 5 million acres are affected, and it is estimated that it will take about $2 an acre to get the problem under control.

Mr. BIBLE. I think it always makes any proposition a little more attractive when the State is concerned and has the problem and says, "We are willing to match it on a dollar-for-dollar basis."

If $10 million will do the job in cleaning up this problem, then certainly I can say unequivocally that I would be very happy to support it.

Mr. HATHAWAY. I thank the Senator.

Mr. BIBLE. I yield the floor.

The PRESIDING OFFICER. The bill is open to further amendment.

AMENDMENT NO. 1782

Mr. NELSON. Mr. President, I call up my amendment No. 1782.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 47, between lines 3 and 4, insert a new section as follows:

"SEC. 303. None of the funds appropriated by this Act may be used for the purpose of applying the herbicide 2, 4, 5–T to any lands within the United States National Forest System.".

On page 47, line 4, strike out "SEC. 303" and insert in lieu thereof "SEC. 304".

Mr. NELSON. Mr. President, this amendment to the Interior appropriations bill would prohibit the use of herbicide 2,4,5–T on any lands within the U.S. National Forest System. Should this bill pass without this restriction, the U.S. Forest Service will be using 2,4,5-T on 61 national forests in 23 States in this country. Mr. President, I ask unanimous consent to have a list of national forests in the 23 States printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. NELSON. Mr. President, this activity has come under question by scientific experts and concerned citizens throughout the Nation. National concern about 2,4,5–T dates from the period of its indiscriminate use in Vietnam as part of the military defoliant agent Orange. Concern about the environmental and health dangers of this chemical was based on scientific information indicating that the contaminant TCDD dioxin present in 2,4,5–T was the world's most toxic synthetic substance and that only 6 parts of dioxin in 10 billion parts bodyweight was a lethal dose in laboratory tests on guinea pigs.

In a study published on July 16, 1974, Dr. Theodore D. Sterling, a member of the National Academy of Sciences' Advisory Committee on 2,4,5–T to the Administrator of the Environmental Protection Agency, summed up the dangers posed by 2,4,5–T.

I read now from Dr. Theodore Sterling's report of a few weeks ago. I especially invite the attention of the distinguished Senator from Nevada to this report, because he may not have an opportunity as yet to look at Dr. Sterling's report, which was published on July 16 of this year.

The accumulated evidence, makes it increasingly certain that the widespread use of 2,4,5–T may have serious consequences on the health and well-being of the populations of North America and especially on the well-being of pregnant women and their offspring.

He continued:

2,4,5–T, containing minimal amounts of TCDD and in a "technically" pure state is definitely teratogenic, embryotoxic, and fetogenic, may well be mutagenic and carcinogenic, and exposure to TCDD induces lethal and sublethal chronic health effects . . . evidence . . . indicates that TCDD is built up and maintained and that additional dioxins may be introduced to the environment by thermal events.

Finally, 2,4,5–T related tetradioxins "are clearly persistent and biocumulative."

In my view, the U.S. Forest Service's plan to use 2,4,5–T is a deadly serious mistake. The Forest Service insists that the 2,4,5–T which they plan to use in the national forests is different from the 2,4,5–T used for military defoliation and crop destruction in Vietnam. It is true that the Forest Service administers less 2,4,5–T per acre than the military sprayed in Vietnam. It is also true that today's 2,4,5–T product contains a very much smaller amount of dioxin than was present in Army formulations. But the fact remains that TCDD dioxin is indesputably present in all 2,4,5–T, including the mixtures which the U.S. Forest Service proposes to spray in 61 national forests this year.

Dr. Matthew Meselson of Harvard University, the head of the herbicide assessment commission of the American Association for the Advancement of Science, has commented about the tendency to misunderstand the significance of only very slight amounts of dioxin in the environment and the food chain.

We've been a little bit hypnotized by hearing that there is no more than even a tenth of a part per million of dioxin in the current production batches of 2,4,5–T. We've been hypnotized into thinking that that must be negligible. And it is a welcome improvement, I'm sure. But I'm not at all sure it is negligible. It may, in fact, be quite serious.

After botulinum toxin, dioxin is the world's most toxic substance. Since it is present in 2,4,5–T in only very, very small amounts, this fact has induced considerable unjustified complacency about its use. It is also dangerous in very, very small amounts.

Dioxin is, in fact, 100 times more toxic than the lethal nerve gas VX. The Science Policy Division of the Library of Congress made an extrapolation for us about 2 years ago which showed that, assuming a lethal dose in experimental animals is directly equivalent for man, then one, just one, medicine drop of dioxin would kill 1,200 people.

Numerous tests have also indicated dioxin's potential for inducing birth defects. Dr. Jacqueline Verrett of the Food and Drug Administration reports that in chick and mammalian studies, dioxin is "some 100,000 to a million times more potent" than the tranquilizer thalidomide which caused a large number of birth defects in Europe.

How much dioxin is too much dioxin? The shocking truth is that for decades we have used this agent without knowing the answer to this crucial question. Over the years, I have pointed out the need to conduct a comprehensive scientific investigation to answer this burning question.

In fact, some 4 years ago, I offered an amendment on the floor of the Senate, which was defeated, to prohibit its further use for spraying in Vietnam. Less than 1 year later, the Army suspended the use of this defoliant in Vietnam.

Two years ago when it was learned that 2,4,5-T was being employed for defoliation in Grant County, Wis., I called for a ban on its use in this country pending adequate scientific safety tests. At the time, I emphasized that—

The controversy over the use of 2,4,5-T represents both the typical and classic case concerning the public policy questions at issue whenever it is proposed to introduce a new and active agent into the marketplace. . . . There is a very fundamental public policy issue at stake here which, it seems to me, we must confront head-on. The issue is this: are we going to permit the widespread use of potent and toxic agents without requiring prior adequate scientific safety tests?

My position with regard to the national forest issue is the same as it was in the Grant County controversy. The fact of the matter is that all the facts are not in on 2,4,5-T, and the studies that have been conducted indicate that dioxin in 2,4,5–T is deadly dangerous.

In 1970, the herbicide assessment commission of the American Association for the Advancement of Science said of 2,4,5-T.

Its potential importance lies in the fact that it is exceedingly toxic, may be quite stable in the environment, and being fat soluable, may be concentrated as it moves up the food chain into the human diet.

In the past year, the Environmental Protection Agency has also tried to measure the dangers of 2,4,5-T. This January lawyers at the Environmental Protection Agency filed a pretrial brief which brings up to date scientific information developed by EPA scientists and by other experts throughout the Nation. This document has received very little public notice, if any, but the scientific concerns raised by the EPA brief are more than enough evidence to merit suspension of plans to spray in the national forests, pending conclusion of EPA's extensive and recently expanded monitoring program and a final decision by the EPA Administrator about the prudence of releasing this substance into the environment.

This brief of the EPA is a dramatic commentary on the tremendous potential for hazard threatened by the use of 2,4,5-T and its contaminant dioxin. I think it is significant that even though this brief is not a complete and definitive study, it still indicates disturbingly serious danger of 2,4,5-T.

I call the attention of the distinguished Senator from Nevada to the conclusions that were printed in the Environmental Protection Agency's brief. This is from the January pretrial brief of the Environmental Protection Agency. Here is what that brief concluded:

Available information . . . depicts a hazard of birth defects from 2,4,5-T and TCDD.

As with the various reproductive effects noted, there are indications that TCDD is mutagenic.

The carcinogenic potential of 2,4,5-T related TCCD exists.

These facts describe a pernicious, little understood toxicant, capable in minute quantities of inducing a variety of chronic illnesses and, perhaps of causing death as a delayed response to exposure . . . TCCD poisoning may be cumulative . . . . Because the effects of long-term exposure to low levels of TCDD remain undetermined, an acceptable level for man cannot be set. If TCDD exposure causes delayed lethality, or if continuous impingement of TCDD on human organisms otherwise causes cumulative effects or if TCDD concentrates in human tissues, a level of exposure which would be safe for the general population may not exist. Even residues below the current level of detection may be unsafe.

Information . . . indicates the capacity of TCDD to penetrate, persist, to move and to bio-concentrate in the aquatic and terrestrial environment, given the incomparable toxicity of this small molecular compound, and given the practical nonexistence of facts about its ecological effects, the respondent suggests that it cannot make a reliable conclusion that TCDD is not causing serious environmental injury.

There is evidence that the polychlorophenal in 2,4,5–T may decompose into dioxin when exposed to high temperatures, such as might occur with incineration or even cooking of food. TCDD can be generated by the thermal stress of 2,4,5–T and some of its metabolites. This raises the potential for the generation of additional dioxin under environmental conditions. The widespread use of 2,4,5–T, coupled with the persistency of TCDD and its extreme toxicity, therefore, raises the possibility that people may be exposed to a latent destructive force—the accidental or unknown triggering of the thermal release mechanism by which "harmless" amounts of 2,4,5–T, its esters or salts, convert to lethal tetra-dioxin.

It has not been established that dioxin and 2,4,5–T do not accumulate in body tissues. If one or both does accumulate even small doses could build up to dangerous levels within man and animals, and possibly in the food chain as well.

Tetra-dioxin . . . is clearly both persistent and bio-cumulative. . . . Model ecosystem studies suggest that TCDD bioconcentrates more than DDT . . . a(n) . . . acquatic ecosystem showed catfish to accumulate tetradioxin in only three days by a factor of 14,000. . . . Analysis of residues in Vietnamese shrimp and crustaceans detected significant levels of tetra-dioxin following defoliation treatments with 2,4,5–T in regions draining into the areas from which the shrimp were collected. It appears that these residues have not declined appreciably between 1970 and 1973, although defoliation ceased in 1969. . . . Wildlife in the vicinity of Agent Orange application at Eglin Air Force Base retained measurable levels of TCDD several years after use of the herbicide was stopped.

It . . . appears that at least 25% of the dietary intake of tetradioxin may be stored in body tissues . . . withdrawal of cattle from a diet contaminated with dioxin for as long as one week may have little effect in decreasing TCDD residues. Therefore, current label provisions requiring "feed off" periods on dioxin free food in order to assure the absence of dioxin residues in the meat are not likely to be effective in reducing tetra-dioxin residues if present in any significant amounts.

Monitoring wildlife collected along rights-of-way in the U.S. demonstrate, as does the Vietnames aquatic residue data, that 2,4,5-T related TCDD can enter the food chain from "non-food" uses.

. . . 2,4,5-T related tetra-dioxin is persistent and it bio-concentrates. It is quite capable of penetrating into the environment and contaminating the human food supply.

In any area (rangeland) of 2,4,5-T

application, aerial distribution of 2,4,5-T and TCDD beyond the immediate site of application, uptake from there and further transport, are distinct possibilities. The absence of air monitoring samples of TCDD prevents a determination of whether TCDD persists and is transported long distances in the atmosphere.

. . . it is probable that water transport of TCDD occurs.

Mr. President, I ask unanimous consent that the full text of the EPA brief be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 2.)

Mr. NELSON. Selections from the above EPA brief indicate the dangers threatened by 2,4,5-T and dioxin. The brief also indicates areas that still require further scientific study.

In any case, no one can state with any degree of certainty that using 2,4,5-T is safe. And until we are sure it is safe, we should not be relasing this substance into the environment.

The Environmental Protection Agency has pledged to continue its monitoring program and exhaustive scientific tests to ascertain what the dangers of 2,4,5-T are. Until the Environmental Protection Agency can develop adequate tests, then it seems to me the height of folly to have another arm of the Government, the Forest Service, routinely spraying the national forests.

The idea of using 2,4,5-T in the national forests, which are a multiple use natural resource, is particularly questionable since there is a 4-year-old ban on 2,4,5-T in recreation areas and hundreds of thousands of people of course, do enter the forests for purposes of recreation every year.

Sound public policy dictates restraining all use of potent and toxic agents such as 2,4,5-T until adequate safety tests are conducted. This policy should particularly apply to agencies of the U.S. Government.

In this regard, it should be noted that the national forests' planned use of 2,4,5-T in two national forests in Wisconsin has been halted by the Federal Court of the Eastern District of Wisconsin. The Wisconsin State Department of Natural Resources claimed in court that the U.S. Forest Service had not prepared an adequate environmental impact statement; this claim may well have validity in the cases of 59 other operations planned in the 23 States where the U.S. Forest Service is requesting appropriations in this bill to spray 2,4,5-T.

When appropriate scientific studies and the EPA review are conducted, it may well be that a safety level can be established. If so, then EPA no doubt will authorize its use under proper standards and guidelines. If such a safety level cannot be established, obviously it should not be used.

We are closer now to the truth on 2,4,5-T than we were when we so blindly dumped 100 million pounds of herbicides on South Vietnam. But all the facts are not yet in.

Knowing what we do, however, it seems to me the height of folly to have the U.S. Forest Service shutting its eyes to the data available in the EPA pretrial brief while they routinely spray in the U.S. national forests.

Passage of this amendment will suspend the spraying activity for this fiscal year. It is hoped that by next year the Environmental Protection Agency will be prepared to make a final decision on the wisdom of using this chemical agent.

Now, I do not expect that we will receive more than a half dozen votes for this proposal, because I am sure that most of the Senate has not had the opportunity, most of the Members have not had the opportunity, to address themselves to this issue. In fact, the half dozen Members to whom I have spoken were not aware at all what in fact the herbicide was; how it was used; for what its purpose is.

Nevertheless, on any issue of this kind the fight has to start someplace, and I venture to guess that those who vote against prohibiting its use now will be apologizing to their constituents in about a year or two when the further accumulating evidence conclusively convinces people that it is an agent that is dangerous to use in the manner in which it is now being used.

Mr. President, I yield the floor.

EXHIBIT 1

*Planned use of 2,4,5-T—Fiscal year 1975*

Region 1: Montana, none; Idaho, none.

Region 2: Wyoming, Medicine Bow.*

Region 3: None.

Region 4: See attached page.

Region 5: California, El Dorado, Klamath, Lassen, Mendocino, Modoc, Plumas, San Bernandino, Sequoia, Shasta-Trinity, Sierra, Six Rivers, and Tahoe.

Region 6: Oregon, Mt. Hood, Rouge River, Willamette, Winema, Siuslaw, Siuslaw, and Umpqua.

Washington, Mt. Baker, Olympic, Snoqualmie, Gifford Pinchot, and Wallowa-Whitman.

Region 8: Arkansas, Ozark; Kentucky, Daniel Boone; Mississippi, NF in Mississippi; Texas, NF's in Texas.

Louisiana, Kisatchie; Tennessee, Cherokee; Virginia, Jefferson and George Washington.

Region 9: Pennsylvania, Allegheny; Illinois, Shawnee, New Hampshire, White Mountain.

Wisconsin, Chequamegon and Nicolet; Minnesota, Chippewa and Superior; Michigan, Huron-Manistee and Ottowa.

West Virginia, Monongahela; Missouri, Clark and Mark Twain; Ohio and Indiana, Wayne-Hoosier.

Region 4: Utah, Fishlake, Manti-LaSal, Uinta, and Wasatch; Idaho, Boise, Salmon, Sawtooth, and Targhee.

EXHIBIT 2

[United States of America Environmental Protection Agency Before the Administrator]

RESPONDENT'S FIRST PRETRIAL BRIEF

(FIFRA Consolidated Docket No. 295)

NATURE OF THE PROCEEDINGS

This case is the culmination of a prolonged effort to test in a public forum the response of the pesticide Registrants herein to serious questions as to the risk to public safety raised by the use of 2,4,5-Trichlorophenoxyacetic Acid (2,4,5-T).

Initial public concern over the use of 2,4,5-T was motivated by reports in the summer and fall of 1969 of an alleged increased incidence of birth defects in South Vietnam, potentially linked to a military defoliation campaign utilizing this phenoxy herbicide.[1] A broad screening of pesticide and industrial chemicals, thereafter, by the Bionetics Research Laboratory confirmed that 2,4,5–T fed to laboratory mice and rats induced the birth of deformed offspring.

Federal agencies made the initial regulatory response in the spring of 1970 after the Secretary of Health, Education and Welfare speaking on behalf of the Surgeon General informed the Secretary of Agriculture that, ". . . a prudent course of action must be based on the decision that exposure to this herbicide may present an imminent hazard to women of child-bearing age."[2] On April 15, 1970 the Secretary of Agriculture announced the immediate suspension of the registrations for all 2,4,5-T products used in lakes, ponds and ditch banks, and for 2,4,5-T liquid formulations used around homes, recreation areas and similar sites involving direct human exposure.[3] Shortly thereafter USDA cancelled the registrations of all granular 2,4,5-T formulations for use around the home and similar places of potential human exposure and cancelled all registered uses of 2,4,5-T on food crops intended for human consumption.[4]

Pursuant to the provisions of the Federal Insecticide, Fungicide and Rodenticide Act (FIFRA)[5] four registrants challenged the order of cancellation, two requesting a hearing and two moving that the matter be referred to an Advisory Committee of the National Academy of Science. Public hearing was deferred, pending issuance of the Advisory Committee Report, accomplished on May 7, 1971.

The Advisory Committee concluded that based on current patterns of usage of 2,4,5–T and what was known about its fate in the environment, it was unlikely that accumulation could occur so as to constitute a hazard to human health. The majority opinion was, however, accompanied by a warning—that there was an absence of environmental information about a particularly poisonous contaminant of 2,4,5–T formulations, 2,3,7,8-Tetrachlorodibenzoparadioxin (TCDD or tetra-dioxin), and that this toxicant could pose a problem for human health, although a level of .1 ppm (parts per million) may be acceptable.

A minority report was filed, which reasoned that the Committee in its optimism had neglected to consider fully the consequences of the dearth of data on the fate of TCDD in the food chain and in tissue.

After due consideration of these contrasting opinions the Administrator of the Environmental Protection Agency[6] continued in effect the order of cancellation.[7] In subsequent orders[8] the Administrator elaborated upon the reasons for continuing the cancellation, as follows:

1. A contaminant of 2,4,5–T—tetrachlorodibenzoparadioxin (TCDD, or dioxin)—is one of the most teratogenic chemicals known. The registrants have not established that 1 part per million of this contaminant—or even 0.1 ppm—in 2,4,5–T does not pose a danger to the public health and safety.

2. There is a substantial possibility that even "pure" 2,4,5–T is itself a hazard to man and the environment.

3. The dose-response curves for 2,4,5–T and dioxin have not been determined, and the possibility of "no effect" levels for these chemicals is only a matter of conjecture at this time.

4. As with another well-known teratogen, thalidomide, the possibility exists that dioxin may be many times more potent in humans than in test animals.

5. The registrants have not established that the dioxin and 2,4,5–T do not accumulate in body tissues. If one or both does accumulate, even small doses could build up to dangerous levels within man and animals, and possibly in the food chain as well.

*2,4,5-TP (Silvex).

Footnotes at end of article.

6. The question of whether there are other sources of dioxin in the environment has not been fully explored. Such other sources, when added to the amount of dioxin from 2,4,5–T, could result in a substantial total body burden for certain segments of the population.

7. The registrants have not established that there is no danger from dioxins other than TCDD, such as the hexa- and heptadioxin isomers, which also can be present in 2,4,5–T, and which are known to be teratogenic.

8. There is evidence that the polychlorophenols in 2,4,5–T may decompose into dioxin when exposed to high temperatures, such as might occur with incineration or even in the cooking of food.

9. Studies of medical records in Vietnam hospitals, and clinics below the district capital level suggests a correlation between the spraying of 2,4,5–T defoliant and the incidence of birth defects.

10. The registrants have not established the need for 2,4,5–T in light of the abovementioned risks. Benefits from 2,4,5-T should be determined at a public hearing, but tentative studies by this agency have shown little necessity for those uses of 2,4,5–T which are now at issue.

These expressions of doubt as to the safety of and necessity for using 2,4,5–T on human food crops are now among the issues for adjudication in this Consolidated Proceeding.

Registrant Dow Chemical Company then obtained an injunction against further administrative action on 2,4,5–T.[9] After almost two years of "interlocutory judicial jousting"[10] the legal impediments to a public hearing were removed when the U.S. Court of Appeals overturned the lower court injunction.

At this time significant new information was revealed which altered the course of this controversy. Residues of 2,4,5–T related TCDD were reported in Vietnamese fish and crustaceans, and the development of the refined instrument sensitivity (parts per trillion) necessary for determining whether TCDD is penetrating into the United States environment was disclosed.[11]

In response to the greatly increased analytical sensitivity, Respondent initiated an extensive environmental and human monitoring project for TCDD. The finding of TCDD in Vietnamese fish disclosed a potential threat to public health and to the environment from even the non-food uses of 2,4,5-T (rangeland, rights of way, forestry), and in response, pursuant to section 6(b)(2) of the FIFRA as amended, EPA issued a Notice of Intent to Hold a Hearing to determine whether all remaining registered uses of 2,4,5-T should be cancelled.[12]

The issues therein designated for hearing, in addition to those already set for hearing on the cancelled food uses of 2,4,5-T, are as follows:

A. The health hazards to man and to other animals which may be caused by 2,4,5-T and/or its extremely toxic contaminant, 2,3,7,8,-tetrachlorodienzo—p-dioxin (TCDD), with emphasis on the following:

1. Is 2,4,5-T or TCDD a teratogen?
2. Does 2,4,5-T or TCDD induce other adverse reproductive effects?
3. Is 2,4,5-T or TCDD a mutagen?
4. Is 2,4,5-T or TCDD a carcinogen?
5. Can exposure to 2,4,5-T or TCDD induce sublethal chronic health effects?
6. Can chronic, low-level exposure to 2,4,5-T and/or TCDD cause delayed lethality?

B. The extent of the health risk for man and other animals posed by 2,4,5-T and TCDD, with emphasis on the following conditions:

1. Can additional TCDD be generated in the environment by the thermal stress of 2,4,5-T or its metabolites?
2. Can 2,4,5-T or TCDD persist and bioaccumulate in the environment?
3. What are the avenues of human and animal exposure to 2,4,5-T and TCDD? For example, can aerial drift or water transport of 2,4,5-T or TCDD cause movement of these compounds away from the site of application?
4. Are 2,4,5-T or TCDD residues being stored and accumulated in the human food supply and in human and animal tissue, including humans and wildlife directly exposed to 2,4,5-T?
5. Are other dioxins and similar contaminants, besides TCDD, present in 2,4,5-T and, if so, what risk to health do they constitute?
6. What are other environmental sources of dioxins particularly TCDD, and do these sources enhance the total dioxin body burden and exacerbate the health risks raised by 2,4,5-T and related TCDD?
7. What are the current levels of dioxins in registered 2,4,5–T products and in technical material used to formulate these products?
8. Do the current methods of manufacture of 2,4,5–T provide for consistently low levels of dioxins in the final technical product and what are the quality control measures used to minimize dioxin levels?

C. The necessity for the continuation of the registered uses of 2,4,5–T, with emphasis on the following:

1. What are the pests which each registered use is intended to control and the degree of control achieved by each use?
2. What is the cost, timing, and rate of application of 2,4,5–T for each use?
3. What alternative controls exist for each registered use and what is the cost and effectiveness of each alternative?
4. Do alternative pesticide products cause adverse environmental effects?
5. What are the economic implications of these alternatives, including that of no control?

By motion of Respondent on October 2, 1973 and order of the Chief Administrative Law Judge on November 12, 1973 these hearings on all registered uses of 2,4,5–T have been consolidated into the proceeding herein.

LEGAL FRAMEWORK OF THE PROCEEDING

From this Consolidated Proceeding a final determination will be derived as to whether the registrations of 2,4,5–T should be cancelled. This decision by the Administrative Law Judge and ultimately by the Administrator is shaped significantly by certain principles.

The registrations at issue must fall unless it can be convincingly demonstrated that these uses of 2,4,5–T do not cause unreasonable adverse effects on the environment.[13] In reaching the determination as to unreasonable adverse environmental effects, the risk to public health and to wildlife must be balanced against any benefit to the public's welfare from continued use of 2,4,5–T. Constituents of the overall balance are the answers to scientific and technical questions posed as issues for this hearing, supra. It is the burden of Registrants and of the Intervenors in behalf of continued registration to answer these questions and to persuade the Administrative Law Judge and the Administrator by clear and convincing evidence that each contested use of 2,4,5–T does not present an unacceptable risk of adverse environmental effects.

That Respondent must go forward with an affirmative exposition of those facts which indicate why the food uses of 2,4 5–T should be cancelled and which address the questions raised as to all 2,4,5–T uses does not obviate Registrants' burden of ultimate persuasion on each issue of this proceeding.

RESPONSE TO THE HEARING ISSUES

Information available to Respondent will work considerably to resolve the issues in the 2,4,5–T controversy. In its First Pre-Hearing Brief, Respondent sets forth that information which is now developed. Respondent's current data, however, does not thoroughly illuminate certain areas of inquiry. In this regard, it is anticipated that Registrants, in attempting to demonstrate the safety of and social necessity for their pesticide product, will adduce significant new data, derived from thorough research and field monitoring, particularly on the crucial questions involving the toxicity of low-levels of TCDD. The Advisory Committee requested such data in May, 1971. Surely the intervening 2½ years has been sufficient for Registrants to undertake meaningful research on these questions.[15]

Many of the issues presented in the Administrator's 2,4,5–T Orders of November 4, 1971 and April 13, 1972 are subsumed under issues contained in the Statement of Issues of July 19, 1973. Where appropriate herein, Respondent has grouped these related issues. The numerous subsidiary questions are discussed first; ultimate questions are then discussed where Respondent is prepared to adopt a regulatory position.

A. The health hazards to man and to other animals which may be caused by 2,4,5–T and/or its extremely toxic contaminant, 2,3,7,8-tetrachlorodibenzo-p-dioxin (TCDD), with emphasis on the following:

TERATOGENICITY

1. Is 2,4,5–T or TCDD a teratogen?

A contaminant of 2,4,5–T—tetrachlorodibenzoparadioxin (TCDD, or dioxin)—is one of the most teratogenic chemicals known. The registrants have not established that 1 part per million of this contaminant—or even 0.1 ppm—in 2,4,5–T does not pose a danger to the public health and safety.

There is a substantial possibility that even "pure" 2,4,5–T is itself a hazard to man and the environment.

The dose-response curves for 2,4,5–T and dioxin have not been determined, and the possibility of "no effect" levels for these chemicals is only a matter of conjecture at this time.

As with another well-known teratogen, thalidomide, the possibility exists that dioxin may be many times more potent in humans than in test animals.

Studies of medical records in Vietnam hospitals and clinics below the district capital level suggest a correlation between the spraying of 2,4,5–T defoliant and the incidence of birth defects.

Teratology is concerned with the origin and development of congenital malformations, which are abnormalities in the structural or functional development of the embryo or fetus. Embryotoxicity is a more general term which describes fetal toxicity, growth retardation and teratology. It is clear that 2,4,5–T and TCDD constitute a potential teratogenic and embryotoxic hazard to man.

Ascertaining the effect of 2,4,5–T on the fetus has been complicated by the presence of various amounts of TCDD in the tested 2,4,5–T. However, tests with 2,4,5–T in which the content of TCDD was 1 ppm or less indicate that even so-called "pure" 2,4,5–T is teratogenic. Terata including kidney abnormalities and deformed eyes and tails has been induced by 2,4,5–T in different strains of rats at levels of 100mg/kg/day. Embryotoxicity has been induced in rats as doses as low as 50mg/kg.[16]

Fetal deformities, including exencephaly, missing eyelids, delayed head ossification and cleft palate were produced in hamsters tested with 2,4,5–T at doses from 40 to 80 mg/kg, containing less than 0.1 ppm TCDD.[17] The dosage of 80 mg/kg caused a significant decrease in the percentage of viable fetuses per litter. A dosage of 40 mg/kg with no detectable TCDD caused decreases both in the percentage of viable fe-

Footnotes at end of article.

tuses and in the average fetal weight. Increasing the amount of TCDD in the 2,4,5–T generally increased the incidence of adverse effects in the hamster.

Courtney and Moore[18] using 2,4,5–T at 100 mg/kg, containing less than .05 ppm TCDD produced cleft palate and kidney malformations in three strains of mice. Roll[19] demonstrated that 2,4,5–T can produce cleft palate in mice at 35 mg/kg. Neubert and Dillman[20] induced cleft palate in mice with 45 mg/kg 2,4,5–T, containing less than .02 ppm TCDD. As little as 15 mg/kg of purified 2,4,5–T and 12 mg/kg of 2,4,5–T butyl ester caused a decrease in fetal weight (fetotoxicity).

TCDD has been demonstrated to be a potent teratogen and embryotoxicant inducing adverse effects in the microgram per kilogram (ug/kg) range in all species tested. Two teratogenic effects have been clearly related to TCDD, cleft palate and kidney abnormalities.[21] Other effects include involution of lymphatic tissues, predominately a drastic reduction in the size of the thymus, the spleen and the lymph nodes. Because this impairment of the lympatic organs causes a postnatal impairment of a basic defense system and thereby causes a pronounced reduction in postnatal survival the effect may be considered teratogenic, even though they may also occur in young or adult animals treated with TCDD.

Other TCDD effects are embryotoxic, not teratogenic, and are also induced in adult and young animals under the toxic influence of TCDD. These are intestinal hemorrhage, the infiltration of fat into the liver, subcutaneous edema and delayed ossification.[22] Sparschi, *et al*[23] found increased fetal mortality, early and late fetal resorption and intestinal hemorrhage of the fetus of rats at a dietary dose of .125–.2 ug/kg. In this study no embryotoxic effects were noticed at .03 ug/kg; a dose approximately 600 ppt in the rats diet during the critical period of pregnancy. Courtney and Moore[24] produced kidney abnormalities in rat fetuses with .5 ug/kg TCDD. They reported cleft palate and kidney abnormalities in three strains of mice after dams were injected with 1 to 3 ug/kg during days 6–15 of pregnancy. Neubert[25] reported a clear-cut potentiating teratogenic effect between 2,4,5-T and TCDD.

Available knowledge makes demonstrating the presence of a public risk of 2,4,5-T, TCDD-induced birth defects less difficult than assessing the magnitude of that risk. One gap in the state of the medical art is precise knowledge of the predictive value for man of terata testing in animals. Imprecision is inherent in extrapolating from test animals to man, but the application of certain guidelines demonstrates the importance of such testing in predicting risk to man:

1. Society should not knowlingly permit its members to be used as divining rods for discerning hidden destructive forces. Laboratory animals are, therefore, not a convenience but a necessity if public agencies are not to await the noticeable occurrence of human birth defects which can be traced directly to a specific source before taking protective measures.

Even a significant increase in human birth defects which might be related to 2,4.5-T, TCDD would likely be inapparent from normal observation of the incidence of birth defects. There is no national registry of teratogenic effects. Nor has any major human teratogen been detected by prospective monitoring of the population at large. The teratogenicity of X-ray, German measles, thalidomide and methyl mercury were recognized not by epidemiological survey but rather by individual medical practitioners who observed small "clusters" of deformities and traced them to the source.[26] The terata induced in laboratory animals by 2,4,5-T, TCDD, primarily cleft palate and kidney abnormalities, are not so egregious (as contrasted, for example, with the absence of limbs, caused by thalidomide) as to make an increase in the human incidence of such deformities readily noticeable.

The fact that public exposure to TCDD would likely come through residues in the food supply, would prohibit even the "cluster" approach to detecting human terata, such as was pursued in the cases of thalidomide and other major teratogens, rendering a very real effect from 2,4,5-T, TCDD all the more hidden from detection by observation of the population. These informational voids compel reliance upon test animals.

2. Physiological variations existing between test animals and man do not necessarily indicate that man will be unresponsive or less responsive to 2,4,5-T and TCDD. They may be such as to render man more susceptible. Variations may exist between man and test animal in the distribution and release of TCDD during vital periods in organogenisis, in the time and degree of association of TCDD with the embryo or fetus, and in the elimination of TCDD from the maternal and fetal receptors. Little is understood about the etiology of birth defects. Even less is known about the long-term behavior of tetra-dioxin in the body of mammals. Nothing is known about the retention, distribution and elimination of TCDD in the human organism. Man may thus respond more readily than test animals to this teratogen.

The thalidomide experience is demonstrative. The lowest observed effective dose for human terata was .5 mg/kg/day. The hamster, dog, rat and mouse exhibited effects at 350, 100, 50 and mg/kg/day, respectively.[27]

Thus, laboratory tests on mammalian species showing that 2,4,5-T and TCDD are teratogenic present real grounds for concern. But these animal tests permit no more refined a practical conclusion, particularly as to TCDD, than that a risk of unknown magnitude exists of causing human birth defects by using 2,4,5-T so as to contaminate the public food supply. There is no accepted procedure for setting safe levels for man based on no-effect levels for terata produced in the laboratory.

The potential greater sensitivity of man to this teratogen renders highly tenuous any effort to extrapolate "no effect" levels for man. In addition, there is no widely accepted scientific procedure for establishing a safe level for teratogens in the food supply. Further, reliable no-effect levels for tetra-dioxin, in the laboratory species tested, which take into account a proportionality between the number of animals tested and the resultant teratogenic effect, may not have been ascertained. For example, in the case of thalidomide, a teratogen much more potent in man than in the tested animals, laboratory tests may have failed to designate a threshold level even for the test animals.[28] In this regard, the fact that laboratory testing on TCDD (carried out on very small numbers of animals) demonstrates its teratogenic action at extremely low levels casts even greater doubt on the wisdom of attempting to set an acceptable "safe level" for the millions of people at presumptive risk.

Other difficulties make impossible at present predicting an acceptable no effect level for this teratogen. Just as man may be much more susceptible than test animals, some persons in the exposed, at-risk population will be more susceptible to teratogenic effects than others. The genetics of cleft palate, for example, indicate varying susceptibilities to the inheritance of this birth defect.[29] Further, only a fraction of the women who took thalidomide gave birth to deformed children.[30] With varying individual susceptibilities, establishing one level for the protection of all women would be speculation.

There is also lacking any clear indication that human exposure to 2,4,5–T, TCDD has not caused significant increases in birth defects. Past surveys of human exposure have not arrived at statistically significant conclusions. However the report to the American Association for the Advancement of Science[31] does indicate higher stillbirths and malformations in certain areas and during periods of the heaviest 2,4,5–T defoliation campaign in Vietnam. That a spurious effect may have been produced in this survey by incomplete data does not, however, necessarily indicate that the effect was to exaggerate the incidence of stillbirths and terata. Rather, the importance of this effect may as well have been to disguise a higher level of birth defects.[32]

Available information, then, depicts a hazard of birth defects from 2,4,5–T and related TCDD. The magnitude of the risk cannot be reliably quantified. The extent, therefore, of the hazard to man must depend on the risk of human exposure, particularly to tetra-dioxin. Where the risk of such exposure is direct, Respondent will seek the final cancellation of the related 2,4,5–T use. Where information as to the risk of human exposure is less clear, Registrants must bear the burden of demonstrating that the risk is de minimis or that the particular pesticide use in question has compelling public importance, so as to outweigh even a minor threat of human exposure.

A.2. DOES 2,4,5–T INDUCE OTHER ADVERSE REPRODUCTIVE EFFECTS?

Substantial questions have been raised as to whether adverse reproductive effects are induced by 2,4,5–T and TCCD. Moore, *et al.*[33] have reported adverse postnatal effects on the kidneys of mice whose dams were treated with TCDD. The importance of TCDD in mothers milk is suggested by the fact that the highest incidence of kidney abnormality occurred in those progeny whose mothers had been treated with TCDD during the nursing period.

2,4,5–T administered during pregnancy has been demonstrated to cause increased restoration and decreased fetal and maternal weight.[34] Thomas and Lloyd[35] found that 2,4,5–T behaved similarly to other organochlorines, e.g., dieldrin and DDT, in decreasing the ability of the mouse prostrate gland to accumulate androgen, probably the consequence of reducing the actual uptake of androgen. The research with "toxic fat," infra, p. 24, showed a marked decrease in spermatogenesis linked to TCDD. It is known that decreased sexual drive is among the reported chronic symptoms of persons who have been occupationally exposed to 2,4,5–T, TCDD.[36]

The significance of these indicators for human or wildlife reproduction is unclear. While Registrants must attempt to demonstrate the unimportance of such facts, it is unfortunate that there has been a failure to complete necessary multi-generation reproductive studies with 2,4,5–T, TCDD.

A.3. IS 2,4,5–T OR TCDD A MUTAGEN?

As with the various reproductive effects noted, there are indications that TCDD is mutagenic. One in vitro study[37] wth bacteria exposed to 2,4,5–T noted no mutagenic effects. However, a practical negative conclusion cannot be reached from this study. Here, also, Registrants' laboratory research and occupational hygiene information should be adduced to speak more clearly to the question of the importance for man of these risks.

Hussain, *et al.*[38] using three distinct bacterial systems reported TCDD to be mutagenic. Jackson[39] demonstrated a dramatic inhibition of mitosis and the production of cytological abnormalities in the African blood lilly at levels of .2 to 1 ug/1 TCDD.

Footnotes at end of article.

A.4. IS 2,4,5–T OR TCDD A CARCINOGEN?

The carcinogenic potential of 2,4,5–T related TCDD exists. The available information conveys no discernible indication that 2,4,5–T itself, is a carcinogen.

The carcinogenic potential of TCDD is determined from the following work. Buu-Hoi, *et al.*[40] reported that intraperitoneal doses of TCDD (1 and 10 mg/kg) induced liver lesions in rats. These lesions were characterized by amisokaryosis, frequent binucleation, and focal hyperplasia of Kuffer cells. They also reported a similarity between TCDD and known heptacarcinogenic compounds in the effects on microsomal hydroxylases and in reducing liver arginase.[41]

Gupta, *et al.*[42] reported degenerative liver lesions and large multinucleated heptatocytes, produced by 10 ug/kg/day TCDD in rats for 13 days. The researchers conclude that the presence of these cells, the increased number of mitotic figures, and the pleomorphism of cord cells point to the need for assessing the possibility that TCDD induces hyperplastic nodules or neoplasms.

A.5. CAN EXPOSURE TO 2,4,5–T OR TCDD INDUCE SUB-LETHAL CHRONIC HEALTH EFFECTS?

6. CAN CHRONIC, LOW-LEVEL EXPOSURE TO 2,4,5–T AND/OR TCDD CAUSE DELAYED LETHALITY?

Except for the potential reproductive and mutagenic damage previously discussed, available information does not indicate that exposure to low levels of 2,4,5–T, itself, induces chronic effects. The apparent rapid human excretion of 2,4,5–T tends to support a tentative conclusion that chronic ill health would not be expected from long-term low-level exposure.[43]

The same cannot be said for 2,4,5–T related TCDD or other possible toxic contaminants of 2,4,5–T. The facts on TCDD's chronic health effects are of major evidentiary concern. These facts describe a pernicious, little understood toxicant, capable in minute quantities of inducing a variety of chronic illness and, perhaps, of causing death as a delayed response to exposure. The burden of mitigating this concern must be particularly heavy for Registrants in that the risk is clearly raised by every available research effort and the lifetime feeding studies in mammalian species, necesary to effectively lay to rest these strong signals, have not been conducted.

Of major concern is the effect of TCDD on lymphoid tissue, previously discussed.[44] Related to such impairment of an organism's basic defense system is the conclusion of Vos, *et al.*[45] that TCDD at sublethal doses suppresses the cell-mediated immunity in both mice and guinea pigs. The authors suggest that, in the absence of major pathologic effects except in the lymphoid system, the death caused by sub-lethal doses was due to impairment of the organism defense mechanism. Zinkl, *et al.*[46] observed TCDD related lymphophenia in mice and guinea pigs, a result which is consistent with its noted immuno-suppressive effects.

Allen and Carstens[47] fed monkeys various percentages of "toxic fat", reported to contain 35 ppm of TCDD and other dioxions. There was an inverse relationship between the percent toxic fat in the diets and the number of days the monkeys survived. Monkeys fed 5 or 10% began dying around the third month. At the lowest dose, the total dioxin intake which produced a mean survival time of 445 days was 2.15 mg/1.[48] In all test groups, the TCDD induced a variety of chronic illness one or two months before death, including alopecia and subcutaneous edema, focal neurosis of the liver, gastric ulcers, reduced hematopoiesis and spermatogenesis.

These test data suggest that TCDD poisoning may be cumulative.[49]

Daily doses of 10 ug/kg/TCDD killed 15 of 16 rats, on days 15 through 31.[50] Rats receiving 1 ug/kg for 31 days suffered decreased weight gain which was reversed after cessation of dosing. A no effect level was not found and whether withdrawal after chronic exposure may reverse more serious ill-effects is unclear. Dosing guinea pigs with 1 ug/kg a week killed all animals, on the average within four weeks.[51]

Fries[52] added TCDD ($C^{14}$ labelled) in the diet of rats at 7 and 20 ppb. The rats were placed on the feed for 6 weeks and withdrawn for 4 weeks. After 6 weeks of feeding a plateau in the body residues had apparently not been attained in either sex. Decreased feed consumption and weight gain were observed. The liver/body weight ratio was also increased. This effect was reversed by withdrawal but only as to the lower dose.

Poland and Glover[53] using the chick embryo conclude that TCDD is approximately 3 orders of magnitude more potent than other known porphyrogenic compounds. Goldstein, *et al.*[54] also conclude that TCDD is the most potent porphyrogenic chemical known. A single dose of 150 ug/kg TCDD caused a 4,000 fold increase in the uroporphyrin content of the mice livers within 3 weeks and increased induction of ALA synthetase. Similar effects were induced by weekly doses of 25 ug/kg for one month. In addition to porphyria, extensive liver damage, atrophy of the thymus, edema and terminal hemorrhages were observed. The authors suggest effects may be seen at lower levels after longer periods of exposure.

Because the effects of long-term exposure to low levels of TCDD remain undetermined, an acceptable level for man cannot be set. If TCDD exposure causes delayed lethality or, if continuous impingement of TCDD on human organs otherwise causes cumulative effects, or if TCDD concentrates in human tissue, a level of exposure which would be safe for the general population may not exist. Even residues below the current level of detection may be unsafe.

A. THE RISK TO THE ENVIRONMENT (NON-HUMAN)

Of the twenty or so different chemical compounds commonly called 2,4,5–T, each contains impurities or inert ingredients in the technical pesticide product. Among these impurities is such "inert" material as TCDD. The total published wildlife toxicological information for these compounds and their impurities is slightly more than zero.

An abundance of data on other toxicants[55] has permitted Respondent in its regulatory posture to parse with relative precision. With little environmental data now available, Respondent will adhere to certain guidelines, derived from existing knowledge, in its effort to illuminate the sphere of ecological hazard. Hopefully, Registrants and their intervenors by proffering reliable field and laboratory data on the degree of environmental risk, will also avoid parsing with a cleaver. Surely Registrants cannot insist that "body counts" are necessary before the trier of fact herein can reasonably conclude that unacceptable risk to the non-human environment exists. Respondents environmental guidelines for this proceeding are as follows:

(1) The "indirect" ecological effects on wildlife from using 2,4,5–T are a subject for discussion in this hearing. Many wild species are dependent for their very survival upon the availability of specific habitats. Some must have even specific plants to exist. For example, "range management," the widespread, indiscriminate removal of sagebrush by 2,4,5–T (or by other means), will eliminate the sage grouse which depends upon sagebrush for 99% of its food.[56] Similarly, the Montana Fish and Game Commission showed that 2,4,5–T used for total brush control in one area had caused an 86% reduction in mule deer.[57] The Registrants and appropriate Intervenors must discuss the extent of such range management, and the environmental as well as the economical acceptability of more restricted brush control or strip spraying, by which areas of brush necessary for wildlife habitat are left standing.

(2) There is no reason to assume that the demonstrated low-level toxicity of tetradioxin is not exerting its effect in the environment. Rangeland application of 2,4,5-T may amount to 4 pounds acid equivalent per acre, resulting in 120–960 ppm on grasses. The dioxin content of the grasses therefore could reach .96 ppb assuming an initial TCDD level of 1 ppm in the 2,4,5-T. Grass-eating wildlife species with an acute oral $LD_{50}$ of .6 ug/kg (that of the most sensitive non-wildlife species tested so far, the guinea pig) would consume a median lethal dosage by the time of ingesting one-half their body weight in grasses, a feat which would require one to three days for small species. Less TCDD could produce teratogenic effects. Given the extremely rapid environmental scavenging of dead or deformed small species, the detection of such field mortalities would be extremely difficult.

(3) Information discussed, infra, indicates the capacity of TCDD to penetrate, persist, to move and to bio-concentrate in the aquatic and terrestrial environment. Given the incomparable toxicity of this small molecular compound, and given the practical nonexistence of facts about its ecological effects, the Respondent suggests that it cannot make a reliable conclusion that TCDD is not causing serious environmental injury. Demonstrating a socially acceptable risk is the obligation of Registrants.

B. The Extent of the Health Risk for Man and Other Animals Posed by 2,4,5-T and TCDD, with Emphasis on the Following:

1. Can Additional TCDD be Generated in the Environment by the Thermal Stress of 2,4,5-T or its Metabolites?

There is Evidence that the Polychlorophenol in 2,4,5-T May Decompose into Dioxin when Exposed to High Temperatures, Such as Might Occur with Incineration or Even Cooking of Food.

TCDD can be generated by the thermal stress of 2,4,5–T and some of its metabolites. This raises the potential for the generation of additional dioxin under environmental conditions. The widespread use of 2,4,5–T, coupled with the persistency of TCDD and its extreme toxicity, therefore, raise the possibility that people may be exposed to a latent destructive force—the accidental or unknown triggering of the thermal release mechanism by which "harmless" amounts of 2,4,5–T, its esters or salts, converts to lethal tetra-dioxin.

Tests[58] demonstrate the thermal conversion of alkaline salts of 2,4,5–T into TCDD. Sodium 2,4,5–Trichlorophenate held at the melting point produced measureable quantities of TCDD. Baughman and Meselson[59] report they have repeatedly formed TCDD at the 1000 to 2000 ppm level by heating the sodium salt of 2,4,5–T, a form most likely to persist on wood.

Recent work by Thomas[60] corroborates the observations of Baughman and Meselson. A summary of these findings is as follows:

1. When the sodium salt of 2,4,5–T+Cu+NaOH are heated in a closed tube (entire tube heated) at 450°C for 6 hours, ca 10 ppm of TCDD are produced.

2. When the sodium salt of 2,4,5–T and 2,4,5–trichlorophenol are heated in an open tube (only the bottom of the tube is heated) in a sand bath at 350° for 7½ hours, between 250 and 500 ppm of TCDD are produced.

3. When the sodium salt of 2,4,5–T and 2,4,5–trichlorophenol are heated in a closed tube (entire tube heated) at 350° for 7 hours, ca 1500–3000 ppm of TCDD are formed.

Footnotes at end of article.

Thus three independent groups have demonstrated this thermal conversion into TCDD.[61]

Pyrolysis has also been shown to form dioxins from chlorophenates, under presumably anhydrous conditions.[62] Five chlorophenates, from 2.4 dichlorophenate to pentachlorophenate were tested, each formed a corresponding dioxin.

Crosby[63] reports the formation of octachlorodioxin from the burning of wood treated with pentachlorophenol.

Buu-Hoi[64] reported the formation of tetradioxin from burning vegetation. No details are available on the procedures followed in burning the foliage or in collecting the samples. Analyses of the mass spectra asserted to be that of TCDD do not appear completely valid.[65]

Most existing tests on the burning or the heating of 2,4,5–T treated products (vegetation, meat, fat) have not produced detectable tetra-dioxin.[66] But the level of analytical sensitivity in these experiments was .05 to .1 ppm. Current sensitivity for such analyses is down to about 5 parts per trillion. The generation of TCDD at levels much lower than .05 ppm would be toxicologically significant. In addition, the multitude of environmental conditions under which 2,4,5–T, its salts and esters, can be exposed to thermal stress makes complete laboratory replication impossible and prohibits reliance on only a few negative laboratory tests.

B.2. CAN 2,4,5-T OR TCDD PERSIST AND BIOACCUMULATE?

The registrants have not established that the dioxin and 2,4,5-T do not accumulate in body tissues. If one or both does accumulate even small doses could build up to dangerous levels within man and animals, and possibly in the food chain as well.

B.4. ARE 2,4,5-T OR TCDD RESIDUES BEING STORED AND ACCUMULATED IN THE HUMAN FOOD SUPPLY AND IN HUMAN AND ANIMAL TISSUE, INCLUDING HUMANS AND WILDLIFE DIRECTLY EXPOSED TO 2,4,5-T

2,4,5-T does not appear to be a persistent compound, but not enough is known about its metabolic products or pathways and about the presence of conjugated including "bound" products, and therefore undetected residues in foods resulting from the use of 2,4,5-T.

Unfortunately, methods for the determination of "bound" residues will only detect those conjugated products to the extent to which they are subject to the technique in use. For example, the method of Chow, et al[67] can lead to significantly higher results for "bound" residues of 2,4,5-T in rice straw than the method of Yip and Ney or the current method of the Food and Drug Administration.[68] There remains however, the possibility of the presence of other conjugated products not so cleaved which would not be detected. Much of this area has not been clarified by the Registrant.

Many species metabolize 2,4,5-T.[69] Also, 2,4,5-T can be rapidly degraded by soil organisms, usually not persisting into the next growing season. The degradation rate in soil is influenced by climatic conditions and microbial action.[70] Because definitive soil metabolism studies are unavailable the buildup of persistent metabolites, however, cannot be discounted. Nor can movement of 2,4,5-T metabolites into rotational crops be discounted since current analytical techniques may be unresponsive to residues of bound 2,4,5-T or its metabolites.

Storage of 2,4,5-T metabolites in the tissues of certain aquatic organisms may also occur. Exposure of fish to degraded 2,4,-D residues results in tissue accumulation of metabolites.[71] It is reasonable to conclude, based on the similarity of many of the degradation products of 2,4,-D and 2,4,5-T, that aquatic organisms would also store 2,4,5-T metabolites.

Footnotes at end of article.

Considerable data exists on the persistence of 2,4,5-T in grasses.[72] Rapid decline of 2,4,5-T residue is observed, starting immediately after treatment and reaching "negligible" levels in about 6 months. This decline must be the combined result of dilution, plant metabolism, surface erosion, volatilization and photodegradation. Residues of 2,4,5-T and of the 2,4,5-Trichlorophenyl moiety in milk and meat resulting from the use of 2,4,5-T in pastures and on rangeland have been reviewed.[73] While the author concludes that residues in milk, meat, fat or meat by-products are not likely to be significant if 2,4,5-T is used according to label direction, more recent research shows that "bound" residues of 2,4,5-T in sheep and cattle livers may be measurable (> .05 ppm) even after withdrawal from a diet containing 2,4,5-T.[74] No data are available on the fate of metabolic products from forest or right-of way applications of 2,4,5-T.

Monitoring of human food supply appears to corroborate these conclusions on the persistency of 2,4,5-T, although nothing is known about potential metabolites of 2,4,5-T in human food or the presence of bound residues which are not subject to detection by existing 2,4,5-T analytical methods.

Since 1969 the Food and Drug Administration (FDA) has monitored for chlorophenoxy acetic acids in the following commodities:

(1) Whole grains for human use, such as wheat, corn, rice, oats, etc.

(2) Animal by products including slaughtered mammals and fowl.

(3) Milk.

(4) Other dairy products.

From 1969–1971, 19 of 1226 samples contained 2,4,5,-T or 2,4,-D derivatives, ranging from a trace to .02 ppm. All but one sample was milk.

Earlier FDA results are summarized reliably in the May 7, 1971 Advisory Committee Report, "From about 10,000 food and feed samples examined from 1964 through 1969 only 25 contained trace amounts of 2,4,5-T (less than 0.1 ppm) and only two contained measurable amounts, 0.19 ppm in a sample of milk in 1965 and 0.29 ppm in a sample of sugar beets in 1966. Furthermore of the 134 total diet samples involving 1600 food composites (Market Basket Survey) analyzed from 1964 through April 1969, only 3 contained 2,4,5-T. Two were dairy products containing 8 to 13% fat with .008 and 0.19 ppm in the fat. A single meat, fish and poultry composite from Boston consisting of 17 to 23% of fat was found to contain .003 ppm 2,4,5-T on a fat basis."[75]

Tetra-dioxin, on the other hand, is clearly both persistent and bioaccumulative. It resists microbial deteriorating.[76] Out of 100 microbial strains which degrade most persistent pesticides, only 5 showed any ability to degrade TCDD. Soil studies indicate that tetra-dioxin has a half-life of greater than one year.[77] That no metabolites were found in this research also indicates the absence of microbial degradation. Herbicide test plots sprayed with Agent Orange (2,4-D and 2,4,5-T) have shown measurable amounts of TCDD several years after final treatment.[78]

Model ecosystem studies suggest that TCDD bioconcentrates more than DDT. A two trophic level, model ecosystem with mosquito larvae and brook silverside minnows demonstrated a bioaccumulation factor of TCDD in minnows 540 times that of the TCDD in the water. DDT's accumulation factor by comparison was 306.[79]

A similar aquatic ecosystem showed catfish to accumulate tetradioxin in only three days by a factor of 14,000.[80] A direct relationship was observed between concentrations in ambient water and in the tissues of several aquatic species, when tetra-dioxin was introduced into the aquatic system in the form of treated sediment. The following illustrates the observed relationship between TCDD concentration in soil and in the water:

TCDD Concentration in Soil (PPM): 0.1, 0.01, 0.001, 0.0001.

TCDD Concentration in Water (PPT): 7.13, 0.66, 0.26, 0.05.

When the soil content was .1 ppm TCDD, various acquatic organisms accumulated the following levels of tetra-dioxin:

Organism, TCDD level (PPM), and time of exposure:

Algae, .08, 28–29 days.
Duchweek, .03, 28–29 days.
Snails, .12, 28–29 days.
Daphnia, .16, 28–29 days.
Gambusia, .44, 3 days.
Catfish, .10, 3 days.

Therefore, rice flood waters and sediment containing 2, 4, 5–T related TCDD may well transport tetra-dioxin from the ricefields to fish and crayfish, components of the human food supply. For example, a one pound per acre treatment of rice with 2, 4, 5–T containing .1 ppm TCDD will generate a tetradioxin level of approximately 24 ppt in the upper ¼ inch of soil. A graphical extrapolation of the soilwater data discussed, supra, indicates that this could lead to a water concentration of 0.1 ppt. A direct correlation between water and fish concentrations would result in a tetra-dioxin level of 28 ppt in fish within 3 days of exposure to rice flood water.

Residue data corroborate these conclusions as to the persistency and bioaccumulation of 2, 4, 5–T related TCDD.

Analysis of residues in Vietnamese shrimp and crustaceans detected significant levels of tetra-dioxin following defoliation treatments with 2,4,5–T in regions draining into the areas from which the shrimp were collected.[81] It appears that these residues have not declined appreciably between 1970 and 1973, although the defoliation ceased in 1969.

Wildlife in the vicinity of areas of Agent Orange application at Eglin Air Force Base retained measurable levels of TCDD several years after use of the herbicide was stopped.[82]

Beef calves fed for 28 days on diets containing 100 and 1800 ppm 2,4,5–T with .5 ppm TCDD, retained substantial amounts of tetra-dioxin in the fat and in the liver.[83] It therefore appears that at least 25% of the dietary intake of tetra-dioxin may be stored in body tissues. Fries feeding rats 7 and 20 ppb TCDD suggests that 75% of the total retained residues may be stored in the liver.[84]

Table I infra suggests that the withdrawal of cattle from a diet contaminated with dioxin for as long as one week may have little effect in decreasing TCDD residues. Therefore, current label provisions requiring "feed off" periods on dioxin free food in order to assure the absence of dioxin residues in the meat are not likely to be effective in reducing tetra-dioxin residues if present in any significant amounts.

Cattle, sheep and goats fed immediately after application of 2,4,5–T to rangeland accumulated residues of tetra-dioxin in their fat from 6 to 41 ppt and in the liver from 1 to 5 ppt.[85] The tetra-dioxin content of the commercial 2,4,5–T used was .04 ppm. Using a factor of fat/TCDD diet of 2.1 (See Table I) one can calculate a value of 10.08 ppt, which could be expected in the fat of a young calf exposed to similar residues.

Monitoring of wildlife collected along rights of way in the U.S. demonstrates, as does the Vietnamese aquatic residue data, that 2,4,5–T related TCDD can enter the food chain from "non-food" uses. Shrews sampled accumulated tetra-dioxin residues up to 397 ppt, averaging 202 ppt.[86]

Thus, 2,4,5–T related tetra-dioxin is persistent and it bioconcentrates. It is quite capable of penetrating into the environment and contaminating the human food supply. While Respondent is in the midst of extensive residue monitoring in order to define this hazard more precisely, it is now the obligation of those who profess the safety of this pesticide to prove their position in the face

TABLE I.—TCDD LEVEL IN BEEF CALF FAT AND LIVER RESULTING FROM CONTROLLED EXPOSURE (28 DAYS) TO DIETS CONTAINING VARIOUS LEVELS OF CONTAMINATED 2,4,5-T [3]

| Dow Chemical Co. calf number (control) | Total calf weight (kilograms) | Total amount of forfeited diet fed over 28-day period (0) | P.p.m. 2,4,5-T in fortified diet (0) | P.p.t. TCDD in fortified diet (0) | P.p.t. TCDD found in calf fat (N.D.) | P.p.t. TCDD found in calf liver (N.D.) | TCDD p.p.t. fat, p.p.t. diet | P.p.t. TCDD expected in fat if 100 percent of TCDD absorbed [2] | Percent TCDD uptake from diet |
|---|---|---|---|---|---|---|---|---|---|
| 862 | 242 | 231 | 100 | 50 | 103 | 28 | 2.1 | 365 | 28 |
| 868 | 251 | 255 | 300 | 150 | 300 | 61 | 2.0 | 1,171 | 26 |
| 872 | 213 | 178 | 900 | 450 | 505 | 168 | 1.1 | 2,918 | 17 |
| 878 | 222 | 172 | 1,800 | 900 | 1,120 | 406 | 1.2 | 5,440 | 21 |
| 878 | 222 | 172 | 1,800 | 900 | 1,120 | 406 | 1.2 | 5,440 | 21 |
| 969 | 215 | 114 | [1] 1,800 | 900 | 1,077 | 240 | 1.2 | 3,585 | 30 |

[1] TCDD content of 2,4,5-T was 0.5 p.p.m.
[2] Based on a fat content of 13 percent for a 500 lb steer. (See Morrison, J. B., "Feeds and Feeding," p. 202, Morrison Publishing Co., Ithaca, N.Y. (1954).
[3] Feeding period followed by 7-day withdrawal from TCDD containing feed.

B. 3. WHAT ARE THE AVENUES OF HUMAN AND ANIMAL EXPOSURE TO 2,4,5-T AND TCDD? FOR EXAMPLE CAN AERIAL DRIFT OR WATER TRANSPORT OF 2,4,5-T OR TCDD CAUSE MOVEMENT OF THESE COMPOUNDS AWAY FROM THE SITE OF APPLICATION?

Besides the contamination of the sites of 2,4,5-T application with the uptake of pesticide residues by plants and animals in those areas and the resulting bio-concentration, there are indications that 2,4,5-T and related tetra-dioxin will be transported aerially and by water beyond the sites of application.

Aerial application of 2,4,5-T cannot be made without aerial drift. The magnitude of such dispersal depends on the droplet size, wind velocity, humidity, type of formulation used, air temperature and altitude of the aircraft.

Elaborate precautions taken with the aerial use of Tordon 225 (USEPA Reg. No. 464–407) exemplify this problem of drift on rangeland. Tordon 225, a formulation of 2,4,5-T and picloram used to control mesquite, cannot be aerially applied unless a buffer zone between food crops of up to ½ mile is maintained. Aerial applicators are given special training. Similarly the aerial use of 2,4,D—a phenoxy herbicide, on Louisiana rice fields must not be applied closer than ½ mile to susceptible crops, and only under the supervision of a state inspector.[87]

In addition, drought conditions on the range and the persistency of tetra-dioxin in soil suggest the probability that TCDD contained in topsoil is transported by wind erosion. Thus, in any area of 2,4,5-T application, aerial distribution of 2,4,5-T and TCDD beyond the immediate site of application, uptake from there and further transport, are distinct probabilities. The absence of air monitoring samples of TCDD prevents a determination of whether TCDD persists and is transported long distances in the atmosphere.

Similarly, while Respondent has not yet completed field monitoring, it is probable that water transport of TCDD occurs. Given the demonstrated persistency of TCDD in the soil, gulley and sheet erosion would be expected to carry silt particles from the upper layers of soil into bodies of water for transport. This would be especially true as to poorer quality, over-grazed rangelands, where the ratio of grass tuft to bare ground is low. In poor-condition, short-grass ranges bare spaces of 1 to 4 feet can predominate.[88] It is probable that 2,4,5-T is also directly applied to rangeland water holes. Livestock and wildlife drinking such water are likely exposed to TCDD via the sediment suspended in such waters or as TCDD which has dissolved in the water.

**Suspended sediment containing TCDD in rice fields and rights of way would also be transported by run-off from such sites. Once the tetradioxin (as sorbed on silt particles) reaches water a new sorption/desorption equilibrium is established, with discrete amounts of tetra-dioxin dissolving directly into the water.**

Estimates by Miller, et al.[89] are that forest applications of 2,4,5-T can be expected to cause residues of about .01 ppt of TCDD in streamwater, if a tetra-dioxin level of .1 ppm exists in the original formulation. Direct application of 2,4,5,-T to streamwater would cause most of this residue. Therefore, based on the solubility of tetra-dioxin in water and provided no adsorption occurs on benthic surfaces or suspended solids, all such tetra-dioxin would be expected to remain in solution. Using considerations discussed, *supra*, for graphically projecting aquatic residue bio-accumulation, tetra-dioxin could be expected to build up to at least 23 ppt in fish from such forest applications.

Contamination of water supplies with tetra-dioxin is further suggested by recent monitoring data on streams in the Western United States.[90] The Canadian River near Whitefield, Oklahoma, and the Arkansas River below Van Buren, Arkansas showed the greatest contamination of 2,4,5,-T with levels ranging from .03 ppb – .04 ppb and .01 – .04 ppb, respectively. Other streams with detectable levels were the Brazos River at Richman, Texas (.01 ppb - .06 ppb), the Pecos River near Artesia, N.M. (.05 ppb) and the Green River at Green River, Utah (.07 ppb). Since the analytical methodologies utilized were sensitive only to 2,4,5-T and its esters, TCDD or degraded 2,4,5-T in terms of trichlorophenol moiety metabolies would not be identified. Therefore, the levels of 2,4,5-T detected are indicative of substantially higher inputs of 2,4,5-T followed by microbial degradation.

In addition, the fact that residues of tetradioxin are detected in Vietnamese shrimp caught 30 kilometers from the shore also suggests that this contaminant is quite mobile.[91]

B. 5. ARE OTHER DIOXINS AND SIMILAR CONTAMINANTS BESIDES TCDD PRESENT IN 2,4,5-T AND, IF SO, WHAT RISKS TO HEALTH DO THEY CONSTITUTE?

B. 6. WHAT ARE OTHER ENVIRONMENTAL SOURCES OF DIOXINS PARTICULARLY TCDD, AND DO THESE SOURCES ENHANCE THE TOTAL DIOXIN BODY BURDEN AND EXACERBATE THE HEALTH RISKS RAISED BY 2,4,5–9 AND RELATED TCDD?

The absence of other chlorodioxins, chlorodibenzofurans and chlorinated hydroxy diphenyl ethers has not been carefully established for any currently registered technical 2,4,5-T products. In 1972, Firestone[92] conducted a survey of dioxins in trichlorophenol samples collected in 1970 using a gc/ms (gas chromatograph, mass spectrometry) method. Other dioxins including 2,7 dichloro, 1,3,6,8-tetrachloro and a pentachlorodioxin were found. Chlorofurans and chloroethers were also found. A hexachlorodiophenyl ether was found in one sample and trichlorotetrachloro- and pentachloro furans were found in some of the other samples. No information is available on the presence or absence of 2,3,7 trichloro dibenzo-p-dioxin although bioassays by the method of Poland[93] suggest that this compound may have a potent biological activity in the same order of magnitude as TCDD. The recent findings of additional, unknown "neutral" contaminants in production grade 2,4,5-T[94] clearly demonstrates how little is known about various impurities in 2,4,5-T. Similar impurities in the "neutral" fraction of 2,4,5-T have also been noted in our own laboratories.[95]

In any event, all chemicals made by manufacturing processes having the capability of forming impurities with the degree of toxicity of TCDD should be supported with quality control procedures capable of detecting and quantifying such materials. Furthermore, once the Registrants have identified all of the impurities, these should be toxicologically evaluated. The so-called "predioxins", hydroxy chlorodiphenyl ethers[96] should also be evaluated in terms of their possible presence in 2,4,5-T formulations. If present, these materials are potential sources for 2,4,5-T related dioxin formation under environmental conditions.

Table II gives a list of registered pesticide products in addition to 2,4,5-T which are expected to be potential sources of dioxins. Of these, five utilize 2,4,5-trichlorophenol as a manufacturing intermediate, and therefore can be expected to add to the overall environmental burden of dioxin. Since some of these compounds have established tolerances on food or feeds, any dioxins residues entering the food supply from these sources would be directly additive to any similar residues resulting from the use of 2,4,5-T.[97]

A special and unique situation is encountered with the currently registered use of ronnel [0,0-dimethyl 0-(2,4,5-trichlorophenyl) phosphorothioate]. When used as a supplement to cattle food[98] this compound is a potential source of TCDD in beef and dairy cattle. At the currently registered dosage of .002 lbs. active ronnel (in food) per 100 lbs. of body weight per day for 7 consecutive days, a 500 lb. beef containing 13.7% fat could accumulate up to 5 parts per trillion TCDD in its body fat. This is based on a retention factor of 25% (see Table II), and a TCDD content of .05 ppm in the ronnel. Another potential source of TCDD could be from the photochemical reductive dechlorination of higher dioxins, especially hexachloro, heptachloro and octachloro dioxin found in pentachlorophenol.[99]

Also, the additive toxic effect of other chlorodioxins, including the octa, hexa, penta, tri and di isomers, all of which can be found in one or more of the products listed in Table II, cannot be discounted. For example, 2,3,7 trichloro-dioxin demonstrates a high degree of biological activity in the enzyme screening process of Poland.[100] To date all compounds showing high activity with the Poland enzyme assay have also been found to be patent acnegens and/or are highly embryotoxic. Formation of 2,3,7-trichloro dioxin from TCDD by reductive dechlorination caused by photochemical effects is a distinct possibility. If these residues accumulate as readily as TCDD, their biological effect would, indeed be additive in nature.

Footnotes at end of article.

TABLE II

2,4,5-trichlorophenol and salts.
2,4,6-trichlorophenol.
2,3,4,6-tetrachlorophenol and salts.
Pentachlorophenol (and sodium salt).
2,4-dichlorophenyl benzenesulfonate.
p-chlorophenyl 2,4,5-trichlorophenyl sulfone (Tetradifon).
2,4-dichlorophenoxy acetic acid (2,4-D) and its derivatives.
2,(2,4,5-trichlorophenoxy) propionic acid and derivatives (2,4-DP).
0-2,4-dichlorophenyl 0,0-diethyl phosphorothioate (VC-13).
0-2,4-dichlorophenyl p-nitrophenyl ether (TOK).
2-(2,4,5-trichlorophenoxy) ethyl 2,2-dichloropropionate (Erbon).
0,0-dimethyl 0-(2,4,5-trichlorophenyl) phosphorothioate (ronnel).
3,6-dichloro-o-anisic acid (Dicamba).
3,5,6-trichloro-o-anisic acid (Tricamba).
Tris-(2,4-dichlorophenoxy) ethyl phosphite.
Hexachlorophene.
0-(4-bromo-2,5-dichlorophenyl 0,0-dimethyl phosphorothioate (Bromophos).

B-7 WHAT ARE THE CURRENT LEVELS OF DIOXINS IN REGISTERED 2,4,5-T PRODUCTS AND IN TECHNICAL MATERIAL USED TO FORMULATE THESE PRODUCTS

B-8 DO THE CURRENT METHODS OF MANUFACTURE OF 2,4,5-T PROVIDE FOR CONSISTENTLY LOW LEVELS OF DIOXINS IN THE FINAL TECHNICAL PRODUCT AND WHAT ARE THE QUALITY CONTROL MEASURES USED TO MINIMIZE DIOXIN LEVELS?

Transvaal, Inc., states that the TCDD content of its 2,4,5-T acid, from which their products are derived, is less than 2 ppm and averages less than 1 ppm.[101] Registrant Thompson-Hayward Chemical states that their product contains less than 0.1 ppm TCDD.[102] Dow Chemical Co. has repeatedly stated that technical 2,4,5-T produced since 1970 in their plant contains less than 0.1 ppm.[103] C. H. Boehringer Sohn, Ingleheim, Germany, states that since 1970, the TCDD content of their technical 2,4,5-T has been held at less than 0.1 ppm.[104]

Recent analyses by EPA of technical products from the three U.S. manufacturers are shown in Table III. The representativeness of these levels and the tetra-dioxin levels in formulated products remains to be demonstrated by Registrants.

TABLE III.—RECENT ANALYSES[1] OF TECHNICAL 2,4,5-T PRODUCTS MANUFACTURED IN THE UNITED STATES

| Company and EPA regulation No. | Description | Date of collection and lot size | Identification No. | TCDD level (ppm) |
|---|---|---|---|---|
| Dow, 464-205 | Dow 2,4,5-T propylene glycol butyl ether ester, 69.2 percent. | July 13, 1973, lot No. 675233, 1-gal can | 102526 | <0.1 |
| Do | do | July 13, 1973, lot No. 675293, 1-gal can | 102527 | <0.1 |
| Do | do | July 13, 1973, lot No. 675423, 55-gal drum | 102530 | <0.1 |
| Do | do | July 13, 1973, bin No. 90 (3,500 lb) | 104593 | <0.1 |
| Transvaal, 11687-30 | 2,4,5-T acid, 100 percent | Sept. 21, 1973, bin No. 121 (3,500 lb) | 104593 | <0.1 |
| Do | do | Sept. 21, 1973 bin No. 100-16 (3,500 lb) | 104593 | <0.1 |
| Do | do | Sept. 21, 1973, bin No. 70 (3,500 lb) | 104593 | <0.1 |
| Do | do | Sept. 21, 1973, bin No. 100-10 (3,500 lb) | 104593 | <0.1 |
| Do | do | Sept. 21, 1973, bin No. 119 (3,500 lb) | 104593 | <0.1 |
| Do | do | July 12, 1973, from 10,000-gal bulk tank | 102206 | <0.1 |
| Thompson Hayward, 148-924 | 2,4,5-T isooctyl ester tech, 97 percent | | | |

[1] Analyses conducted at EPA/OPP/TSD Laboratory, Beltsville, Md.

C. THE REGISTRANTS HAVE NOT ESTABLISHED THE NEED FOR 2,4,5-T IN LIGHT OF THE ABOVE-MENTIONED RISKS

The necessity for the continuation of the registered uses of 2,4,5-T.

1. What are the pests which each registered use is intended to control and the degree of control achieved by each use?

2. What is the cost, timing and rate of application of 2,4,5-T for each use?

3. What alternative controls exist for each registered use and what is the cost and effectiveness of each alternative?

The registered uses of 2,4,-T are intended to control a multitude of weed and plant pests.[105] Over 1.8 million acres of rice are harvested annually in the United States. 100,000 of these acres are treated with 2,4,5-T, virtually all within the States of Arkansas and Mississippi. In Arkansas, 10 percent of the crop (44,000 acres) is treated with 2,4,5-T, while in Mississippi, 85 percent (44,000 of 51,000 acres) receive treatment.

For rice weeds the herbicide is applied in one foliar application of .75 to 1.25 lb/acre at a cost of *approximately* $4 to $5 acre, for the control of arrowhead, coffeebean, curly indigo, gooseweed, ducksalad, Mexican weed, redstem, smartweed, spikerush and umbrellaplant.

However the major agricultural use of 2,4,5-T is for the control of brush on rangeland. There is some use for brush control on pastures but it is much less extensive. Texas, Oklahoma and New Mexico are the primary users of 2,4,5-T for rangeland control. Within these 3 states approximately 1.4 of 177 million acres of rangeland receives 2,4,5-T treatment each year. Because treatment lasts for several years, about 8.4 million acres of range are currently benefiting in varying degrees from chemical brush control.

2,4,5-T is used on pastures and rangeland to control woody species; blackjack oak, mesquite, post oak, sand shinnery oak and yucca. One foliar application of ½ to 2 lbs/acre, depending on the rate of regrowth is made every 5–6 years at a cost of approximately 4–6 dollars per acre. In heavily infested areas a second application may be necessary the following year. The application is made during the period of rapid growth or while leaves are expanding.

The USDA has estimated that 430,000 acres of forest land are treated annually with 2,4,5-T, exclusive of its use by the United States Forest Service. It is used for site preparation, conifer release, and pine release, to control alder, bigleaf maple, blackjack oak, California black oak, Ceanothus, chinquapin, gum, Oregon white oak, sumac, vine maple, white oak, and wild cherry and other species. Application rates for each major forestry use are:

Site Preparation—One foliar application at a rate of 2–4 lbs acre after leaves of undesirable hardwoods have fully expanded, but before planting of seedlings.

Conifer release—One foliar application 2–4 years after seedlings have been planted (depending on rate of regrowth of undesirable hardwoods). Application should be made prior to budbreak of the conifers to prevent injury at a rate of 2–4 lbs. acre.

Pine Release—one foliar application 2–4 years after seedlings have been planted (depending on rate of regrowth of undesirable hardwoods) after spring growth of pines has hardened, at a rate of 2–4 lbs acre.

Specific data on the remaining registered uses (Rights of ways, Roadways, Fencerows and wasteland) is unavailable, although an estimated 2.2 million acres of rights of way is treated annually.

It is used to control allanthus, alder, ash brambles, basswood, ceanothus, chinquapin, elm, ground cherry, gum, hickory horsenettle maple mesquite, poison ivy, locust, oak, persimmon sassafras, shinnery oak, sumac, Virginia creeper, wild cherry, and other species. 2,4,5-T for these uses is applied as follows.

(a) one foliar application every 5–6 years (depending on rate of regrowth) to brush 6–8 ft tall during the period of most active growth, at a rate of 2–12 lbs acre depending on species to be controlled and density of population

(b) one basal bark treatment anytime of the year gives satisfactory control to susceptible species less than 6 inches in diameter at breast height, at a rate of 12–16 lbs acre/100 gals of solution.

(c) frilling can be employed during anytime of the year on any size tree at a rate of 8–16 lbs. acre/100 gals solution.

(d) injections can be made during anytime of the year on any size tree at a rate of 4 lbs acre 10–20 gals of solution with satisfactory results.

(e) stump treatment are utilized on freshly cut trees more than 2 inches in diameter at the base, at a rate of 12–16 lbs acre/100 gals of solution.

There are available generally effective alternatives for the great majority of these 2,4,5-T uses. 2,4,5-TP, "silvex", appears to be the most broadly effective substitute for all registered uses. Table IV contains a list of registered alternatives to 2,4,5-T.

Silver, MCPA, and 2,4-D all provide varying degrees of control for the rice weeds that are controlled by 2,4,5-T. The following chart lists these weeds and the herbicide(s) providing the best control: [106]

Arrowhead—all provide a similar degree of control.
Dayflower—all provide a similar degree of control.
Smartweed—all provide a similar degree of control.
Coffeebean—2,4, 5-T; Silvex; 2.4-D.
Curly indigo—2,4,5-T; Silvex.
Ducksalad—2,4-D.
Gooseweed—2,4,5-T; Silvex.
Mexicanweed—2,4,5-T; Silvex.
Redstem—Silvex; 2,4-D.
Spikerush—Silvex; 2,4-D.
Umbrellaplant—2,4-D.

For every weed listed, that is controlled by 2,4,5-T, there is at least one alternative that is either equal to or superior to the control achieved with 2,4,5-T. In most cases there are 2 or more.

The major concern over the use of these alternative herbicides is the phytotoxic hazard to nearby susceptible crops as a result of drift and volatility. All four phenoxy herbicides (including 2,4, 5-T) will adversely affect highly susceptible crops, such as cotton and soybeans, if allowed to drift onto them during application. However, they do differ as to the degree of injury. Injury to cotton caused by these four herbicides, in order of greatest to least injury, is 2,4–D; MCPA; Silvex; and 2,4,5–T. For soybeans the order is Silvex; 2,4, 5–T; 2,4–D; and MCPA.

It would appear that the most satisfactory alternative to 2,4,5–T (regarding drift haz-

Footnotes at end of article.

ard) would be Silvex when applied adjacent to cotton. In areas where soybeans are grown both 2,4–D and MCPA would produce even less damage than 2,4,5–T.

An important point in considering drift is that most injury problems are the direct result of misapplication, and if care is not taken in applying these herbicides, as indicated on the registered labels, even 2,4,5–T is a hazard to nearby susceptible crops.

Concerning volatility, all 3 of the alternative herbicides can be formulated as the salt. Since the hazard from the use of a salt formulation is negligible, their application near susceptible crops poses no greater volatility problem than that of 2,4,5–T.

C.4. DO ALTERNATIVE PESTICIDE PRODUCTS CAUSE ADVERSE ENVIRONMENTAL EFFECTS?

With the possible exception of one herbicide and on the basis of available information, Respondent believes the registered alternatives are environmentally acceptable. 2,4,5–TP (Silvex), apparently the most broadly substitutable herbicide for 2,4,5–T uses, is suspected of containing tetradioxin. It is anticipated that this question will be resolved, particularly by reliable facts from Silvex registrants, before the close of this proceeding. Should 2,4,5–TP prove to be free of dioxins and of other inordinately toxic, persistent contaminants, it too, would be considered environmentally acceptable.

C.5. WHAT ARE THE ECONOMIC IMPLICATIONS OF THESE ALTERNATIVES, INCLUDING THAT OF NO CONTROL?

Should silvex prove to be a safe alternative, the economic impact of cancelling all registered 2,4,5–T uses would not be significant. Respondent is in the process of developing specific cost-effectiveness information on the remaining substitutes and on the economic impact, if any, of cancelling the remaining registrations of 2,4,5–T.

TABLE IV

*Registered alternative herbicides for 2,4,5–T*

Rice—2,4,5; 2,4,5–TP (Silvex); MCPA: Propanil; Molinate.

Pasture and rangeland:

Foliar—2,4,D; 2,4–D+2,4,5–T; 2,4–D+Dicamba; 2,4–TP (Silvex); MCPA; Ammonium sulfamate.

Basal park—2,4–D+2,4,5–T; 2,4–D+2,4–DP; 2,4–D+Dicamba; Dicamba; Bromacil.

Frill—2,4–D; 2,4–D+2,4,5–T; 2,4–D+2,4–DP; 2,4–D+Picloram; Ammonium sulfamate; Dicamba.

Stump—2,4–D; 2,4–D+2,4,5–T; 2,4–D+2,4–DP; 2,4–D+2,4,5–TP; 2,4,5–TP; Ammonium sulfamate.

Rights-of-Way, Reforestation (site preparation), Roadways, Fencerows, Wasteland (foliar)—2,4–D; 2,4–D+2,4,5–T; 2,4–D+Picloram; 2,4–D+Dicamba; 2,4–D+2,4–DP; 2,4,5–TP; Karbutilate; Amitrole; Ammonium sulfamate; Maleic hydrazide (growth retardant); Cacodylic acid; MSMA.

Rights-of-Way, Roadways, Fencerows, Wasteland (basal bark, frill, injection, and stump)—See herbicides listed in Pasture and Rangeland.

Reforestation (conifer and pine release)—2,4–D; 2,4–D+2,4,5–T; 2,4,5–TP.

SUMMARY OF RESPONDENT'S POSITION

The use of 2,4,5–T on rice, in accordance with label directions and widely recognized and accepted practice, causes unreasonable adverse effects on the environment and must be cancelled.

The rice use constitutes a direct application (the only remaining one) of 2,4,5–T and 2,4,5–T related tetra-dioxin to human food. By its potential contamination of rice and its associated contamination of water and aquatic species, also a part of the human food supply, this use creates a direct route for the ingestion by man of tetra-dioxin, a teratogenic and incomparably poisonous compound.

Testing on tetra-dioxin demonstrates the extreme potency of minute quantities, a fact which cannot be obfuscated by specious comparisons between the "small" amounts of this toxicant available for environmental contamination and greater amounts of other infinitely less toxic and non-teratogenic contaminants. Besides the gross qualitative and quantitative differences in toxicity, tetradioxin has demonstrated persistency and a propensity for biomagnification.

It has not been demonstrated that the risk to man from this compound is insignificant. Any such assertion is speculative, founded not on reliable research, but on the mere hope that man is less not more sensitive than the mammalian species tested in the laboratory.

In theory, perhaps, Registrants, in fulfilling their burden of ultimate persuasion, cannot "prove a negative", that the use of 2,4,5–T presents absolutely no risk. In fact existing information compels the conclusion that a direct food use of 2,4,5–T presents a clear hazard to public health. Nothing derived from scientific research, field experimentation or experienced observation of widespread human exposure to 2,4,5–T demonstrates, to the contrary, that this risk is of insignificant proportions. Respondent's best scientific judgment, compatible with the conclusion in 1970 of the Surgeon General and the Secretary of Health, Education, and Welfare, is that while the magnitude of this hazard cannot be quantified, it constitutes a direct risk to man. It is untenable that society should unknowingly and involuntarily be subjected to this hazard in light of an absence of substantial benefit from the use of 2,4,5–T on rice and the availability of substitutes for this use. Such risk is, indeed, socially unacceptable.

For the moment, Respondent reserves its judgment on the remaining registered uses of 2,4,5–T. Whether the health hazard raised by the food uses of 2,4,5–T is also presented by the other uses, depends principally upon the risk of human exposure to tetra-dioxin from these uses. In this regard a so-called "non-food" use, on rangeland and pasture, raises serious questions of safety because of its rather obvious link to human ingestion of tetra-dioxin. Respondent believes, the relationship must be established somewhat more firmly.

In addition, while data do not clearly demonstrate its mobility, the patterns of 2,4,5-T application (all uses), TCDD's apparent persistence in soil and its vapor pressure (similar to that of DDT) all suggest that tetradioxin, like DDT, can be expected to penetrate readily in the environment, ferreting out human food sources unrelated to and beyond the areas of 2,4,5-T use. Whether widespread environmental distribution is occurring from these "non-food" uses and the ecological and human health impact of such broadcasting of tetra-dioxin are not yet obvious. Clearly the potential for risk exists.

Respondent anticipates that it will develop more information on these remaining substantial questions of safety. Further, those who would favor the continued distribution of this extraordinary toxicant must illuminate their optimistic conclusions of safety with convincing evidence. Respondent would prefer that a decision, herein, rest on thorough scientific information, reasoned inference and reliable prediction, rather than on the sheer force of law. But the hazard to public safety is clearly raised. The Congress has seen fit to protect the public health in such cases by compelling cancellation of these pesticides, unless Registrants can convincingly demonstrate the acceptability of the public risk. There is no overwhelming social benefit from 2,4,5-T. Registrants can, therefore, meet their burden only by reliable negative long-term toxicity testing on tetradioxin, by thorough environmental monitoring for TCDD and by adequate human survey of the chronic effects of exposure.

CONCLUSION

Respondent's evidence will prove that the risk to public health from the use of 2,4,5-T on rice is unequivocally greater than any social value derived from such use. This pesticide use causes unreasonable adverse effects on the environment and should be cancelled.

Respectfully submitted,

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FOOTNOTES

[1] Report of the Advisory Committee On 2,4,5–T to the Administrator of the Environmental Protection Agency, May 1971, p. 3.

[2] Ibid, at p. 4.

[3] USDA-PRD, PR 70–1, 20 Apr. 1970.

[4] USDA-PRD, PR 70–13, 1 May 1970.

[5] 7 USC 135 *et. seq;* amended, 1972, 7 USC 136 *et. seq.* (Supp. 1973).

[6] EPA under the Reorganization Plan No. 3 of 1970 (December 2, 1970, 35 Fed. Reg. 15623) was entrusted with the administration of the FIFRA.

[7] Determination and Order of the Administrator, August 6, 1971 (36 Fed. Reg. 14777).

[8] Orders of the Administrator of November 4, 1971 and April 13, 1972 (FIFRA Docket Nos. 42 and 44).

[9] Unreported; Memorandum and Order; E. D. Ark., June 22, 1972.

[10] *Dow Chemical* v. *Ruckelshaus,* 477 F. 2d 1317, 1326 (8 Cir. 1973).

[11] Baughman and Meselson. An Analytical Method for Detecting TCDD (Dioxin): Levels of TCDD in Samples from Vietnam; Environ. Health Persp., Exper. Issue No. 5, pp. 27–35, 1973.

[12] 38 Fed. Reg. 19860, July 24, 1973.

[13] 7 USC 136. The term "unreasonable adverse effects on the environment" means any unreasonable risk to man or the environment, taking into account the economic, social, and environmental costs and benefits of the use of any pesticide.

[14] See *Neodane Company, Inc.* v. *Environmental Protection Agency,* 470 F. 2d 194 (8 Cir. 1971); In *Re Stevens Industries,* 37 F.R. 13369 (1972); aff'd *EDF* v. *Environmental Protection Agency,* No. 72–1548 (CADC, 1973); *EDF* v. *Ruckelshaus,* 439 F. 2d 584 (CADC, 1971); *Stearns Electric Paste Company* v. *EPA,* 461 F. 2d 293, 304, 306 (7 Cir., 1972); and *Reasons Underlying the Registration Decisions Concerning Products Containing DDT, 2,4,5–T, Aldrin and Dieldrin,* Environmental Protection Agency Release, March 18, 1971, at p. 4, where the Administrator stated: "It is clear from the statute, the legislative history, and judicial construction that the burden of establishing the safety and effectiveness of a product remains with the registrant from the time of initial application through continued registration of the product."

[15] The Advisory Committee's recommendations included:

"That existing deficiences in information relative to possible accumulation in the soil and possible magnification in the food chain of the dioxin TCDD be rectified by specific research directed to this end, with these questions to be subjected to scientific review within three years of the present date and yearly thereafter until these questions are resolved.

That additional postregistration monitoring for adverse effects of agricultural chemicals be established, to include both surveillance for such effects in man and domestic and wild animals, as well as consideration of the applicability of new methodology that may be evolved for specialized testing, e.g., for carcinogenesis, mutagenesis or teratogenesis." op. cit. Note 1 at p. 67.

[16] Op. cit., Note 1.

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[21] Neubert, D., *et al.*, Environ. Health Persp., Exper. Issue No. 5, pp. 67–79, 1973.
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[25] Op. cit., Note 21.
[26] Report of the Secretary's Commission on Pesticides and Their Relationship to Environmental Health, Parts I and II, U.S. Department of Health Education and Welfare, December 1969, pp. 661–662.
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[30] Op. Cit., Note 26, at p. 659.
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[32] Op. cit., Note 1, at pp. 71–72.
[33] Op. cit., Note 18.
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[55] See In *Re Stevens Industries*, 37 F.R. 13369.
[56] 8th Western States Sage Grouse Workshop Proceedings, Lewiston, Montana, August 7–8, 1973, p. 19.
[57] Personal Communication, State of Montana Department of Fish and Game, Helena, Montana.
[58] Langer, H. G., *et al.*, Environ. Health Persp., No. 5, pp 259–266 (1973).
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[79] Op. cit., Note 76.
[80] Private Communication, USDA. Isensee.
[81] Baughman and Meselson, op. cit, Note *49*.
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[83] EPA, OPP TCDD Monitoring Project.
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[102] Letter from Mr. Edwin Upton, Thompson Hayward Chemical Co., 3/29/73.
[103] Personal Communication, OPP, EPA.
[104] Letter from Mr. Donald Yoder, BASE Wyandotte Corp, May 14, 1973.
[105] See Table IV for General Estimates of the Rate, Timing and Costs of Application of 2,4,5–T.
[106] USDA Handbook 289 and 292, and State Herbicide Recommendations.

Mr. BIBLE. Mr. President, the very distinguished Senator from Wisconsin knows of my strong affection and admiration for him, and I want to commend him for bringing this problem to the attention of the Senate. I wish he had brought it to my attention a little earlier than a day or two before we marked the bill up in the subcommittee. I did not know about that until almost the day we were marking it up. We never had a chance to hold a hearing on this, and I would be reluctant to support an amendment on which I had had no hearing at all.

The Senator from Wisconsin is performing a great service in this area of sounding warnings on this whole range of pesticide and herbicide problems, and I can assure him that if he brings this before us further down the road this session when we get into the first supplemental, we could have a hearing and get into this problem a little more thoroughly.

We did check it out quickly with the Forest Service, and they advised us in a written statement which we have, and which is a part of our markup memorandum that the chemical 2,4,5–T, is used for fire breaks and to reduce forest fire hazards, and the like. They use it as well to promote timber growth in eradicating competing underbrush. According to the Forest Service, the chemical is used only as it is labeled and registered with the Environmental Protection Agency. Certainly the EPA has clear authority to control the use of this chemical, and I understand has the question under study.

Now, the Senator from Wisconsin may turn out to be right; I do not know, but it is under study. It is something with which I have absolutely no familiarity, and I have been advised that this matter has been taken to the courts in his native State of Wisconsin, and that there is an injunction against its use there. I have not had the opportunity of checking into that case in its details. I do not know whether it has been appealed or whether that is a decision of the final court or not. I just do not know.

Mr. NELSON. It is a temporary injunction.

Mr. BIBLE. Perhaps the Senator from Wisconsin would enlighten me on that point.

Mr. NELSON. It is a temporary injunction, and there will be further argument on it in another 10 days or so.

Mr. BIBLE. I thank the Senator from Wisconsin. But I do not think it is the proper function of the Appropriations Committee, in its appropriations process, to step into a controversy of this nature, and I am sure it does have controversy, without full hearings.

I do not know whether the Senator has taken this case to EPA or not. Has this case been submitted to EPA?

Mr. NELSON. This case?

Mr. BIBLE. This particular problem.

Mr. NELSON. Yes. I am putting into the RECORD a brief of the Environmental Protection Agency which is a dramatic and powerful indictment of the use of 2,4,5-T.

It is absolutely clear that we do not have evidence that this agent is safe.

We do have evidence that it is the most lethal synthetic agent known to man; that it is teratogenic; that it may be mutagenic and carcinogenic. The Environmental Protection Agency says it cannot set a safe level—that it does not know enough about it to know whether or not there is a safe level.

The Environmental Protection Agency has announced it is going to expand its monitoring and scientific studies. Hopefully within a year or two, it will be able to reach some conclusion about whether or not it is safe to use this agent at all and, if so, under what circumstances.

So all I am saying to the Senator is that we have an agent that is so potent that six-tenths of 1 part per billion by body weight was a lethal does on guinea pigs in the laboratores and so potent that, according to the Library of Congress Scientific Division, which at my request did an extrapolation, if you assume that dioxin has the same effect on human beings as guinea pigs, then one eyedropper of dioxin would kill 1,200 people. Well, these facts, it seems to me, are enough for Congress to say, "Halt, stop right there. Do not gamble with the health of the human beings of this country. Do not gamble with a hazardous agent that may create havoc and may have ramifications of disastrous consequence throughout the environment because all the evidence is not yet in."

Yet all the evidence that is in indicates that it is a very, very, very dangerous agent and, as public servants, we ought to be saying to the Forest Service, "Stop it. There is no urgency."

They are spraying it in the Nicolet and the Chequemegon Forests in Wisconsin in order to kill the broad leaf trees to let the pines grow up underneath. What is the urgency?

Mr. BIBLE. I can understand the feeling and the emotion and the great appeal of my friend from Wisconsin. I asked a very simple question——

Mr. NELSON. The Senator asked me if the EPA had taken a stand, and I was reciting what it was.

Mr. BIBLE. The Senator's answer was a little longer than I had anticipated. It sounded more like a speech. But I am always delighted with the responses of my friend from Wisconsin.

I know others have looked into it thoroughly and, at this point, I would like to yield to the Senator from Idaho for his observation.

Mr. McCLURE. I thank the Senator for yielding.

I think at this time it might be well to complete the record of what the EPA has done. While the Senator from Wisconsin is entirely correct that these charges were made——

Mr. NELSON. Mr. President, I cannot hear.

Mr. STENNIS. Mr. President, may we have quiet.

Mr. NELSON. I wonder if the Senator would use his microphone.

Mr. McCLURE. I am using my microphone, I would say.

The EPA did in their brief recite exactly as the Senator has said they did, but the Senator neglects to add to the RECORD what I think is important to add, and that is the EPA did on June 24 of this year make a finding.

Their finding said that they should not cancel the registrations that are now in effect pending the further hearing.

I think it is important after EPA has filed that brief, they have had their advice from various committees, evaluated the advice they were able to get, stated the following conclusion, which I think the RECORD should include.

I refer to a memorandum which is at a meeting of the Environmental Protection Agency on June 24 of this year, quoting the statement of Dr. William Upholt, Senior Science Adviser to the Acting Assistant Administrator for Water and Hazardous Materials.

After rather lengthy evaluation of the current status of knowledge on the particular subject, he says:

> The environmental degradation of 2,4,5-T itself is sufficiently rapid that currently registered products should not result in detectable residues if used according to label instructions.

On the same date, EPA under their Administrator, Mr. Quarles, made the following statement:

> Quarles indicated that the continued use of 2,4,5-T on rice, rangeland, and rights of way—the only permissible uses—"should not result in detectable residues of the herbicide if it is used according to label instructions. Thus the health implications of these uses are believed to be minimal."

This finding by EPA was not ill-advised or hastily taken. It follows the studies that have been going on since 1969.

It follows the recommendation of the Advisory Committee on 2,4,5-T to the Administrator of EPA, which is dated in May 1971, in which they reached the conclusion that primarily registration of 2,4,5-T was worthy of continuation, but that the extension of the withdrawal was not at this time justified by any evidence which was credible enough for them to take that action upon.

There was also a President's Science Advisory Panel which reached the same conclusion in March 1971.

I think rather than saying that the evidence raises inferences of hazard that justifies this kind of convulsive action without hearings in the Senate that we should instead respond to the hearings and the advice that has been taken as a result of extensive hearings by people who are very competent to evaluate the scientific evidence and to make a measured and responsible judgment.

We have set in force certain actions here. The Congress of the United States has mandated under both the EPA and under other law that hearings be held, and those hearings have been held.

The results of those hearings say, do not take this step now. We do not know enough to take this step now.

Without broadening the inquiry or the discussion here today, I think it is worthwhile noting that we earlier tried to do something of this nature in other fields and we acted hastily and I think inadvisedly and we did outlaw, through the administrative procedures, not by Congress, the use of DES in fattening livestock.

That action was later challenged in court and the court threw it out, said there was not enough evidence upon which to base the action taken by the Administrators.

What we are seeking to do here is to impose a hasty judgment that it is, in the face of the conclusions of those people who have devoted a great deal more time than we have to the question of whether or not it should be outlawed.

I would suggest that the Senator from Nevada is exactly correct, that to take this action now without knowing what the effects of 2,4,5–T are would be an ill-advised action and it flies in the face of the conclusions reached by those people charged by law with making the investigation.

I would like to point out, too, that while the amendment of the Senator from Wisconsin referred only to the use of 2,4,5–T on the U.S. national forest system, I do not know why if, indeed, this is good, it should not also be applied to the lands under the administration of the Bureau of Land Management.

If it is good in one, it is good in the other.

I wish to inform Senators what is being done in terms of the use on rangelands of the United States.

Under the administration of the Bureau of Land Management under a national ecosystem untrammeled by man, conditions not here when man was regulating what happened on those lands, we had a succession of uses.

One of those was the intermittent burning of rangelands caused by entirely natural forces, not manmade forces, lightning, fires, and the like, that removed a certain amount of brush.

We also find in some of our grasslands, grass is the natural climax vegetation in that area, but where we have had heavy grazing and the grass has been depressed in its vitality and has not been stimulated by the fires which we have also suppressed, that grass has been supplanted by brush.

So what we attempt to do in this respect, in certain places, we go back in trying to reestablish what was, in effect, the natural ecosystem there prior to the interference by man.

This is one of the tools used to do that, and it will. I suspect if we took all grazing off those lands and we allowed fires to burn as they naturally would burn that over the next 50 or 100 years the brush would again be eliminated and grass would again establish itself as the primary vegetation in that area.

Can we wait 50 or 100 years, or should we wait 50 or 100 years to have that accomplished in the natural evolution of the ecosystems?

I think not.

Certainly, every consumer in this country is aware of the high prices we are paying for meat.

While we may get into an argument as to all the reasons why meat is as high as it is at the consumer level today, certainly it will not be any lower if we restrict the ability of the public lands of this country to sustain grazing animals that then flow into the food chain for human beings. I think the people across this land are interested in that, as well.

So I think the amendment, in spite of all its good intention, in spite of all the very legitimate concern which the Sena-

tor from Wisconsin has expressed, is premature.

It is not based upon the best scientific information available to us. It would be counterproductive to the very things we are concerned about today in terms of the cost of living of the average American citizen and the kind of nutrition which we hope they will have in having good protein foods available to them.

The amendment should not be approved.

Mr. President, I ask unanimous consent that copies of the two documents to which I made reference be printed in the RECORD.

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

2,4,5–T

(NOTE: At a meeting of parties to the Environmental Protection Agency 2,4,5-T hearing on June 24 at 11:15 a.m. the Office of Water and Hazardous Materials recommended to John Quarles, the Deputy Administrator of the Environmental Protection Agency, that the cancellation action against the use of 2,4,5–T on rice be withdrawn and that the hearings on all other uses of 2,4,5–T be terminated without prejudice. The following statement was made by Dr. William Upholt, Senior Science Adviser to the Acting Assistant Administrator for Water and Hazardous Materials, at the meeting to explain the basis for the recommendation by the Office of Water and Hazardous Materials.)

SCIENTIFIC EVIDENCE REGARDING 2,4,5–T

In 1969, the Bionetics Laboratories (under contract to the National Cancer Institute) provided experimental evidence that 2,4,5–T produced birth defects in mice.

Investigation showed that Bionetics Laboratories had obtained their supply of 2,4,5–T several years earlier, at about the time that Dow was discovering the dioxin problem associated with chloracne. Bionetics had purposely used technical 2,4,5–T as sold at the time rather than a purified grade. Immediately NIEHS initiated new experiments to determine whether or not dioxin might be the source of birth defects.

In April of 1970, scientists at NIEHS reported to the Surgeon General that the purest 2,4,5–T they were able to obtain (less than 0.1 ppm TCDD as contrasted with over 25 ppm TCDD in the earlier production) still produced birth defects in experimental mice when the pregnant females were administered subcutaneously 100 mg/kg body weight.

On the basis of this evidence that the purest 2,4,5–T available commercially produced birth defects, the Surgeon General conferred with representatives of the Department of the Interior and the Department of Agriculture (the latter then administered the FIFRA) and the latter decided to suspend registration of those 2,4,5–T products which could be expected to result in direct exposure to women of childbearing age. This included liquid formulations for use around the house and garden and all products that could be expected to be used around recreational areas or where water supplies might be contaminated. Other products for use on food crops were canceled for fear residues might persist but were not suspended because the hazard was not considered imminent. The four manufacturers appealed only those cancellations which would affect use on rice, which meant that all of the other cancellations became final at the end of 30 days.

Under FIFRA procedures in 1971, a scientific advisory committee was convened to review the evidence. The most important part of their findings was that the hazard from 2,4,5–T was minimal, but because of the inevitable contamination by dioxins, they recommended that current supplies of 2,4,5–T should be canceled if they contained over 0.5 should be limited to 0.1 ppm TCDD. They further recommended that even products with less than 0.5 ppm TCDD should be labeled to avoid exposure of women of childbearing age (they said pregnant women). The Administrator recognized this as clear evidence of hazard of current production and, in the absence of adequate evidence of benefits of continued use of 2,4,5–T on rice, chose to continue the cancellations with the expectation that they would be taken to public hearings promptly.

After a series of delays, the public hearings were scheduled to begin in 1973 when the evidence against 2,4,5–T was still essentially as described above, complicated by the difficulty in determining the TCDD content of formulated products and of residues.

At about that time a new method for the analysis of TCDD was described which used high resolution mass spectrography and was claimed to be sensitive to as little as 1 part per trillion as a residue. All parties to the hearings agreed on the desirability of delaying the hearings until it was possible to try out the new analytical procedure and to attempt to obtain new evidence on residues of TCDD thereby. The equipment needed for this new analytical method is expensive and not commonly found in residue laboratories so a limited number of samples could be analyzed over a period of six to ten months. They were selected to detect possible residues in human fat and milk, in rice, in beef, and in fish and wildlife with the greatest potential exposure to 2,4,5-T. During this postponement research was also conducted to confirm evidence of teratogenicity of the current production of 2,4,5-T and the levels of TCDD that might accumulate in mice being chronically exposed to TCDD as part of a carcinogenicity experiment.

As in not unusual with a new, highly sensitive, analytical procedure, some difficulties arose in applying the new technique to samples of rice and human tissues so that, in spite of additional postponement, the results from those critical samples are not yet available. The results from the other samples leave little doubt as to the presence of TCDD in at least seven of the 300 or so samples so far analyzed but there is considerable doubt as to the exact amount (different analyses on the sample vary by up to 20 fold). Also, there is even some question as to whether or not some of the residues are clearly TCDD or an interferring impurity that might show up at the same point on the graph.

Clarification of these remaining questions regarding the residues of TCDD that can be expected from use of current production of 2,4,5-T will require more samples and some improvement in the analytical procedures especially in explaining differences between different laboratories. It is estimated that adequate resolution of these remaining problems with TCDD residues may well require another two years or more.

Meanwhile the research on teratogenicity of 2,4,5-T indicated that the purest 2,4,5-T available definitely produces birth defects in mice and that the frequency is independent of the amount of TCDD, so there seems little question but what 2,4,5-T itself is teratogenic as reported by the NIEHS laboratories in 1970 when the initial action against 2,4,5-T pesticides took place. More important, during this postponement of the public hearings, the Department of Defense conducted intensive studeis on the best method of disposing of their surplus herbicide containing 2,4,5-T. Their studies made it clear that 2,4,5-T itself is rapidly degraded in certain soils. Other evidence has been uncovered to show that 2,4,5-T residues have a halflife of one to two weeks in the environment, so that even though 2,4,5-T is teratogenic, little or no residue is apt to remain in food as a result of use on rice, rangeland, or other uncancelled uses. With recommended uses, residues should not exceed 0.1 ppm 2,4,5-T in food.

In summary, it is now clear to the OW&HM that 2,4,5-T is itself teratogenic so that women of childbearing age should not be exposed directly. Thus the suspensions and unchallenged cancellations of such products should be reaffirmed. On the other hand the environmental degradation of 2,4,5-T itself is sufficiently rapid that currently registered products should not result in detectable residues if used according to label instructions. There remains considerable question as to the ultimate fate of the TCDD present in currently produced 2,4,5-T. Though TCDD is known to be highly toxic, the residue levels to be expected from current uses of 2,4,5-T are still unknown as is the toxicity of TCDD at such levels. Moreover TCDD as well as other dioxins are alleged to contaminate other pesticides including other herbicides such as silvex and erbon. The other dioxins are thought to be considerably less toxic than TCDD but the full evaluation of what residues are expected from these other pesticides and the probable hazard from those residues will require considerably more research.

The conclusion seems clear that there is insufficient evidence regarding residues of 2,4,5-T and dioxins in the environment and the hazards associated therewith from the remaining registrations of 2,4,5-T pesticides. On the other hand, we must intensify efforts toward fuller analysis of possible hazards from TCDD and other dioxins from all trichlorophenol-derived pesticides as rapidly as improved analytical procedures and properly designed testing permits. The results of such analyses may or may not justify reopening the question of hazards of 2,4,5-T as well as the related pesticides.

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[Environmental News from EPA, June 24, 1974]

EPA WITHDRAWS FORMAL HEARING ON HERBICIDE 2,4,5–T DUE TO LACK OF DATA

The U.S. Environmental Protection Agency today withdrew formal hearings on the cancellation of certain uses of the herbicide 2,4,5–T. The Agency found that adequate data does not yet exist to assess the potential hazards associated with the use of 2,4,5–T on rice, rangeland, and rights of way. The formal hearings were scheduled to begin in August of this year.

EPA Deputy Administrator John Quarles decided to withdraw the hearing following a meeting between all parties to the cancellation proceedings: the Dow Chemical Company (manufacturer of 2,4,5–T), the U.S. Department of Agriculture, and the Environmental Defense Fund.

Quarles found it inappropriate to continue administrative proceedings when evidence which would in large part determine the outcome of those proceedings remains scientifically unavailable.

The Deputy Administrator stressed the need for "continued and intensive efforts to develop the information required to resolve the questions associated with the use of 2,4,5–T and similar compounds. The manufacturer and the environmental group also recognize this need, and indicated interest in continuing to work with EPA in the resolution of health effects issues."

The lack of data on the health effects of 2,4,5–T applies both to the compound itself and to a common contaminant known as tetrachloro-dibenzo-para-dioxin (TCDD). EPA cited difficulties in the use of a new method for detection of TCDD, and uncertainties concerning the persistence of 2,4,5–T as the primary obstacles to a full evaluation of the herbicide.

Last year, hearings on 2, 4, 5–T were postponed until August, 1974, so that samples of human milk and fat, beef, rice, and wildlife could be analyzed for TCDD residues using the new method.

Quarles said, "We had anticipated having the benefit of a breakthrough on the analytical methodology in time to permit us to go forward with the hearing. Until this break-

through occurs, a hearing would not be productive."

The new analytical technique was thought to be sensitive to quantities to TCDD as small as 1 part per trillion (ppt). However, researchers have encountered many difficulties in proper application of the technique and verification of results. Without firm data on the residues of TCDD and 2, 4, 5–T which persist in the environmental, evaluation of the health effects of the herbicides is not possible. 2, 4, 5–T and its contaminant, TCDD, have been shown to produce birth defects in test animals when the compound is fed to pregnant mice. Other studies, however, indicate that residues of 2, 4, 5–T on crops and in water disappear quickly removing the opportunity for human exposure. The extent to which TCDD persists in the environment is unknown because the results of monitoring for TCDD have been inconclusive.

In 1970, the U.S. Department of Agriculture issued final cancellation of all uses of 2, 4, 5–T around the home and garden, in recreational areas, or where water contamination could occur. All such uses are presently illegal, and are in no way affected by today's decision.

Quarles indicated that the continued use of 2, 4, 5–T on rice, rangeland, and rights of way—the only permissible uses—"should not result in detectable residues of the herbicide if it is used according to label instructions. Thus the health implications of these uses are believed to be minimal."

Mr. NELSON. Mr. President, I would like to respond to the distinguished Senator.

He makes two points; one, this action is precipitous; two, it is not based upon the best scientific evidence.

On both counts, with all due respect, I think the Senator is clearly wrong.

There is nothing precipitous about establishing a principle that no toxic agent shall be introduced into the marketplace until the manufacturer of the agent, produces adequately controlled, scientific studies, to prove the safety of the agent.

That is a fundamental principle with which no scientist in this country would argue.

Every single prescription drug and every single over-the-counter drug that goes into the marketplace must pass a safety test of the Food and Drug Administration. Safety has been proved by adequately controlled scientific studies. That exact principle should be applied to any toxic agent because we are medicating everybody and everything with these agents.

Now as for point two, the Senator says there is inadequate scientific evidence. I would challenge him or the Forest Service to name one sentence of positive scientific evidence that supports the conclusion of safety.

Dr. Theodore Sterling, a member of the National Academy of Sciences Advisory Committee on 2,4,5-T to the Administrator of the Environmental Protection Agency, had this to say about 2,4,5-T. In a report on July 16, 1974, just a couple of weeks ago, he stated:

The accumulated evidence makes it increasingly certain that the widespread use of 2,4,5-T may have serious consequences on the health and well-being of the populations of North America, and especially on the well-being of pregnant women and their offspring.

He continues:

2,4,5-T containing minimal amounts of TCDD and in a technically pure state is definitely teratogenic, embryotoxic, fetogenic, and may very well be mutagenic and carcinogenic, and exposure to TCDD induces lethal and sublethal chronic health effects.

This is one of the greatest authorities in America. Can any Senator here name a single scientist who says we have adequate studies to prove it is safe? As a matter of fact, in the reference that the Senator made the Environmental Protection Agency simply say it does not have enough scientific evidence to establish a safe level.

This is the Environmental Protection Agency's position.

However, EPA also details in its brief a long series of comments about the hazards of 2,4,5-T and dioxin. I already read some of these comments; I shall repeat only a couple of them.

The brief of the Environmental Protection Agency says:

Available information . . . depicts a hazard of birth defects from 2,4,5-T and TCDD. . . . As with the various reproductive effects noted, there are indications that TCDD is mutagenic. . . . The carcinogenic potential of 2,4,5-T related TCDD exists.

Dr. Meselson, who has also been studying this subject for some years, likewise concludes that there is a serious potential hazard from a dioxin in 2,4,5-T.

In 1971, the Administrator of the Environmental Protection Agency reported:

A contaminant of 2,4,5-T—tetrachlorodibenzoparadioxin (TCDD, or dioxin)—is one of the most teratogenic chemicals known. The registrants have not established that one part per million of this contaminant—or even one-tenth part per million—in 2,4,5-T does not pose a danger to the public health and safety.

That, in sum, is the position of the EPA to this date.

Mr. STEVENS. Will the Senator yield?

Mr. NELSON. For a question?

Mr. STEVENS. For a question.

Mr. NELSON. I yield for a question.

Mr. STEVENS. The Senator would agree, would he not, that EPA in fact has registered this product as set forth, with label directions, and set the conditions under which it may be used by Federal agencies? Is that not correct?

Mr. NELSON. That is correct. They have said it may be used. But they have also said that it may not be used in yards, in gardens, in recreation areas, where water contamination might occur or on any crop, with the possible exception of rice.

The conclusions that they reach frighten the daylights out of anybody who reads them. They flatly say right now that they cannot name a safe level, and that they must continue their studies.

They do not have the courage to take the stand they should. They admit they do not know what a safe level is, if there is such a thing. Yet, they have not issued a total ban while they try to find a safety level, if there is such a thing. So they have stuck with the limitation they established 4 years ago and they are going to continue their monitoring program to determine whether or not a safe level can be established. For heaven's sake, if we just read what EPA says about dioxin, we would take it off the market and await their final report.

Mr. STEVENS. I say to my friend, if I may have a little dialog with him on the matter since he raised the question with the subcommittee, we did take the matter up with the Forest Service. I say to my friend that he is arguing with the EPA, not with the Forest Service. The Forest Service continues to abide by the EPA directions, by their labeling instructions.

When the Senator has completed, I shall be happy to tell him what they have told us with regard to the functions of the herbicide 2,4,5-T. I do think that some of our colleagues may be of the opinion that we are overruling the EPA in what the subcommittee did.

The EPA has set the standards for the use by the Forest Service. The Forest Service is complying with that use. There continue to be questions raised by those who disagree with EPA, even though they have had their day before the EPA. Even though EPA continues to research the very serious questions they have raised, the EPA continues to permit this use by the Forest Service.

Having chartered the EPA to manage questions such as this for the Federal Government, and having an agency such as the Forest Service trying its best to live within the guidelines that Congress sets down, I think——

Mr. NELSON. May we have order, Mr. President? I cannot hear the distinguished Senator from Alaska.

The PRESIDING OFFICER. Will the Senators take their conversations to the cloakroom?

Mr. BARTLETT. Will the Senator yield for a unanimous-consent request?

Mr. NELSON. Yes.

Mr. BARTLETT. Mr. President, I ask unanimous consent that the following staff members be accorded the privilege of the floor during this debate and vote: Lyman Perring, Richard Robb, Kay LaFortune, David Russell, and Bud Scoggins.

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

Mr. STEVENS. May I inquire whether the Senator seeks the yeas and nays on this amendment?

Mr. NELSON. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. STEVENS. May I continue with my good friend?

Again, I would ask why it is that the Forest Service should be singled out with regard to this use when it has the greatest need for substances of this type to carry out the work it must do in our national forests. It is complying specifically with what the EPA has instructed it to do with regard to the use of this herbicide. Does my friend have any indication that the Forest Service is not using 2,4,5-T as directed by the EPA?

Mr. NELSON. I would assume they would comply with directions. I do not have any evidence that they do not.

Mr. STEVENS. May I ask my friend the question. Is it true that your argu-

ment is with the EPA and not with the Forest Service?

Mr. NELSON. My argument is with both of them. But the Senator is correct; the standards for its use were established by the Environmental Protection Agency. Those standards permitted its use for rangeland improvement and for forestry management. The Forest Service is using it in compliance with those directions. I do not know of anybody in the Forest Service, however, who is really qualified to make a scientific judgment on this question. They may have somebody; I do not know.

Mr. STEVENS. I want my friend to know that I shall respond to him later but I thank him for the opportunity, as a Senator from Alaska, to be a defender of the EPA.

I am sure that he will recognize the irony of that situation in regard to what we have gone through over the last 5 years. In any event, I want the record to be clear that I am defending the EPA because, as I understand it, they are following the procedures that Congress instructed them to follow with regard to the test of the substance, and the Forest Service is following what EPA told them as to the conditions under which the substance could be used. We are in agreement on that.

Mr. NELSON. That is correct.

May I say to the distinguished Senator from Alaska that the fact that he is defending the EPA ought to make both the EPA and the Senator from Alaska nervous.

In any event, let me point out that all one has to do is to read what the Environmental Protection Agency itself, says. Read what Dr. Sterling of the National Academy of Sciences' Advisory Board says to the EPA. Read what Dr. Meselson says. One cannot come to any conclusion except that the use of this agent poses a serious, potential environmental and health threat.

So I say, why continue to use it when we do not have the final scientific evidence about the question of whether or not any amount of dioxin can be safely introduced into the environment? Nobody has answered that question.

The fact is that the Environmental Protection Agency advised me over a year ago that they were going to remove 2,4,5–T from the marketplace for rangeland use. Then on July 19, 1973, they issued a notice of intent to hold hearings. They state that there is not enough scientific evidence to set a safe level of dioxin in 2,4,5–T. They said this to me by letter in early 1973, and they still concede that. So they should comply with their own scientific findings and stop its use.

I should like to conclude, for the moment, by saying that this issue is not new. We argued this issue over 4 years ago on the floor of the Senate. I offered an amendment in 1970, to prohibit the use of the Agent Orange for defoliation in Vietnam. We lost that vote on the floor of the Senate, and I said at that time that those who voted against it would regret their vote.

We know the tragedy that has been caused in Vietnam by that substance, in contamination of the environment and the marine creatures and in the indications that there have been birth defects and serious illness as a consequence of it—not to say anything about the vast destruction from excessive defoliation. The National Academy of Sciences in its herbicide study says that it will take as much as a hundred years before Vietnam recovers from some of that destruction.

This substance has been around for a long time. I have read every piece of literature on this question that I can find. Someone from my office or I have talked to the most distinguished scientists in America on this question. So far as I know, we have looked at everything that every scientist has said about this substance. Every scientist in America who has studied the matter, says there is great potential hazard in the dioxin in 2,4,5–T.

There is no urgency for spraying the Nicolet and Chaquemegon National Forests in Wisconsin. My amendment would only delay by 1 or 2 years the forest management project they have in mind, which is simply to kill the broadleaf trees so that the evergreen can grow up underneath.

Why should we expose that environment and endanger the entire ecosystem by spraying when we do not have all the facts? All the facts we do have, indicate that there is a serious potential health hazard in this agent because of the dioxin present in all 2,4,5–T.

Mr. President, I yield the floor.

Mr. McGEE. Mr. President, I am opposed to this amendment, on the basis that the EPA has stated it does not have enough data to make a valid, responsible judgment on this matter at this time.

Environmental consequences of irresponsible use of pesticides are serious, and I do not dispute the need for caution in this area. However, 2,4,5-T has been, and currently is, the subject of intensive research. That research is not completed yet, and what results have been presented so far do not justify a wholesale ban on this chemical. The EPA has prohibited its use in home and garden products, a judgment with which I do not argue.

But it is a valuable tool in rangeland management, and in the management of our national forests. This chemical is used in my own State of Wyoming, on the Medicine Bow National Forest, and conditions there are such that I would hate to see a hobbling of any management technique available to continue the beauty and utility of those lands.

The EPA itself canceled hearings scheduled to consider a ban on this chemical. Those hearings were canceled for the reason that I oppose this amendment—there is simply not enough evidence on hand today to justify either a complete ban, or complete approval. Until there is, the needs are there and this chemical can meet them. I am always open to new evidence, and indeed, I hope this issue can be settled soon. But the research must be conducted before we reach any decision here, before we take any action that we may very well regret at a later date.

Mr. STEVENS. Mr. President, I ask unanimous consent to have printed in the RECORD, at the conclusion of my remarks, the justification that was given to us by the Forest Service for the use of 2,4,5-T.

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

(See exhibit 1.)

Mr. STEVENS. Let me point out what this means, just to take some of the problems involved, and they are financial as well as practical.

For example, the cost of 2,4,5–T ranges from $20 to $40 per mile in the forest. We are talking about forest use now, use for fire management, roadside brush control, timber stand improvement, and range management. Any alternative method would run from $100 to $1,000 per mile, from 5 times to 50 times the cost involved in terms of management techniques.

Let me point out that with regard to the areas where they use 2,4,5–T herbicide, where it is the choice of the manager to use it, if it is not utilized, there will be a loss of about 9,500 boardfeet per acre in the cutting period.

So that the Senator will realize what this means, that is approximately the amount of timber that is used in a one-family home. It is about 15 tons of paper. I am sure the Senator realizes how short we are of these materials today and how much we are trying to improve the production of the forest.

The Forest Service states that they use 2,4,5–T only as it is labeled and registered by the EPA. The products they use must be registered by the EPA, and they are used in accordance with the label directions. They find that the alternative to using 2,4,5–T could have even more drastic consequences.

There are other alternative methods. I am informed that a single spraying of 2,4,5–T would be an effective control, for example, in brush control; whereas, the alternative herbicides available would require three or more sprays. I am sure the Senator would like to require knowledge of what the alternative herbicides would do, but I am sure he would also realize that it would be used three times as much, so another substance might cause equal or greater environmental harm.

I am sure that the Senator does not want us to stop fire management, roadside brush control, and timber stand improvement. The range management problems are unique. We are not talking about backyard use. We are not talking about use in the areas where there is a high population base. We are talking about the national forests, in very remote areas, such as my own, where the population is practically nil.

The difference is whether we want to have this management within the amount of money we have available or whether we are, in fact, going to cause an increase in the cost of management, from 5 to 50 times the cost of using 2,4,5–T.

I point out to the Senator that we asked the EPA to conduct hearings before they registered substances such as this. They have, in fact, registered 2,4,

5–T for this use, under specific directions, and the Forest Service is following those directions.

Under those circumstances, Mr. President, I am compelled to oppose the Senator's amendment and to urge my colleagues to support the use by the Forest Service of the substance that has done so much to improve the protection for the national forests, under circumstances entirely consisent wih the most stringent environmental protection regulations.

EXHIBIT 1

DEPARTMENT STATEMENT — JUSTIFICATION STATEMENT FOR FOREST SERVICE USE OF 2,4,5–T

The herbicide 2,4,5–T is used on our National Forests for four basic functions: fire management, roadside brush control, timber stand improvement, and range management.

Herbicides are required in forest fire management to maintain firebreaks and reduce fuel volumes in brushfields and other high hazard areas. For certain brush species, specifically scrub oak, control is possible with a single spraying of 2,4,5–T while any alternative herbicide treatment requires three or more resprayings. Not only are these alternative treatments more expensive, but the environmental consequences of repeated sprayings are more drastic.

Similarly, 2,4,5–T is effective against "hard to control" species of brush along roadsides. This herbicide typically controls the brush growth for three years, whereas, other registered pesticides control these plants for one or two years as do mechanical or hand methods. The cost of 2,4,5–T ranges from $20 to $40 per mile, whereas, mechanical methods range from $100 to $1,000 per mile.

In timber stand improvement 2,4,5–T is used because it is very effective against hard to control brush species which compete with the coniferous trees we wish to establish as the stand. The herbicide 2,4,5–T will suppress the competing vegetation for up to three years, thereby, giving the conifers a chance to become the dominant species. Other registered herbicides that give this degree of brush control are not as selective as 2,4,5–T and adversely affect the conifers. Other registered herbicides that control brush without adverse effects upon conifers require retreatments which add unnecessarily to the pesticide load on the environment. The loss of timber production on the areas where 2,4,5–T is the herbicide of choice but is not utilized would be about 9,500 board feet per acre over the rotation period. This is the amount of lumber required for one home, two apartments, or fifteen tons of paper. Non-herbicidal methods of control are much more expensive, contribute to soil erosion, and are usually followed by resprouting of the brush in a year or two.

In range management 2,4,5–T is used to control those species of plants for which there are no chemical alternatives available and where mechanical methods are ineffective or disrupt the fragile grassland environment, leaving the soil to wind and water erosion. Where they are appropriate, substituting mechanical brush control methods or other chemical control methods will usually increase costs of control from 2 to 20 times. On rangeland, with limited profit margins, many thousands of acres that need treatment would go untreated.

As with the operational use of all pesticides, the Forest Service uses 2,4,5–T only as it is labeled and registered by the U.S. Environmental Protection Agency. We feel that these products registered with the EPA, when used according to their label directions, are effective for the uses intended and pose no significant adverse effects upon our environment.

The PRESIDING OFFICER (Mr. WILLIAM L. SCOTT). The Senator from Idaho is recognized.

Mr. McCLURE. Mr. President, unlike the Senator from Wisconsin, I can find no scientist who speaks out for continued use under the present registration. I may have paraphrased that incorrectly.

Again I refer to the recommendation that was made on June 24 of this year to the Environmental Protection Agency by Dr. William Upholt, Senior Science Advisor to the Acting Assistant Administrator for Water and Hazardous Materials, in which he recommended that the hearing in regard to further withdrawal of the use of 2,4,5–T be postponed until such time as scientific evidence could be adduced to support such an action by the EPA.

The Senator from Alaska has pointed out, I think very forcefully, that EPA has already conducted hearings and already had a limited withdrawal, which is also the same as saying licensed, limited use of 2,4,5–T. But let me read the result of the hearings and the action taken by the EPA following that recommendation on June 24 of this year.

I read from what is known as the Environmental News, issued by EPA, reflecting their decision on that date:

Last year, hearings on 2,4,5–T were postponed until August, 1974, so that samples of human milk and fat, beef, rice, and wildlife could be analyzed for TCDD residues using the new method.

Quarles said, "We had anticipated having the benefit of a breakthrough on the analytical methodology in time to permit us to go forward with the hearing. Until this breakthrough occurs, a hearing would not be productive."

The new analytical technique was thought to be sensitive to quantities to TCDD as small as 1 part per trillion (ppt). However, researchers have encountered many difficulties in proper application of the technique and verification of results. Without firm data on the residues of TCDD and 2,4,5–T which persist in the environment, evaluation of the health effects of the herbicide is not possible.

2,4,5–T and its contaminant, TCDD, have been shown to produce birth defects in test animals when the compound is fed to pregnant mice. Other studies, however, indicate that residues of 2,4,5–T on crops and in water disappear quickly, removing the opportunity for human exposure. The extent to which TCDD persists in the environment is unknown because the results of monitoring for TCDD have been inconclusive.

I could read at length from the kind of scientific evidence that is available on both sides, and I certainly agree that there is a controversy. But that controversy is not so one-sided as we have been led to believe by some of the arguments. Certainly there is a substantial and a very credible body of very learned and eminent scientists who claim that the evidence is sufficient to cause the banning of the substance. There is also a substantial body of those who say that the hazard in this instance is not as great as the hazard in some other commonly used and licensed substances.

Let me, for example, remind the Senator that there are birth defects that are caused by such common compounds as aspirin and vitamin A. We still use the aspirin, and we have not yet removed the licensing of vitamin A, when those birth defects caused by those substances are at least as critical as—and some say more damaging than—the birth defects caused by the use here, the possible birth defects caused by the use of this substance. I think it becomes very clear that on balance, the judgment made by the EPA—I use that term advisedly, "the judgment made by the EPA"—is sustained by the evidence and that the action which the Senator from Wisconsin suggests today is not sustained by the evidence.

Thank you, Mr. President.

Mr. KENNEDY. Mr. President, the recent decision of the Environmental Protection Agency to withdraw its legal motions to seek a ban on the substance known as 2,4,5-T raises serious questions for the public health and safety.

This substance is the highly toxic defoliant used in the Vietnam war and is strongly suspected of having caused the dramatic rise in the number of birth defects and fetal deaths among Vietnamese at the height of U.S. 2,4,5-T spraying there during the 1960's. That conclusion was drawn in a report prepared by a distinguished group of American scientists for the American Association for the Advancement of Science, and printed in the RECORD of March 3, 1972.

This past March, a committee of the National Academy of Sciences submitted a report to the Congress confirming the earlier report's findings that the 18.8 million gallons of herbicides dropped on Vietnam from 1962 to 1971 by the United States destroyed much of the country's economically important forests. It also suggested that herbicidal poisons may have found their way into the Vietnamese food chain, and recommended further intensive studies of the reports that the chemical caused disease, death, and birth defects.

The herbicide contains a particularly toxic contaminant, dioxin, which has been shown to kill laboratory animals in concentrations of less than one part per billion. Dioxin is considered one of the most toxic environmental poisons known, far surpassing DDT in hazardousness. In laboratory tests, pregnant mice and rats fed relatively small doses sustained fatal death rates of 50 to nearly 100 percent. Many of the surviving offspring were deformed in ways resembling the deformities seen in Vietnam. Yet, it is still permitted to be used in the United States.

Dr. Matthew Meselson, a Harvard University biochemist who was one of the principal scientists to study the effects of 2,4,5–T in Vietnam has said of the EPA decision:

Dioxin is slightly more toxic than the most toxic nerve gas developed for wartime use.

Mr. President, a group of Senators recently sent a letter to Chairman McCLELLAN requesting the Appropriations Committee to deny the Department of Defense request to produce additional nerve gas weapons in fiscal year 1975. We requested the denial on the grounds that such weapons are inhumane, they would undermine sensitive international negotiations preparing to ban them, and

they present a fatal threat even to friendly populations in their vicinity.

Certainly if one toxic substance is unacceptable in warfare, we should not tolerate the use of an even more toxic substance to be widely used in the United States when it is suspected of entering the environment and the food we eat.

Mr. President, the EPA says that it is dropping its legal motions because the evidence that dioxin is entering our environment and food in sufficient levels to warrant concern is inconclusive. This attitude will allow this fatal toxin to continue to be used until such time as deaths and deformities make the evidence conclusive. It places the burden of proof that the herbicide is harmful on the government, rather than on its producers. It sets a critical precedent, with implications for a whole range of products whose safe use by the consumer has been questioned, that producers hereafter may have no obligation to prove the safety of their products.

Mr. President, I strongly urge the Environmental Protection Agency to reconsider its decision and to press forward with its legal motions requiring the producers of 2,4,5–T to prove that this herbicide does not expose Americans to sufficient levels of dioxin to produce the horrible effects it produces in laboratories.

I hope my colleagues will join with me in urging the EPA to continue seeking a ban on 2,4,5–T until such time as it is proven safe to the public.

In the interim, I urge support of the Nelson amendment to this bill.

I ask unanimous consent for the following news article on this subject be printed in the RECORD.

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

[From the New York Times, June 27, 1974]

EPA ENDS DRIVE TO BAN DEFOLIANT: SAYS IT LACKS EVIDENCE TO PRESS MOVE ON 2,4,5–T—NEWS STUDY PLANNED

(By Royce Rensberger)

After more than three years of research to determine the hazard to Americans of domestic use of a highly toxic defoliant used in the Vietnam war, the Environmental Protection Agency has withdrawn its legal motions seeking a ban on the substance, known as 2,4,5–T.

Although the herbicide, which contains a still more toxic contaminant, dioxin, is widely used in the United States and dioxin has been shown to kill laboratory animals in concentrations of less than one part per billion, the EPA said Monday that it lacked sufficient evidence to press for a ban.

The Environmental Defense Fund, which has been cooperating with the EPA in this case, contended that the withdrawal represented a fundamental policy change that shifts the burden of proof from the manufacturer to the Government.

Heretofore, William Butler, the group's lawyer, argued, it had been up to manufacturers to prove the safety of their products when challenged. Now, he said EPA seemed to be saying it had to prove the product's harmfulness. An EPA spokesman disagreed.

UNRELIABLE TECHNIQUE

The E.P.A. said it had withdrawn its legal challenges when the agency's scientists found they were relying on evidence derived from an analytic technique now known to be unreliable. The method had suggested that dioxin was entering the environment and being picked up in food in levels sufficient to warrant concern.

Anson Keller, the E.P.A.'s assistant general counsel, said his agency was not abandoning the case but was planning a new research effort, relying, on other methods, to determine more reliably whether dioxin is a threat. If this evidence is found, he said the attempt to an 2,4,5-T would be resumed.

Dioxin is considered one of the most toxic environmental poisons known, for surpassing DDT in hazardousness. Although the evidence is inconclusive, some doctors believe that a dramatic rise in the number of birth defects and fetus deaths among Vietnamese is attributable to use of the herbicide as a defoliant there. The rise paralleled the rise of 2,4,5-T spraying there during the nineteen-sixties.

In laboratory tests, pregnant mice and rats fed relatively small doses sustained fetal death rates of 50 to nearly 100 per cent. Many of the surviving offspring were deformed in ways resembling the deformilities seen in Vietnam.

DOW'S POSITION

The Dow Chemical Company, sole manufacturer of the compound from which it and two other concerns produce, 2,4,5-T, has long contended that its product does not pose the hazard that critics cite.

Several persons close to the controversy said that while they recognize the flaws in the analytic method used by E.P.A., they feared that withdrawal of the legal action would lead to a slowdown in further research.

"If there is a let-up in this research, I think that would be dreadful," said Dr. Matthew Meselson, a Harvard University biochemist who was one of the principal scientists to study the effects of 2,4,5-T in Vietnam. "Dioxin is slightly more toxic than the most toxic nerve gas developed for wartime use."

"We think E.P.A. is making a fundamental mistake," Mr. Butler, the Environmental Defense Fund lawyer, said in an interview. He contended that the reliable evidence now available should be sufficient to take the herbicide off the market.

"Now that E.P.A. is assuming the burden of proof that this is harmful," Mr. Butler said, "the precedent is being established that the chemical companies have no obligation to prove the safety of their products."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wisconsin. On this question the yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Idaho (Mr. CHURCH), the Senator from Alaska (Mr. GRAVEL), the Senator from Louisiana (Mr. LONG), and the Senator from New Mexico (Mr. MONTOYA) are necessarily absent.

I further announce that the Senator from Maine (Mr. MUSKIE) is absent on official business.

Mr. GRIFFIN. I announce that the Senator from Maryland (Mr. MATHIAS), the Senator from Oregon (Mr. PACKWOOD), and the Senator from Kansas (Mr. PEARSON) are necessarily absent.

I also announce that the Senator from New Jersey (Mr. CASE) is absent on official business.

I further announce that, if present and voting, the Senator from New Jersey (Mr. CASE), would vote "yea."

The result was announced—yeas 34, nays 56, as follows:

[No. 353 Leg.]

YEAS—34

| | | |
|---|---|---|
| Abourezk | Hartke | Nelson |
| Allen | Haskell | Pell |
| Bentsen | Hathaway | Percy |
| Biden | Hollings | Proxmire |
| Chiles | Hughes | Ribicoff |
| Clark | Javits | Roth |
| Cook | Kennedy | Schweiker |
| Cranston | McGovern | Tunney |
| Dominick | McIntyre | Weicker |
| Ervin | Metcalf | Williams |
| Fulbright | Metzenbaum | |
| Hart | Mondale | |

NAYS—56

| | | |
|---|---|---|
| Aiken | Eastland | Moss |
| Baker | Fannin | Nunn |
| Bartlett | Fong | Pastore |
| Beall | Goldwater | Randolph |
| Bellmon | Griffin | Scott, Hugh |
| Bennett | Gurney | Scott, William L. |
| Bible | Hansen | Sparkman |
| Brock | Hatfield | Stafford |
| Brooke | Helms | Stennis |
| Buckley | Hruska | Stevens |
| Burdick | Huddleston | Stevenson |
| Byrd, Harry F., Jr. | Humphrey | Symington |
| Byrd, Robert C. | Inouye | Taft |
| Cannon | Jackson | Talmadge |
| Cotton | Johnston | Thurmond |
| Curtis | Magnuson | Tower |
| Dole | Mansfield | Young |
| Domenici | McClellan | |
| Eagleton | McClure | |
| | McGee | |

NOT VOTING—10

| | | |
|---|---|---|
| Bayh | Long | Packwood |
| Case | Mathias | Pearson |
| Church | Montoya | |
| Gravel | Muskie | |

So Mr. NELSON'S amendment (No. 1782) was rejected.

Mr. BIBLE. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. STEVENS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CURTIS addressed the Chair.

The PRESIDING OFFICER. The Senator will suspend until there is order in the Senate.

Mr. BIBLE. Mr. President, may we have order?

## CONGRESS SHOULD TAKE A 30-DAY RECESS

Mr. CURTIS. Mr. President, few people would dispute the fact that Washington, D.C. is not typical of the United States. Here in the Capital City we are confronted with propaganda, pressures, and emotion. I believe the best thing that could happen for our country would be for Congress to take a 30-day recess, on the condition that the Members of Congress spend the time with their constituents.

On the 7th of July 1974, I appeared on the ABC program of "Issues and Answers." I spent a sizable portion of my time in defense of the President of the United States. The letters that I received following that broadcast have been tabulated. I received a total of 226 letters, of which 213 were for the President and 13 were against.

On Tuesday, August 6, I appeared on NBC's "Today Show." My entire time spent in defense of the President.

In the first 24 hours following that broadcast we received a number of telephone calls and telegrams. Ninety-four telephone calls were received supporting the President and 27 telephone calls were

received opposing the President. The telegrams received were 77 supporting the President and 17 against

Within the last 2 weeks a former Member of Congress wrote to 400 former Members of Congress. This letter went to Democrats and Republicans alike.

They were asked for their opinion on the question of impeachment of the President. The first 103 replies were as follows:

| | |
|---|---|
| Republicans for impeachment | 4 |
| Republicans against impeachment | 59 |
| Democrats for impeachment | 22 |
| Democrats against impeachment | 18 |

Mr. President, again I feel that the interests of this country would be served by Congress taking a 30-day recess.

## DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATION ACT, 1975

The Senate continued with the consideration of the bill (H.R. 16027) making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1975, and for other purposes.

Mr. JAVITS. Mr. President, I shall only be about 2 minutes. I have a few questions I would like to ask Senator BIBLE.

The PRESIDING OFFICER. The Senate will be in order.

The Senator from New York.

Mr. JAVITS. Mr. President, the appropriation for the Arts and Humanities Endowments was cut $10 million in the House.

Mr. BIBLE. Mr. President, may we have order. I can hardly hear the Senator from New York.

The PRESIDING OFFICER. The Senator's point is well taken. The Senate will be in order.

Mr. JAVITS. Mr. President, the appropriation for the Arts and Humanities Endowments was cut $10 million in the House to $145 million.

The Senate committee has sustained this cut, although the agency sought restoration. I would greatly appreciate it if I could get from the manager of the bill his feeling on the matter. This is a program which has been led in the most gifted way by Nancy Hanks and Dr. Berman, respectively. It has aroused a tremendous response in the country. The cost/benefit ratio is enormous, considering what is spent and what it engenders in the way of expenditure in the arts.

Mr. BIBLE, Mr. President, may we have order. It is still difficult to hear the Senator from New York.

The PRESIDING OFFICER. The Senate will be in order. The Senator will suspend until the Senate is in order.

The Senator may proceed.

Mr. JAVITS. A great part of the program breaks down on a local basis with State aid as an important element, as well as grants-in-aid to groups and individuals in the various States. Indeed, this is the preponderant aspect of the bill, and I would like to ask my colleague, because I know he has over the year tremendously favored this particular activity, as to his feeling of why the committee decided to go along with the House instead of restoring the cut.

Mr. BIBLE. Mr. President, I am delighted to respond to the distinguished senior Senator from New York who long has shared my concern and my interest in this program.

My own dedication to the program has been well-documented over the years, and I think there is probably no foundation that has a more versatile lobbyist than Nancy Hanks, the Director of the Arts Endowment, and certainly the humanities has a good advocate in Dr. Berman. I know them personally, and I have a great admiration for them. About this time of year I see them with increased frequency around the halls of Congress. But I think the cut was made and is well-founded.

There was a cut from the budget, there is no doubt about that.

I wish to read from the report because I think it puts it in proper perspective. In the year 1973 the total appropriations bill for the arts and humanities was increased by $20 million; in 1974 it was increased by $43,761,000; and again this year, as the result of House action—and I think they acted properly and carefully and advisedly—it has increased another $40 million. That means in 1973 they had a $20 million increase; in 1974 they had a $43 million increase; and in this current year, in the fiscal year bill now before us, they had another increase of $40 million, even with the recommended reduction.

That is a total of a little over $100 million in the space of 3 years, and I think it is a program that has come along and grown as the needs and demands and matching of the Nation required.

I might just simply put one other figure in the RECORD. When it first started out, which was not too far back, in 1967, they had $6 million for arts and $2 million for the humanities. Since that time we have brought it up by leaps and bounds. We think it is a responsible budget now, and I think it is adequate to do the job.

Mr. JAVITS. Well, Mr. President, I would have felt that the budget amount should have been allowed. But I know the devotion of this particular subcommittee chairman to this program, and I hope very much that if the agency finds really that it is restricted in its operations by this cut, even taking into consideration the total status financially in the arts of the country, that it will feel it has a sympathetic ear and may return, either this year in connection with a supplemental or in the next fiscal year, with the feeling that the cut does not represent any precedent of disapproval or any feeling that the budget went too far, but simply took account, as Senator BIBLE has said, of the overall necessities of this particular appropriation bill.

Mr. BIBLE. I think that is true. This is $40 million more than they got last year and that is pretty good because we are going to be confronted a little later in the day with a cut of 5 percent, a cut of $170 million from this budget.

So the Senator can see some of the problems we are facing.

Mr. JAVITS. I can.

Mr. BIBLE. Mr. President, I yield to the Senator.

Mr. HUMPHREY. Mr. President, I want to associate myself with the distinguished Senator from New York. I earlier spoke with the distinguished chairman from Nevada about this particular item in the Interior Department Appropriation.

I believe that the attitude of the committee has been made very well here. It is my judgment that this program of the arts and humanities is one of our better programs, it has had excellent leadership.

In the State of Minnesota, we have had a statewide program which I believe has commanded the respect and attention of an overwhelming number of our people.

I had hoped we might be able to restore in this budget, at least, the administration's request less about 3 percent, which we have been doing on other bills, but the chairman has indicated that this appropriation this year is approximately $40 million more than last year.

Mr. BIBLE. That is correct, $40,725,000.

Mr. HUMPHREY. That is a sizable increase and I am hopeful that the comment of the Senator from New York, namely, that if this program seems to be in any way jeopardized, that under the terms of the authorization we will be able to consider in a supplemental whatever additional funds might be needed.

I have no way of knowing whether those funds will be needed, but if so I am confident that the Committee on Appropriations will look upon it sympathetically.

Mr. President, the authorization for the National Foundation of the Arts and Humanities is $200 million, and I believe that modest figure would be far more appropriate for the support of the arts and humanities in a country of our size and resources. Most of us are certainly aware of the importance of bringing our artistic institutions to the people. Adequate funding for this program helps to insure the cultural well-being of our Nation and this is especially important as our bicentennial celebration draws near.

We cannot allow the development of our artistic institutions and humanities to be crippled by a temporary shortage of funds, since it will certainly be difficult to reassemble the talent that is dispersed as a result of no funds. I do not think our country can afford to cut the support for the arts and humanities, especially when the United States is so far behind most of the major nations when it comes to funding the arts and humanities in the first place.

Mr. President, I strongly urge my colleagues to support continued full funding of the National Foundation on the Arts and the Humanities.

Mr. President, the National Endowment for the Arts and the National Endowment for the Humanities, served by a joint administrative staff, have compiled an impressive record of accomplishment in carrying out this policy with very limited funds. Chaired respectively by Miss Nancy Hanks and Dr. Ronald S. Berman, and provided with excellent guidance by their 26-member private citizens councils, the Endowment have made great progress in making the benefits of the arts and humanities available

to all our citizens, in maintaining the criteria of quality and excellence, and in providing essential assistance for independent research and creativity. It is clear that Federal funds have been a major stimulus for State matching funds and for private support for these programs.

The Minnesota State Arts Council has effectively utilized grants received under the Endowment's Federal-State partnership program over the past two fiscal years to provide support for a tour by the Minnesota Orchestra in States of the upper midwest, for the dance coordinated residency touring program, and for various community arts programs. Promising writers have received fellowships; more audiences have been enabled to enjoy the annual Bach Festival; support has been given for an exhibition entitled "American Indian Art;" the Minneapolis Society of Fine Arts has been helped to take art collections to the people; the St. Paul Civic Philharmonic Society has launched a college residency program and carried through its concert opera project; notable opera productions in Minneapolis and St. Paul have been made possible; and the Children's Theater Co., in Minneapolis has received support for performances throughout the metropolitan area.

These are only some of the highlights of exceptional accomplishments in Minnesota as a result of Endowment grants. In addition, the Guthrie Theater Co., whose productions have achieved nationwide recognition, has received major support under this program. The company's travelling production of John Steinbeck's "Of Mice and Men" made a 10-week tour of the upper midwest that took it to 15 cities in six States. Its performances reached 66,000 people. And these performances were supplemented by educational programs, seminars between company members and students at local schools, and creative drama sessions.

The Minnesota Humanities Commission, chaired by Mr. Russell W. Fridley, director of the Minnesota Historical Society, has made grants, on a matching basis, to colleges, libraries, educational television stations, museums, historical societies, and community organizations to share with the public at large the insights of humanists. These can include relating the humanities to public issues, encouraging open discussion about basic questions of social values, government and law, et cetera, where the philosopher, the historian—the humanist exercising his discipline—can make a vital contribution toward promoting voluntary joint decisions and collective action on current problems. It is my conviction that such programs must continue to be carried out in an atmosphere of independence and innovation if they are to be a catalyst for effective cooperation.

The National Endowment for the Humanities has taken imaginative steps to broaden public exposure to the vital importance of these disciplines. Beginning April 12, the Humanities Film Forum, made possible by a grant from the Endowment, will present 10 outstanding films to television viewers across the United States—some of which are cinematic translations of great literary works, and others providing new insights into major historical events and developments. This fall, newspaper readers in over 125 communities will be able to take a college-level course over a 20-week period in American studies, under an extension program, called "Courses by Newspaper," launched by the University of California, San Diego.

Mr. President, I have a special interest in this matter because I introduced here in the Senate years ago the first bill for the National Council of Arts, later on that was the National Council of Arts and Humanities. That bill was passed. I have taken some personal pride in the fact that it has come to fruition in a splendid nationwide program.

I do feel that the National Foundation on the Arts and Humanities has a great role to play in the Bicentennial and I am hopeful that nothing we do here will in any way limit this program to fulfill its true objectives in these coming years.

I want to thank the chairman and particularly the Senator from New York for their support.

It is terribly important that we have that support.

Mr. JAVITS. Mr. President, I have one or two very quick questions.

I sent some extensive information to the Senator from Nevada (Mr. BIBLE) for the committee on the item of the State University of New York, the so-called Syracuse Project which deals with a proposed research project on urban environmental forestry involving a consortium of Princeton, Yale, Cornell, Rutgers, Pennsylvania State, University of New Hampshire, University of Connecticut, University of Massachusetts, and State University of New York, Syracuse. This is an important project to study many of the problems involved in urban forestry. The House did put $450,000 in its bill for this program.

May I have the privilege, as it was not allowed in the Senate, of submitting to the Senator additional information in the hope that our Senate conferees may take a somewhat different view on that item when it comes up in conference than apparently they took in passing the bill out of the committee.

I ask unanimous consent that my latest letter to the subcommittee on this matter be placed in the RECORD at this point.

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

JULY 9, 1974.

Hon. ALAN BIBLE,
*Chairman, Subcommitte on Interior, Senate Committee on Appropriations, Senate Office Building, Washington, D.C.*

DEAR ALAN: I write to urge your support of a $425,000 research project which, I understand, has been included by the House Appropriations Committee in funding for the U.S. Forest Service.

This item is the proposed research project on urban environmental forestry to be located on the campus of the State University of New York, College of Environmental Science and Forestry, Syracuse, New York. It is an adjunct project to the U.S. Forest Service's Pinchot Institute of Environmental Research. Approximately one-half of the funds would be used for grant studies in cooperation with a consortium of other universities which include; the University of Massachusetts, the University of Connecticut, the University of New Hampshire, Pennsylvania State University, Cornell University, Princeton University, Yale and Rutgers University. This consortium was established under the a research organization dealing with urban Pinchot Institute in 1971, and has developed environmental forestry through the efforts of approximately sixty scientists and other professionals. Basically, this grant will provide for a study to avoid catastrophes such as we have witnessed in the Arlandria area (Four-Mile Run), in nearby Virginia.

You will recall the devastating floods which have wiped out property and taken their toll on human lives each time that area has been hit by heavy rains. The houses comprising Arlandria were built without the benefit of planning. Trees were clearcut for that development, leaving the area without protection against erosion and floods.

The lessons learned from the Arlandria experience and the development patterns which are going forward in many areas in the Northeast make this grant essential. The research to be done by this consortium will attempt to find ways to allow urban needs to be met without making the East Coast corridor a strip of concrete. But as urban areas—cities, shopping centers, suburban developments—push farther and farther into the forest areas of the Northeast, we must make certain that planning is utilized so that urban needs can co-exist with nature's buffers against catastrophes.

These studies will provide guidelines and suggestions or making the best use of soils, water and vegetation in the wise development of our urban needs. Instead of arbitrarily replacing our land with concrete, creating potential "Arlandrias" throughout the Northeast, the results of these research projects will be available to all communities and other governmental units to help them plan prudently.

With best wishes,
Sincerely,

JACOB K. JAVITS.

Mr. BIBLE. The Senator from New York was kind enough to mention this item to me before bringing it before the full Senate. This is an item which was touched on by him in a letter. I do not know about the extensive backup that there was to that letter. It is not reflected in my markup notes.

But I am perfectly willing to receive additional information that we can carry to the conference when we confer with our counterparts on the House side.

As the Senator from New York correctly states, the House did add $450,000, I think his request was $425,000.

But, nevertheless, the item will be before us in conference and if the Senator from New York, with his usual thorough style, can give us additional information, we will be happy to do it at the conference.

Mr. JAVITS. I thank my colleague and I will do that promptly.

Finally, Mr. President, I wish to thank the committee for their consideration of the appropriation for the Gateway National Recreation Area on the magnitude of about $6 million to enable us to get started on this huge resource in the New York area which will serve millions and millions of people using that seacoast and in a very advantageous way.

Finally, Mr. President, I wish to thank the committee for their consideration in

providing the funds for the restoration of that great historic monument, Fort Stanwix in Rome, N.Y. This is a project which the people of Rome have been looking forward to for some time and many of us, including the mayor, William Valentine, have been seeking this funding. Fort Stanwix, which dates back to the French and Indian War is to be restored for the Bicentennial celebration and the project will bring needed jobs and a boost to Rome's economy which needs it badly.

I ask unanimous consent that an article in the Washington Post describing this project be placed in the RECORD.

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

ALL ROADS IN ROME LEAD TO HISTORICAL RECONSTRUCTION

(By Elizabeth C. Mooney)

Git up there mule, here comes a lock, We'll make Romme 'bout 6 o'clock.—Old Canaller Song

It was an inauspicious day for the launching. A fine misting rain was falling and the banks of the old Erie Canal were muddy and rutted. Nevertheless, 300 citizens of Rome, N.Y., plus assorted dogs and children, huddled under umbrellas and watched as a lightweight tractor, with the help of several sweating and straining men, shoved the 25-ton canal packet boat Independence down the runway for her maiden trip 40 yards across the canal.

She hit the muddy water stern first and had to be nudged off the launching planks. The newly restored Erie rose in a welcoming splash and a dampish cheer from the crowd saluted her. Her creator, Bill Ott, breathed easier as he watched her settling easily in the water and slapped his son, Gary, exuberantly on the back.

That was the scene last month as the lusty old Erie Canal went back in business, even if only in fun.

When the nation celebrates its 200th birthday in 1976, the citizens of Rome, mean to be a part of the festivities. Revolutionary history is fashionable these days and Rome is long on history. After years of enduring japes about all roads leading to Rome, they mean now to make it come true. The Independence, which this summer will make trips up the Erie a mile-and-a-half to Ft. Bull, a French and Indian fort, is only the opening gun. The Romans are constructing a combination of attractions which add up to a sort of historic Disneyland.

Rome, eight miles from New York State Thruway exits 32 or 33, is a small industrial city in the Mohawk Valley. Lately, the government of the United States sent a task force from the Interior Department to reconstruct Ft. Stanwix, a key fort in the French and Indian War, first built in 1758. Nineteen years later, it survived a siege by Col. St. Leger on his way through the Mohawk Valley to join in an attack on Albany that was to divide the colonies by cutting New York in half.

General Herkimer, bringing a relief force to help the fort, was ambushed at Oriskany, five miles down the road from Ft. Stanwix, and the resulting battle is considered the bloodiest of the Revolution. The fort survived when Gen. Benedict Arnold arrived to relieve it and the British retreated, leaving large quantities of supplies. Two months later Burgoyne surrendered and the tide of battle turned. It is said that the American flag was first flown in battle at Ft. Stanwix.

The original outlines of the fort are now visible in the archeological digs, and on exhibit in the headquarters across the way are various relics which have lately been unearthed. You can see cannon and musket balls, old uniform buttons, a rare tomahawk pipe and some of the eight-inch wrought iron nails from the wooden gate of the fort. Partially reconstructed Oriental and English pottery are also on display and the bones of a good many passenger pigeons which the besieged patriots ate during the attack.

The National Park Service Ranger will take you on a free tour and show you the charred rear walls of the fort. This summer, students dressed in 18th-century costumes are working on the digs, and they'll be glad to point out the moat and the officers' barracks buildings.

The people of Rome, who don't consider you a native unless your grandfather was born there, think their long-range history may just put their city on the map. Mayor William Valentine and his Historic Rome Development Authority have renamed Rome the "City of American History," and the mayor is getting ready for what he thinks will be a large tourist business.

"We expect eventually a minimum 600,000 visitors a year," says Mayor Valentine. "The Economic Research Company of California, the same company who did the research for Disneyland, said to prepare for that many. We're making plans and we think we can handle them."

The Independence and Ft. Stanwix are a reality, but Mayor Valentine and the Romans have further ideas. They have discovered an old narrow-gauge steam locomotive and are planning to install a track for it along the banks of their reconstructed mile and a half of the Erie. Visitors can go by the Independence to Ft. Bull and return on the train. If enough funds are found before the Bicentennial, they will also be able to wander about in a canal village, vintage 1840, of the type that the canallers knew when they made the nine-day trip from Albany to Buffalo by the horse drawn packets.

Central New York State has plenty of 1840 houses of the right type and plans are to move them intact to the canal.

Rome is the right place for this reconstruction, as a peek into the Rome Historical Society on Spring Street will make clear. The first shovelful of dirt for the canal was dug by Governor DeWitt Clinton at Rome on the Fourth of July, 1817, when it was considered the engineering marvel of the day. It was a cheap, fast route through the Appalachians and it opened up the West. The barges were pulled by mules and the packets, like Rome's Independence, by horses plodding along the canal's dirt path.

Bill Ott, who together with his son built the Independence, says it wasn't easy. He is a carpenter and canal boats are a little out of his line; especially since he never saw one. But a team of engineers provided him with the plans and he started out from scratch felling enormous oaks with wood so hard that he had to soak planks in boiling water to bend them for the prow. The tiller is hand-hewn and the nails are the type usually used for light metalwork. It took Ott all winter; and central New York winters have to be seen to be believed. The snows come in October and are still around in late March. Ott worked under a plastic tent.

Rome expects to absorb the tourist influx well and has made special plans for the traffic it will bring. The little city has, as you might expect, some good Italian restaurants, but its real forte is the beautiful surrounding countryside in the valley of the Mohawk.

A summer picnic at the Oriskany battleground might combine history and a treat for the eye. Take a look at the state of New York's dioramas of the ambush and then find a spot on the hillside overlooking the point where Gen. Herkimer's horse was shot from under him. It's known as the Bloody Ravine, but you wouldn't know it now. Amtrak winds through the valley like a toy train and you'll take heart when you see that all the beautiful countryside isn't ruined yet.

Mr. BIBLE. The Senator is correct. As the Senator well knows, I was prepared to handle what I call the Gateway East; it was one of our first experiments in bringing an urban park to an urban area. I think the need was great.

We were happy to endorse the $6.9 million in this year's budget.

Mr. JAVITS. I thank my colleague for his cooperation and indulgence, and I thank the Senator from South Carolina (Mr. HOLLINGS).

Mr. HUMPHREY. Will the Senator yield to me for one observation?

Mr. BIBLE. I am very happy to yield to the Senator.

Mr. HUMPHREY. I appreciate this courtesy as I have to go to a committee for a markup, as the Senator knows. That is why I asked for a chance to interrupt my colleagues who have been here so long.

On the matter of the Park Service and the areas that relate to Park Service reservations, I spoke to the chairman of the subcommittee and I had an amendment that I was going to offer that would have required the National Park Service to report within 60 days after the enactment of this act on an evaluation and recommendations for improvement of the National Park Reservation Service.

It has now been explained to me that the distinguished Senator from Ohio (Mr. METZENBAUM) will hold hearings on this whole subject matter and, indeed, I understand that the Senator from Nevada will be looking into the matter so that it would not be necessary to have an amendment, but rather to conduct an investigative study of what the Park Service is doing in the matter of contracting out reservation services.

Mr. BIBLE. The Senator from Minnesota states the problem correctly, and he did bring this up to me before his speaking now.

It is true that this problem was called to my attention by the Senator from Ohio (Mr. METZENBAUM), and they apparently have had some real problems with this Ticketron adaptation of making campground reservations for the Park Service.

It is a very alarming story as told to me, but I have consulted with my chairman of the full Interior Committee, the Senator from Washington (Mr. JACKSON), and I assured Senator METZENBAUM that we will have hearings just as soon as we can give proper notices. He has agreed to chair them for me.

I think it is a problem that should be looked into, must be looked into because, certainly, the reservation system, as the Park Service is trying to handle it now, leaves a great amount to be desired.

We will look into it very quickly and I hope we can come up with a realistic answer to the problem.

Mr. HUMPHREY. I thank the chairman and I surely want to do everything I can to cooperate with the Senator from Ohio (Mr. METZENBAUM).

Mr. PELL. Mr. President, a little over a year ago, at the beginning of May, 1973, we spent 2 days in this Chamber debating an appropriate level of funding

for the National Foundation on the Arts and the Humanities.

As chairman of the Special Subcommittee on Arts and Humanities—and as its chairman since its inception more than 10 years ago, I would like to add—I had the opportunity of proposing and defending a level of authorized funding for the Foundation and its two Endowments, the National Endowment for the Arts and the National Endowment for the Humanities. This level, which was approved by the Senate on May 2, 1973, was well above that recommended today to us by the Senate Committee on Appropriations.

To put today's debate into perspective, let me remind my colleagues of the amounts we considered carefully and approved in the spring of 1973. These were sums for a new 3-year authorization for the Foundation and its two Endowments.

For fiscal 1975—the year we are considering today—we approved a total authorization of $280 million, or $140 million for the National Endowment for the Arts and $140 million for the National Endowment for the Humanities.

The total of $280 million resulted from comprehensive hearings held before the subcommittee. It was unanimously approved by the subcommittee and approved by the full committee, the Committee on Labor and Public Welfare, without a dissenting voice.

And that level of funding—after full-scale debate lasting 2 days—was approved by the Senate by a vote of better than 2 to 1.

Mr. President, I review this legislative history in order to demonstrate that the total funding for the two Endowments for fiscal 1975, as recommended to us by the Appropriations Committee, is a most reasonable and indeed modest sum within this important frame of reference.

It is also reasonable and modest within the framework of the authorized amounts approved last year in Senate-House conference. That sum, that total for both Endowments, was $200 million.

I believe that the Committee on Appropriations and the Subcommittee on the Interior, under the distinguished leadership of Senator BIBLE, has acted with all appropriate prudence and with a full responsibility toward maintaining needed economies. Naturally, I would have preferred a higher level of funding, in keeping with the action we took in the Senate in May 1973, and in keeping with the congressionally approved authorization. I was indeed pleased as floor manager of the authorizing legislation when these higher levels of funding were approved by the Senate by such a substantial majority.

These programs—those of both Endowments under the excellent and imaginative leadership of Nancy Hanks for the arts and Ronald Berman for the humanities—are just beginning to have the impact on our national life which we in the Congress envisioned 9 years ago, when the two Endowments were created.

As the original Senate sponsor of this legislation, I am delighted by the progress which has been made. It has been fostered by bipartisan support led by the exceedingly able Senator from New York (Mr. JAVITS) who has, for all these years, been ranking minority member of the Subcommittee on Arts and Humanities, and of the full Committee on Labor and Public Welfare. I also commend especially the pioneering work of Senator HUMPHREY.

Recently a report published by the Associated Councils of the Arts which received nationwide press coverage emphasized that 89 percent of the Nation's adult population feel that the arts are important to the quality of life in their communities.

It pointed out that 64 percent of the adult public—93.1 million Americans—would be willing to pay an additional $5 a year in taxes if the money were directed toward support of the arts and cultural facilities. It pointed out that almost three-fourths of our population enjoy cultural activities on a regular basis.

Ever greater demands are being placed on our cultural institutions. Inflation affects them as it does other sectors in our country.

Mr. President, the arts and humanities are not luxuries to be appreciated by a limited few. They are central to our national well-being. We should consider this funding level as recommended to us by the committee as a modest but essential investment in the cultural development of this Nation.

We are still far behind other leading nations in this regard. Only a short time ago I pointed out to my colleagues that Great Britain is spending at a governmental level $100 million annually for the arts alone; and their population is one-quarter our own, and their gross national product is one-twelfth ours in size.

Let us strongly endorse the committee recommendation. Let us not reduce the figures proposed to us.

Ultimately our civilization will be judged by our cultural achievements. For the first time in our history we have a Federal program to encourage and advance this cause. Let us allow it to develop to meet the critical needs confronting our cultural institutions all across the United States.

Mr. HOLLINGS. Mr. President, at this point, I think the arts and humanities program is a good way to begin discussion of a cut in this particular budget.

I think the distinguished chairman of the subcommittee just made my argument, but did not quite follow through as I hoped he would. When asked about the arts and humanities, the distinguished chairman said that only a few years ago they had $6 million, now look at what has been done, we have in 1973 given an additional $20 million, last year we gave an additional $43 million.

So it is said to the Senator from New York, why are we not satisfield with another $40 million?

My question would be, why can we not hold up even on that $40 million or, if we cannot hold up on that, what can we hold up on? We have got a problem. How can we implement what we resolved to do by a vote as of May 9 and again on June 13, in all solemnity, to bring this budget from $305 billion back down to $295 billion?

Some would say, "Take it all out of defense." Others, "Oh, no, the tremendous waste is with HEW."

Then, the other day, when we get into the Transportation appropriation, they say, "No, the Coast Guard is safety; the FAA is safety. A cut would be jeopardizing lives."

When we get to the health measures, they are going to talk of cancer, and in the past I have been one of the favorite sponsors to make that talk.

When we finally get down to the Public Works appropriation, which the distinguished Senator from Mississippi chaired, which could be withheld for a year, we were voted down in the Senate.

We come to Interior appropriations and start talking about the arts, humanities, and public parks. Could they not be withheld in the light of this raging inflation?

Since President Nixon has taken office, a dollar that anyone had in his pocket on January 20, 1969, is worth 75 cents. I do not know any clearer or more dynamic way to try to put it.

What we are doing is saying what we are all for—for art, humanities, health, and transportation. Everybody is for everything, but what about the poor taxpayer?

We thought that the Budget Committee would do this. With my distinguished colleague from Florida (Mr. CHILES), I went to the Budget Committee caucus and tried to suggest some way, in an orderly fashion, to cut back on each item in the budget by some 3 to 5 percent, to let the committees do it if they would, so that we would end up by the end of our work in this crucial year—with impeachment and everything else confronting us—with the figure that the Senate has said should be the limit, $295 billion.

I have not talked with Arthur Burns of the Federal Reserve on this point, but I am confident that if we could show this kind of direction and this kind of sobriety in our treatment of appropriations measures, this kind of responsibility, that then we would be able to try to release some money for housing, cut the interest rates, and get this country moving again. It has to work together. But when the Budget Committee was asked, the distinguished chairman said, "No." He said that is not for the Budget Committee this year; that is for the Appropriations Committee.

Let me say a word about the Committee on Appropriations, because I pride no greater than any service my service on that committee. Let us not confuse courtesy with committee work. No one ever intends to be discourteous.

There was some comment to the effect that some of the subcommittee chairmen or some of the colleagues within the committee had not considered the chairman or communicated their intentions. I have done my level best to communicate.

In that particular committee when we were marking up Transportation, the question was asked of the distinguished chairman of the subcommittee (Mr. ROBERT C. BYRD) how we were doing, and he started listing the progress being made on the floor.

I said, "Parliamentarily, yes; fiscally, no." I said, "Mr. Chairman, we have to cut it here because if we do not cut it,

where else will it be cut?" When this particular measure arose, they came and said, "Wait a minute," we have listened to all the witnesses. I can understand the year before last I heard all of the witnesses before the Appropriations Subcommittee on State, Justice, and Commerce. It is hard work, and you hate to have your hard work upset on the floor after it has come through the subcommittee and committee.

We tried in the full committee on this particular measure, Mr. President. I raised the question of a 5-percent cut and I was resoundingly voted down as though I were proposing something impolite or distasteful or was an intruder, that I should not have even raised that question. So what happens? We come to my distinguished friend, the Senator from Nevada. What do we do in light of our vote to cut the budget, all the talk we have about inflation, and about the security and stability of the country?

The distinguished Senator from Missouri time and again has told us our national security, like a three-legged stool, stands not only on the military hardware and troops, but the second leg is the confidence of the people in their government—which is now in question—and the third leg is that of economic stability.

When we all come and join hands and say, "Yes, we are going to recognize this, and how we have been robbing that housewife of 25 cents of that dollar in the last 5 years," this committee comes forth with an increase over last year of $665.8 million. Does that look like any awareness of inflation in the Senate? Everybody praises each other. All the Senators have gone off in their little committees, marking up more, and growling as they come back on the floor, "Do you still have that amendment up?"

One of them suggested that I said I had votes. Let me put it this way: If I thought I had the votes, we would have had a good 10 percent or more cut. I was trying to pare it down to something realistic, something that might pass. None of us want to get into the Indian welfare payments, but certain it is that when you come to new parks, when you come to the order of priorities in this country, we have raised parks $223,8 million for land and water conservation funds, moneys back to the States so that they can acquire and we, in turn, can acquire and develop parks, with planning and construction money at another $43.3 million, for a total of $267 million. For what?

Who is going home to the supermarket and tell the housewife at the counter, "Guess what I did, I got you a park"? We can use the main street of every town in America as a public park. There will not be any business there if we keep on spending. They will be quiet, peaceful, and restful places to grow trees, not to have any economic prosperity, not to stabilize the security of this country.

Why do we now come with a quarter million dollars more for parks?

We could go to page 25 of the report, the Klamath Indian lands. Is that not a great one? I am sure they can make a very persuasive presentation. They just said for starters $49 million.

I wonder if my distinguished colleague, the chairman of the subcommittee, would yield on this point and answer a question.

If that start is $49 million, what is the total cost for the Klamath Indian lands?

Mr. BIBLE. I am happy to respond to my friend from South Carolina any time. It is always a pleasure to see him standing there in his magnificence. I am happy to rise and attempt to answer the question.

If the Senator will look at page 25, it is an item of $49 million, and it is an item that would permit the Forest Service to initiate acquisition of the Klamath Indian forest lands in Oregon as authorized by Public Law 93–102.

The authorizing language was passed only after full hearings. The purpose was to protect the forest lands, the forest trees, before they went to the subdivisions.

Mr. HOLLINGS. That is the initial cost. What is the total cost?

Mr. BIBLE. The total cost? It is a one-shot deal, as I recall.

Mr. HOLLINGS. I notice it says to initiate the acquisition. Even if it is the total cost, could that not be withheld just 1 more year to see if we can try to balance this budget like we all want to do and like we all voted for?

Mr. BIBLE. If that is one of the places where the Senator from South Carolina chooses to take some of the dollars he is talking about in his amendment, we certainly could consider it. But my impression was they have to have these many dollars because they have to file a suit. They have to put up the full appraised value when they file the condemnation suit. That is the reason for it.

Mr. HOLLINGS. I understand the reason. I am just trying to see if, in the ordering of priorities and trying to cut back, we could withhold. We know it is done after due consideration.

If this amendment is adopted, I will be amazed, because I know many Senators who would go along, perhaps, to cut the Transportation bill, who would go along on HUD and Space Sciences, because they did not have anything in it, and who would quietly say now, "No. I got my park in this one."

Why in the world would we go over a quarter of a billion dollars and all of a sudden jump from an appropriation of about $73 million last year and put in another $227 million this year—up to $300 million? It is $267 million, but the House allowance is $300 million, and the committee recommendation on page 8 is $300 million.

Mr. BIBLE. Would the Senator like me to respond.

Mr. HOLLINGS. Yes.

Mr. BIBLE. That is the Land and Water Conservation Fund. I am sure the Senator voted for those earlier amendments and the funding authorization of $300 million. These are the dollars that are taken out of the oil and gas revenues at the rate of $300 million a year. This goes for a variety of purposes, as the Senator knows. It was funded at $300 million a year in fiscal 1973.

Last year, the 1974 fiscal year, the budget that came to us cut it back to the neighborhood of $75 million, down by $225 million. They just did not fund it at the same level they had in earlier years. This makes it appear this year as a large increase when actually we are only returning to the previous level.

What do these dollars do? They go to acquire lands in the Park Service, the Forest Service, and others. They go to send dollars to the Senator's State and to my State and to every other State to acquire and develop park lands.

Of course, the problem is that we are constantly caught in this escalation of land values. I suppose the rate in this area is between 12 and 15 percent.

If the Senator is sincere, as I know he is, the thing that should be done is to deauthorize many of these projects. If they were deauthorized, we would not be faced with the burden of attempting to fund them for acquisition and development and operation. That is the problem we have, and the Senator from South Carolina knows that as well as I do. I have been to Fort Sumter and some of the other great areas. Once you start these projects, you have to do one of two things. You have to go ahead and try to complete them. If you postpone them, the cost will be such that, on an average, it will be 12 or 15 percent more each year.

Mr. HOLLINGS. As with the chicken and the egg, which comes first? How are you going to tackle it unless you stop spending?

Is it the Senator's theory that in order to catch up with inflation, we should spend more, because the following year it will cost even more? Is that the Senator's approach to the budget?

Mr. BIBLE. No, but I do feel that if we cut out all the spending that the Senator from South Carolina advocates, we might have some increasingly difficult problems, not only with the increase in costs but also an increase in unemployment. These are jobs, all the way through. It means people are employed. If they are unemployed, I am sure somebody is going to have to pay for that, and that will increase the costs as well.

Mr. HOLLINGS. The Senator from Nevada referred to the Senator from South Carolina. I should remind my colleagues that the Senator from Nevada voted in June to come back to the $295 billion. We are both against inflation.

What about unemployment? That is a tough one. It cannot be taken lightly. It is said that a two-tenths of 1 percent increase in unemployment is brought about by a $10 billion cut in the budget. So if we are talking about jobs, we have to be realistic and face up to it. They are not easy choices. There are some hard sacrifices to be made. Before we can get this monster, inflation, in hand, we will have to suffer temporarily a little more unemployment. We cannot kid ourselves. We cannot continue to buy faster and with larger amounts and acquire park land for another quarter of a billion dollars because the land is going to cost more. The problem is not to get more land. The problem is for the homeowner to get a home to live in, for the person who is paying rent to be able to get money for the payments.

Let me bring out some evidence in the record, because we have tried to identify the cause of inflation. There are many causes, with respect to the crop failures, the Soviet wheat purchases, and the quadrupling of the oil prices since October of last year.

The main culprit is the addition to the supply of money. During the 5-year period when the Senator from Nevada and I both were in the Senate, under President Johnson, we had both guns and butter. We increased the supply of money some 47 percent, from $259 billion to $382 billion.

Under President Nixon, in 5 years, from 1969 through 1973, the money supply increased from $382 billion to $571 billion. So in that 10-year period of 1964 to 1974, or the end of 1973, we literally doubled the supply of money. Even more, we increased it a whopping 120 percent, while the increase in the production of goods was only about 50 percent. So there is more money chasing goods, as the economist says, which is the cause of inflation, and the Federal Government is the main culprit.

We cannot get any relief from our colleagues in the international community, because the 10 major industrial nations in that 10-year period also doubled their money supply, from $332 billion to $690 billion. So it is worldwide inflation. It is no salve whatever to say, "Look at what is happening in Italy or England. Why should you complain and nobody else?"

No one is complaining. If you cannot get the leadership which calls for wage and price control, if you cannot get the leadership to cut the budget, if you cannot get the Appropriations Committee to cut the budget, every one of them barreling out here with an additional half-billion dollars, then who is there in this Government—or, specifically, in the Senate—to stand and say, "No"?

I yield to the Senator from Georgia.

Mr. NUNN. Mr. President, I should like to ask the Senator from South Carolina one or two questions; but, first, I commend him for taking the lead on this important measure.

I also want to express my sincere appreciation to the Senator from Nevada for his excellent leadership in this area. I assure him—speaking for myself and I think for others who would like to cut this budget—that we are doing this on every budget that comes up. There is nothing personal about this. There is nothing in our action against the subcommittee or the Appropriations Committee or the Department of Interior and Insular Affairs or the worthwhile portions of this bill. We feel that we have to take a look at the overall picture of the economy. If we do not do this but instead become immersed in the small picture, we are going to wreck the economy of this country and the well-being of the American people.

I should like to ask this question of the Senator from South Carolina, so that the record will be clear:

Approximately two-thirds of the amount in this budget is to go to the Interior Department, and this appropriation of $2.5 billion is up $504 million over the amount appropriated last year, which is about 30 percent. Is this correct?

Mr. HOLLINGS. That is correct. The Interior Department already has been given plenty for research and development in energy.

Mr. NUNN. The energy research and development bill has already passed, has it not?

Mr. HOLLINGS. That is correct.

Mr. NUNN. So we are not doing anything in this measure to delete the research and development for energy.

Mr. HOLLINGS. No. We are not trying to cut off anything whatever.

In fact, I will give the distinguished Senator a little time to look through this budget while I am answering the question of the Senator from Georgia, to tell me where in these increases we make money. I feel that I can make the categorical statement—subject to correction by the Senator—that we are not spending money to make money in these increases. We are making money on the land that the Federal Government has always owned. Perhaps the Senator can single one out and say that this is a particular increase in the appropriation that helps us make $8.7 billion.

Mr. NUNN. There is also the question of lead time to consider. With the 12-percent inflation rate, even if these lands produce something 10 years or 5 years from now, we still are going to pay a high price for it over the next 2 or 3 years.

I ask the Senator from South Carolina another question: As I understand it, the total asked for in this bill is approximately $3.38 billion, and this is $18.8 million more than the President of the United States asked for. Is that correct?

Mr. HOLLINGS. That is correct. And mind you, what the President asked for is an inflationary request.

Mr. NUNN. The President asked for a $11 billion deficit, and we have passed a resolution, which I voted for and I am sure many other Senators now on the floor did, to cut that down to $295 billion. Yet this particular bill does not cut the President's budget the necessary 5 or 6 percent to get to that $295 billion. Instead, it increases it by $18.8 million.

Is that right?

Mr. HOLLINGS. That is right.

Mr. NUNN. I understand, also, that this total is $599.7 million more than the amount appropriated in fiscal year 1974, which would be an increase of about 18 percent. Is that information also about correct?

Mr. HOLLINGS. That is right, sir. It is an actual increase of about $599,743,000 over 1974.

Mr. NUNN. I know the Senator from South Carolina shares my strong concern for the national security of this country, and I see the Senator from Missouri (Mr. SYMINGTON) here. I know he has that strong opinion.

I have heard an argument used, not just in the last few days when we have been debating the appropriations bill, but at other times as well. The argument has been used against making spending cuts on the basis that if we do not spend this money now, we shall have to spend more next year because the inflation rate is going up so much. I would like to ask the Senator from South Carolina if he can accept that argument.

Mr. HOLLINGS. I suggest that the Senator go home and tell his wife that and see how long his bank account lasts. Tell her to hurry up and spend the money because next year inflation is going to be worse.

Or tell that to a State government. You see, the device here in Washington is a printing press. The Federal Government can print dollars; the State of Georgia cannot.

Every State in America now is coming around to fiscal responsibility. They have to balance their budgets. They have to make the loans and do the borrowing and come forward each year. State governments are used to this. The Federal Government has no discipline. They will tell us that we have to spend faster in order to make it, like "Alice in Wonderland," running as fast as we can in order to keep up, not even to get ahead.

That just does not make sense. That is the kind of economic chaos we are in.

Mr. NUNN. With this kind of argument, when we get to the military budget, I suppose we should use the inflation argument to say that if we do not double the appropriation for the Trident submarine, or double expenditures to buy other weapons, it will cost us a lot more than an $80 billion or $82 billion defense budget because of rising costs. To avoid these costs, we could say we ought to double this year's defense budget and buy all these things in 1 year. Then we can tell the American people, look, we are saving you money because we are doubling up this year and the Federal Government is spending so much, printing so much money, that next year the inflation rate is going to be 18 percent, and we are saving that 18 percent.

Mr. HOLLINGS. Right; the Senator from Georgia puts it in a very clear fashion.

Will the Senator yield?

Mr. NUNN. I am glad to yield.

Mr. BARTLETT. Will the Senator yield?

Mr. HOLLINGS. Yes, I yield to the distinguished Senator from Oklahoma.

Mr. BARTLETT. Following along with some of these questions, Mr. President, that the Senator from Georgia was asking, is it not true that this bill is $18 million more than the House bill?

Mr. NUNN. I believe the Senator from South Carolina has responded that that is correct, that there is about $18 million more in the bill than the President asked for, notwithstanding the previously expressed sentiment of the Senator to cut the President's budget down to $295 billion and dampen the inflationary effect of the President's budget. So the Senator is correct.

Mr. BARTLETT. It is my understanding, also, that the 5-percent cut would still leave the bill with $436 million more that the 1974 appropriation.

I want to express my support for the action and the motion of the Senator from South Carolina, and for this leadership. Also, I wish to express my admiration for my colleague on the Interior Committee, the floor manager of this bill. I know that he has done a lot

to cut out the fat and has removed the fat from the bill.

I think it is also a matter, in reducing expenditures, that it is necessary to remove good programs. One of the things I like about the motion made by the Senator from South Carolina is that it will leave to the Committee on Appropriations the job of making the precise reductions. Certainly, they are the ones who are qualified to do this, and certainly it is not a matter that should be done on the floor. I think that this does permit reductions to be made in an intelligent way

My membership on the Committee on the Interior makes me, I would say, probably a little prejudiced for the contents of this bill. Certainly, I want to show no disrespect to the floor manager, my distinguished friend.

I also want to represent the people from Oklahoma, and their desire today is to see this body, the Congress and the administration set an example for people across the country to live within their means, to have restraint in spending, to reduce the deficit, and hopefully, to balance the budget. Inflation is making it difficult for the Committee on Appropriations because of the rising costs of ongoing programs. The actions here today will, in my mind, work to reduce the rate of inflation, work to reduce the current interest rates, and make it easier in the future to expect the additions required to appropriations to be more nominal just to continue ongoing programs.

Mr. NUNN. Will the Senator from Oklahoma yield for a question on that point?

Mr. BARTLETT. Yes, I yield.

Mr. NUNN. I know the Senator from Oklahoma and myself, and the Senators from Kentucky, from Florida, from Alabama, from New Mexico, and other Senators have been working for 2 weeks in order to get seriously into the details of the appropriations bills. I am sure the Senator would agree with me when I say that the effort we are making here today is not based on any objection to this particular appropriation; rather, it fits into the overall framework of trying to do our best to cut down the deficit that the President has proposed. If we could do that, we would have the gratitude of every American.

I think the Senator would concur that we have done this on every bill that has come up. This is the overall, consistent policy we have been attempting to implement. Does the Senator agree with that?

Mr. BARTLETT. I heartily agree with the Senator from Georgia. I also express my personal opinion that on the bills on which we have not been successful, I hope we shall have the opportunity to have those approached in the same manner by the subcommittees of the Committee on Appropriations, and to have the good programs in them reduced so that the overall benefits will be that much larger. There is no reason that only the Interior bill or a few bills should suffer the impact of the reduction and other programs do not.

Mr. NUNN. Would the Senator agree with the statement that since the Senate has already appropriated about $30 billion without any tangible net decrease in the President's budget, this has put the Senate in a position where, if we are really serious about the $295 billion ceiling or something in that neighborhood, we have to cut more from the appropriations bills that are still to come? Including this Interior bill we are debating today?

Would the Senator further agree that if this bill passes without a significant cut, such as the Senator from South Carolina has proposed, what that will do with the next bill that comes up, and the next, if we are really serious about fiscal responsibility in this country, is cut farther and farther into those budgets in order to maintain in real reduction the total budget?

Mr. BARTLETT. I agree, and I say further that this would make the burden completely unbearable and unfair to those particular programs that would be involved in the larger cut.

Mr. TUNNEY. Will the Senator yield?

Mr. BARTLETT. Yes, I yield to the Senator from California.

Mr. TUNNEY. I think that the 5-percent reduction amendment which is being proposed by the Senator from South Carolina is desperately needed. It is needed in this appropriation bill, and across the board, in all appropriations bills. There should be no sacred cows.

It seems to me that when we start talking about the problems of inflation in this country, we have to recognize that 12, 13, or 14 percent inflation is outrageous in that it puts a 12, 13, or 14 percent tax on the average wage earner in this country. It also has the effect of producing on Wall Street a loss of investor confidence and a withdrawal of funds from the equity markets. Industry then cannot find the equity it needs to grow and expand. It has an impact upon management-labor negotiations, in encouraging labor to ask for settlements of 10 to 15 percent per year over the 3- or 4-year period of a contract.

I think that by announcing now to the American people—and that is what the Senate can do by agreeing to this amendment—that we are going to have cuts across the board in our Federal spending, we will create a psychological atmosphere and environment in this country that will be most beneficial. I think we will have a return of capital to the equity markets. I think we will stiffen the backs of management in labor negotiations. We will have recognition by labor leaders that Congress means business, and they will, by reason thereof, be prepared to settle for less in the way of wage increases.

I cannot help but feel that a dramatic cut of 5 percent in Government spending would be one of the most beneficial things that could happen to the economy of our country this year, and it would put us in a position where we are moving toward a balanced budget.

I do not anticipate that we will be able to balance the budget; but the closer we get to balancing the budget, the less money the Federal Government will have to borrow.

Mr. NUNN. Mr. President, will the Senator yield on that point?

Mr. TUNNEY. I yield.

Mr. NUNN. I think that is is a very important point, because when we see what is happening every day, with the Government obliged to come out with 9-percent Treasury bills, with our having a run on savings and loan associations which is crippling the housing industry and the construction industry, every dollar by which we reduce Federal spending, I think, will mean we will have that much more money available for the needs of the private sector, including housing. So I think the Senator from California has made an excellent point.

Mr. TUNNEY. I thank my distinguished colleague from Georgia. As the Senator says, we should take a look at what is happening in the mortgage market of this country where, for example, in the Washington area—Virginia, Maryland, and Washington, D.C.—you cannot get a home loan, it is absolutely impossible, they are making no home loans; and all across the country we see a crippled housing industry.

Just recently, when the Government came out with a bond issue paying 9 percent, people in Los Angeles were lined up around the block trying to get some of that 9-percent Federal paper. And this money was either coming out of the equity markets, with people selling stock and investing it in these high-yield issues, or it was coming out of the savings and loan industry.

Mr. BARTLETT. I heartily agree with the Senator from California. I believe the psychological impact of what we do in the Senate will have its effect on many areas that affect the economy. I believe that people do not really expect action to be taken. Some are saying that the budget is uncontrollable, that it cannot be reduced, that the deficit will be perhaps even larger than that proposed by the President.

So I strongly concur with the statements of the Senator from Georgia and the Senator from California. I believe the action taken in recent days and the action proposed by the Senator from South Carolina today are excellent examples for the rest of this country to emulate, and actions that are in the best interests of the country and in the interests of a sound economy.

Mr. HOLLINGS. Mr. President, for the purpose of parliamentary clarity, may we have the motion stated? I think it has been stated, but I would like to hear it again, on behalf of myself and others.

The PRESIDING OFFICER. The motion will be stated.

The assistant legislative clerk read as follows:

The Senator from South Carolina (Mr. HOLLINGS), for himself and others, moves to recommit H.R. 16027 together with any proposed amendments thereto at the desk for further consideration by the Committee on Appropriations, with instructions that the Committee reduce the total amount of the bill by at least $170 million.

Mr. HOLLINGS. Mr. President, I ask for the yeas and nays on the motion.

The yeas and nays were ordered.

Mr. HOLLINGS. Mr. President, I yield first to the Senator from Missouri, and then to the Senator from Kentucky.

Mr. SYMINGTON. Mr. President, I have listened with interest to the significant remarks of the distinguished Senator from South Carolina.

As my colleagues know, for some time I have worried about the steadily increasing debt of the United States. No one in this body has more respect for the distinguished senior Senator from Nevada than I, but it would appear more and more people of this country realize that our most important problem, probably the most important problem, is the problem of our economy.

I have forgotten the figures on the number of countries that have been destroyed from the outside as against those that fell internally, but the countries destroyed from outside enemy action are negligible compared to those that went down because of troubles inside their own country.

In this connection, the other day I received a letter from a man considered the leading practical economist and investment adviser in my part of the country; and also in New York, Chicago, and the west coast. If the Senate will bear with me, I shall read a letter received from him in the last week, which points up the grave problems we now face from a monetary and fiscal standpoint.

He says:

You and I have had frequent discussions over the years about many subjects. However, the emphasis has been on questions of the economy, both national and international.

During this extensive period, I have always had a basic posture of optimism. Although recognizing the seriousness of the trend over the past several years, I consistently maintained the posture that the problems were of such a nature that they could be overcome and I was able to project "over" the then existing problem. For instance, if it was during a recessionary period, one could reasonably see the correction and subsequent resumption of growth.

However, this has changed dramatically. The current economic problems facing this country and the entire world are so monumental that one cannot reasonably predict the outcome. In other words, I "cannot see the light at the end of the tunnel". This is a matter of grave concern to me.

It is fully recognized that the United States situation cannot be viewed in isolation. Today the world and its economies are so interdependent that events in other countries inevitably have their effects here and visa versa. However, we have substantially more opportunity to correct our economic problems than the others.

Obviously, the area of my concern revolves around the question of unbridled inflation and its consequences. This inflation currently is rampant and shows no indication of meaningfully abating. The ramifications of a continued unsatisfactory inflationary rate are so well known that they do not have to be delineated here.

It is not enough to say that other countries have more severe problems than we do. Our primary obligation is the United States. The other countries might well not be able to cope with the effects of inflation and this would put a strain on us and others, but our primary concern is to correct these vicious trends and restore the confidence in the future. In my opinion, even if the proper remedial actions were properly and effectively instituted, it could still be several years before the inflation rate is reduced to an acceptable level. The price is high and the consequences will be painful but the alternative is unacceptable. I sincerely believe that the American people will cooperate and do what is required of them.

Without a sound economy, the other fundamentals such as a strong defense, faith and credibility in the Government and the future are not available.

I am gravely concerned and, therefore, wanted to write you my thoughts.

Mr. President, in effect, the comments emphasize what the Senator from South Carolina, in his able fashion, is presenting to the Senate and the people of the country this afternoon. I support him.

In my State we have two great cities. Both are in effect bankrupt. The State government cannot spend more money than appropriated by the State legislature.

So what happens? Down here come people from all walks of life, with various ideas. I said to my administrative assistant the other day, "I think over half of the people who come in to see us come in because they say they need dollars. He said, "It is over 75 percent."

The printing presses are rolling out those green pieces of paper called dollars which now, in effect, have been completely severed from any true relationship with gold. It really is not important what the dollar is worth; rather what people think it is worth, not only here in this country but those who control some $90 billion of Euro-dollars and Japanese dollars; what people think about its value, all over the world.

There was a time in 1949 when we held 56½ percent of the monetary reserves of the world, the most we ever held. Today it is estimated that by 1980, on the basis of present extrapolations, the oil-producing countries of the world will control 70 percent of all monetary reserves. It has also been estimated that with the additional money $80 billion being paid to those countries this year as against last year for oil, they can purchase control of the 13 largest companies in the United States.

These are typical of thoughts that run through my mind.

We now have the Federal Reserve putting $1.2 billion into a bank in trouble in New York. We have the troubles of a big bank in Germany, and hear ominous news about the condition of some other banks in this country at this time.

So I would hope no one would consider this amendment an effort to keep anything from the American people in the way of what they should have for a more secure and better life. What we are really doing, and I am talking as a supporter of the amendment of the Senator from South Carolina—is protect the people, trying to protect their buying power, their ability to go into supermarkets, to give them a decent life as citizens of this country.

I commend the Senator from South Carolina, and fully support his amendment.

Mr. HOLLINGS. Mr. President, if the Senator from Missouri will yield, I want to make one comment.

If this giant inflation is killed, the David in that scenario would be none other than STUART SYMINGTON of Missouri.

I have sat on the Policy Committee for several years now. This did not start with the inflation of this year or last year.

As I pointed out, the deterioration in the value of dollars in the last 10-year period has been a continuous thing. But equally constant and continuous has been the fight of the Senator from Missouri to try to stabilize this economy. He has made a most powerful statement. The power comes not merely from his sincerity and wisdom but, more than anything else, the fact that he was a businessman, a successful businessman, who faced the depression and inflation and these other things, faced them successfully, and who continually admonished us as junior and younger Members within this body about the significance of trying to arrest this inflation.

Now, the fact is that since he has been a former Secretary of the Air Force, he has been subjected to derision and criticism as a dove, as a fellow who would sell out. This is the most insulting thing I have ever had to listen to from time to time by business people and others who should know better. He never denies the military one iota of what they need.

What he is trying to do is to strengthen that military by first strengthening the American dollar. I really appreciate the contribution he has made.

I know the Senator from Georgia (Mr. NUNN) wanted to make a comment.

Mr. SYMINGTON. Before he does, Mr. President, I would thank my very able friend from South Carolina for his undeserved but deeply appreciated remarks.

I guess what we are trying to do is to preserve the economy of the United States, and am grateful for what he has said.

Mr. NUNN. Mr. President, will the Senator from South Carolina yield?

Mr. HOLLINGS. I yield.

Mr. NUNN. I would like to add my commendation to the Senator from Missouri. I remember when I first arrived in the U.S. Senate, shortly after I got here, we were in the Armed Services Committee together, and we were talking about some of the overall international problems, particularly the balance of payments, the balance of trade; and the Senator from Missouri told me of some statements he had made earlier.

I went back and, with the help of his staff, I found speeches he had made not in 1972 and 1973, when we started seeing the present trend, but back in 1966, 1967, 1968, and 1969.

I do not know of any person with whom I have come in contact who predicted more accurately the very dilemma in which we find ourselves today. The Senator from Missouri has been talking about the economic problems, the international balance-of-trade problems, the international balance-of-payment problems we are facing now, for a number of years.

I would like to add my voice to those who agree with what the Senator has been saying, and to commend him for his leadership, not just today but in the past as well, because he has made the point well over a number of years, and I think that we are beginning to come to this realization.

I would like to ask the Senator from Missouri a question—I believe that the 10 and 12 percent inflation we are experiencing today is the equivalent of cutting every budget that we pass through this body, whether it is the Pentagon, the Navy, the Army, the Air Force, or whether it is the Interior Department which we are talking about today, or whether it is HEW or anything else. This inflation is the equivalent of cutting these budgets 10 or 12 percent because, by the time the money appropriated really gets spent, there is that much less purchasing power.

So I would guess the Senator from Missouri would agree with the statement that if we are able to cut this rate of inflation down even to 6, 7, or 8 percent in the next 12 months, in effect, we will be increasing the budgets of these people who think they have to have every last penny at the present time.

Mr. SYMINGTON. There is no question about it.

As the able Senator knows, I am deeply grateful for his remarks. This double-digit inflation we are now into—the first time since the Civil War—has resulted in cutting the income of everybody. You cannot float logical bond issues. Issues only a few months ago considered most desirable. You have, as someone mentioned earlier today on the floor, citizens now flocking to get 9 percent tax-free money, U.S. securities. That is unprecedented.

There is one big difference, which I hope every American would realize, between this recession, which shortly could be a depression, between now and 1932.

In 1932 we had heavy unemployment but the dollar became steadily more valuable instead of less valuable. Today, primarily because of the billions upon billions of dollars we have gotten into the habit of sending out of this country, we not only have heavy unemployment, but are moving into double-digit inflation, a steady lessening in the purchasing power of the dollar.

Mr. STEVENS. Will the Senator yield?

Mr. HOLLINGS. I promised to yield first to the distinguished Senator from Kentucky, and then I will yield to the Senator from Alaska.

Mr. HUDDLESTON. I thank the Senator from South Carolina.

I want to commend the Senator from South Carolina for the motion he has presented here and my colleagues for the comments they have made on this very important issue facing America today.

I also recognize and acknowledge the tremendous, hard-working and diligent job that has been done by the distinguished Senator from Nevada, by all the subcommittee chairmen of the Appropriations Committee, and by the committee itself, in developing these bills, in attempting to balance the needs and the wants of the people of this country against the available resources and in bringing to the floor what they consider to be the best proposals for our Nation.

I think we have to recognize that while all these appropriations and all these programs are designed to meet some need or some problem facing our country, the No. 1 problem is the economy. That has been said 100 times here this afternoon. It has been said over and over for the last several months. People have known this for a long time. And, they have been looking to Washington, looking to Congress, for some kind of action to help alleviate this problem. So far, they have not seen any.

Just days ago, five of us decided it would be a good idea to bring together leaders of Congress, leaders of the Executive Branch, leaders of business, industry, and labor, to sit down and work out a game plan so that we would have some way to proceed, so that the people would have some confidence that at least their government was trying to do something to help meet the tremendous economic difficulties that they are faced with every day—every time they go to the grocery store, every time they go downtown, every time they go to the gas station, every time they get their bills and try to pay them. Yet no action has yet come.

Now, the distinguished Senator from Missouri has very correctly pointed out that the situation we find ourselves in today is not a common situation—not an ordinary one. Worldwide conditions have a great deal to do with it. There are many, various causes of the current inflation. There are a lot of reasons for the other economic dislocations that we find.

We cannot resolve everything here in this body. We cannot overcome all the problems. But one arena where we can do something, and where we have the responsibility to do something is that of Federal expenditures.

Every economist, everybody who looks at the problem we are in now, says that at least one of the major causes is the deficit of the Federal Government—expenditures above revenues which we have seen year after year and which the distinguished Senator from Missouri outlined just a moment ago. So this is an area where we can do something and a number of us believe that this is the time for action.

It is too late now for business as usual. I know it is not customary for appropriation bills to come to the floor and then be recommitted. But this is not a usual time. It is, instead, a time for extraordinary action.

The approach suggested by the Senator from South Carolina does not cut out any programs, not eliminate any program. It is a simple way to reduce expenditures, while leaving enough for adequate funding of the necessary programs. I think it is little enough to do.

I am not willing to say, regardless of all the hard work that the committee and subcommittees did, that the Senate of the United States is a nonentity, without force, without effect, in meeting this very serious problem of the economy. I am not willing to say that the Senate of the United States is incapable of demonstrating economic sanity and fiscal responsibility.

I believe that the motion by the Senator from South Carolina is just one little step, but a step that we must take if we are to restore some of the confidence of the American people and if we are to indicate that the Senate of the United States, regardless of what is happening in the rest of the echelons of government is ready to bite the bullet, ready to reexamine all our pet projects and programs, ready to accept this slight decrease in expenditures so that we can demonstrate to those we represent that we are going to try to meet this economic problem that faces our country and put our Nation back on sound economic footing.

Thank you, Mr. President.

Mr. HOLLINGS. Mr. President, before yielding to the distinguished Senator from Alaska, the minority leader on this bill, I wish to bring into focus and proper light certain comments so that there be no misunderstanding.

There is a saying that Senators have asked all around the way it got up to this $665 million more in this bill than what we spent last year, that every Senator writes in his letters and asks for his millions and millions of dollars and then runs back to the cameras and the home folks and the press and says he is for economy and against inflation.

On that score here, cut them 5 percent, necessary to the wisdom of the committee, eliminate them. I say that I am willing to take my bumps with the other fellow.

I think the Senator from Nevada will remember a week before last when we did not get the increase on the Cowpens Battlefield Monument project and my colleague the senior Senator and I were both discussing it, I said that I would oppose an increase, that I would forgo it because I could see I was going to meet myself coming around the corner here.

With respect to the committee system, I am aware of the distinguished senior Senator from Arkansas, my chairman, as he well knows as the junior member I held all the hearings on that particular subcommittee which he had at that time when he was back tending to his most pressing business.

I enjoyed it, I learned a lot, and I am the first to agree with that feeling, what if you do all the work and work up the bill and then, willy-nilly on the floor, they meat ax across the floor and cut it, that there is that human reaction of resentment. But I think inflation is even more serious.

Number one, I hope there is no resentment because we have taken the senior Senator's admonition and gone to the committee. The motion I make now was made and voted down within the Appropriations Committee.

Finally, we do not come and act like we have agreements.

As I said earlier, when the distinguished chairman was on the floor, I would like to cut 10 percent. I do not think a 5-percent cut is sufficient. Five percent is only $170 million. We are increasing this $599 million, so if we take $170 million, it is still $373 million more for 1975 than for the year 1974.

This is more than adequate and more than I would want to vote for, but I have to be realistic.

Be that as it may, I finally will get to the point and will ask the Senator from

Alaska, who is prepared to take the floor, the other idea extended here, that this is a money-making bill, that this brings in some $8.7 billion in revenues, and if that is the case, looking at these particular increases, I would appreciate it if the Senator from Alaska could point out the particular increase that really makes money, that is a part of that $8.7 billion in revenues. My point is while we need enough spending money to make money, I feel we make the money on what we already have. I know the money we are making, but there is nothing in the increases over 1974 in this particular bill that is going to help us make that $8.7, is there?

We could pass the same bill, is my point, in this particular fiscal year as we operated under in the last fiscal year and still make $8.7 billion, but I am willing to be corrected.

Could the Senator point to the increase that makes that $8.7 billion?

Mr. STEVENS. Is the Senator prepared to yield the floor?

Mr. HOLLINGS. Yes, and I am prepared to hear the Senator's answer.

Mr. STEVENS. Mr. President, I have listened with interest to this exchange from those people that want to cut this bill by $170 million.

I would feel a lot better about it if, as the Senator from Nevada stated, it had been presented to the subcommittee at the time that we reviewed the requests from our colleagues, some 183 requests, which asked us to add almost $800 million to the bill.

As a matter of fact, as I have repeatedly pointed out, half of these public lands are in my State. My State will receive about $106 million under this bill, which is roughly a slight increase over last year.

If the Senator from South Carolina would like to be informed about that, I will tell him about some of the money-making activities.

We have about $12 million for some of the activities related to the Alaskan pipeline: surveillance required for the protection of the environment; development of the approaches to the Valdez area; the work that is going to be done by the Bureau of Land Management and the United States Geological Survey in carrying out their duties under the stipulations entered into to protect the Alaskan environment as we proceed with the pipeline.

I wonder if the Senator from South Carolina knows that it is going to be paid back. It is completely refunded by the pipeline company under the agreement that we have.

Mr. HOLLINGS. I will stand corrected to the tune of $12 million. I want to get up to this $665 million.

Mr. STEVENS. Let me tell the Senator about the $120 million in this bill related to energy, in addition to what we have already enacted into law in the emergency energy bill. Again, if the Senator from South Carolina would be fair with this committee and realize that we took a great portion of this bill out and put it in the emergency energy bill, if he will look at the two bills together, we are still under the budget. We are more under the budget than any bill so far.

My good friend asks what produces income. We have money here for the Bureau of Land Management to continue its work on the Outer Continental Shelf. We have money here for the Bureau of Land Management in connection with the oil and gas leases that are going to be entered into this year, and which will have additional income to the Federal Government.

We have money here for the Forest Service as it increases its cutting cycle from the national forests to meet national needs consistent with environmental objectives. It needs additional money.

All of those things are going to proceed at a lesser rate, if the Senator from South Carolina is successful.

Let me point out to my good friend I would feel a little differently about it if the Californians who now seek to cut $170 million from this budget, who already have $243 million in this budget, if they would come to us and say, "Would you please take some of that $243 million out of this bill? We do not want it. We want to meet national objectives in terms of inflation."

I would feel better if the Senators from New Mexico came to us and said to cut some of the money they have in this budget. They have some $165 million. It is a small State in terms of my State, in terms of Geological Survey, Fish and Wildlife, the Forest Service, and so on. The activities of this bill in my State just dwarf what is going on in New Mexico, yet they have almost $50 million more in this bill for the State of New Mexico. And they want to cut? Does the Senator from South Carolina believe that they want to cut that money from the bill, $165 million, for the State of New Mexico?

Where were they when we tried to work out the national priorities in terms of this?

Again I point out to my good friend, the distinguished Senator from Nevada in his last year has presented a bill that really met the national objective. We held the line. To put it right out, in order to get the money I need for the Bureau of Mines and the U.S. Geological Survey to survey the mineral potential of some 80 million acres that some want to withdraw from my State, we gave up $1 million that was to be used for investigation of the Arctic pipeline. We took the $1 million and put $500,000 in the Bureau of Mines and $500,000 in the Geological Survey.

In years gone by, I think my good friend from Nevada would have added the money and we would have gone to the conference and fought it out. This year we set a level and we kept below it. One cannot say we went over what the subcommittee said we would do. The chairman of our subcommittee mentioned that.

Those of us who exercise discipline in the subcommittee to really be selective in terms of the national need come out and someone says, "Slash it across the board. Take 3.5 percent off the Alaskan pipeline."

What does it mean? It will be completely repaid as far as these activities are concerned under the contract.

What does my good friend do with regard to the other activities that are here?

As my good friend mentioned, we tried our best for the arts and humanities. We have agreed with the House. It is less than the budget, but it is $40 million more than last year. Do you want us to cut the arts and humanities still further?

Mr. HOLLINGS. Give them what they had last year. They got $20 million more for 1973 and $43 million more for the last year. Hold the line.

Mr. STEVENS. We have already cut $16 million off of them in terms of what the budget requested, and the Senator wants to cut $40 million off?

Mr. HOLLINGS. The budget request means nothing. You and I know that.

The distinguished gentleman used the expression "to exercise discipline in the subcommittee," if I heard correctly, and has itemized $65 millon in increases that have to do with making money.

Let us assume that, and call that discipline. How about the additional $600 million over last year? I am not talking about cutting budgets. I am talking about increases over fiscal year 1974 in the face of inflation. Does the gentleman from Alaska call that exercising discipline?

Mr. STEVENS. Does the Senator from South Carolina listen to me when I say we have to consider the energy bill in connection with this one? We took a lot of items out. Again we point out that there is less money in this bill than the budget in total amount, and less than last year, if we look at the energy bill.

Mr. HOLLINGS. I am not looking at the energy bill.

Mr. STEVENS. I fought with my friend from South Carolina for the $19 million more we wanted for NOAA. That was for a national need. Now we have reviewed 183 amendments from Members of this body and we have been selective in terms of meeting the needs of their States, consistent with the national need to hold down expenditures.

Again, I say to my friend, we are dealing with income-producing properties. Can he tell me a corporation in this country that has annual expenditures of $3.3 billion and has a net return of $8.7 billion? Where do we make money for the Federal Government as much as we do in this bill?

Mr. HOLLINGS. On that basis, double it. Why does the Senator not double it? Spend $6 billion and make $16 billion. We will all be rich.

Mr. STEVENS. If we could find a way to maximize returns, increase the return to the Federal Government, consistent with the national objectives, I think we would have. But, I say to my friend, we sat there day in and day out and listened to these witnesses, which he has done, too; Members of the Congress, members of the public, Members of this very body. No one asked us to cut. Everybody asked us for more money.

My good friend here with the patience of Job and the wisdom of Solomon comes up with a bill that should have been able

to sail through this body because it is the most conservative Interior appropriation bill under the circumstances that we have ever seen. Now, the Senator wants to cut it.

Mr. HOLLINGS. Will the Senator yield for a question?

Mr. STEVENS. I will yield if he will answer one question. The Senator asked us to take this back to the committee and cut $170 million.

Mr. HOLLINGS. Right.

Mr. STEVENS. Does the Senator have a list where he wants it cut?

Mr. HOLLINGS. No. This is why I want to go along with the distinguished chairman of the Appropriations Committee. He said, and I agree, that the judgment will be employed and exercised by the Senator from Alaska and the distinguished subcommittee chairman. It is not a personal thing. The Senator is more familiar with the bill. He has heard the witnesses. We are not disregarding that. The Senator says no one asked. I was about to ask. I will just make the statement. On June 13, the Senator from Alaska asked. He asked what? He asked to cut the $305 billion down to $295 billion.

Mr. STEVENS. What is that?

Mr. HOLLINGS. That is when you voted to cut the Federal budget from $305 to $295 billion. How are we going to do it? That is what I ask.

Mr. STEVENS. I voted for the limitation.

Mr. HOLLINGS. Yes, everybody wanted to do so. But when we come down to everybody's budget, health has to have cancer, transportation, the Coast Guard and the FAA has to have safety. Do not run us up a quarter-billion dollars in public parks and then go back home and tell constituents the Senator is interested in stopping inflation. That is what this is in this bill.

Mr. STEVENS. I still have the floor, I believe.

Mr. HOLLINGS. I thought the Senator yielded.

Mr. STEVENS. Yes, I voted for that, and we sat within the committee and we established limits. Our subcommittee is still within the limit we established.

If the Senator wants to criticize somebody, he should criticize people who are going beyond that, because we are not. Beyond that, he will not succeed in what he is doing, because when we go back to the committee, it will not be the people who got their amendments added to this bill who will lose out.

If the Senator wants to cut $170 million, he should urge specific places where he thinks it should be cut. I do not think the Senator should say that it should be cut across the board or cut a department. Tell us where there is $170 million worth of fat in this.

Mr. HOLLINGS. I will do it right away.

On page 9, land and water conservation fund, a $223.8 million increase. On page 12, planning and construction. That is more parks. That is an additional $43.3 million. That makes a total of $269 million—more than a half-billion dollars in new parks. Last year we had $76 million. Why jump it up to $300 million, in the face of inflation?

That is one place I can mention, not being experienced on this bill.

The Senator from Alaska said that money could be made on this. The distinguished Senator from Alaska knows that he is not making $8.7 billion on these increases.

I will grant the Senator, without argument, the increase he pointed out on energy, $53 million; on the Alaska pipeline, $12 million, and several of the others. But there is still the money in the humanities and arts.

One can go right down the list, and all these are goodies. We had the pork barrel with the public works, and we can call this the cracker barrel, the little sweet things. Our distinguished leader is kind and generous; he is Santa Claus; and he is giving us all we have asked for. I do not believe he should be miffed when we say this because I have to make a talk on inflation.

Mr. BIBLE. The Senator did get that message?

Mr. HOLLINGS. I got that message. I have been willing to take the 5-percent cut or cut everything in South Carolina.

Mr. BIBLE. What was the last statement?

Mr. HOLLINGS. I do not mind cutting everything in here for South Carolina. I say that in sincerity.

Mr. BIBLE. I do not think the Senator should say that in a campaign year. [Laughter.]

Mr. HOLLINGS. If that is what we have to do to kill inflation, I will say it.

I said it is like having a little Lent in the church, a little self-denial. That is the discipline. I was amazed when the Senator from Alaska said that in the subcommittee discipline was exercised. We just fattened it up some by $665 million.

Mr. STEVENS. That is not true. We did not fatten up this bill. We cut it back. Those are increases over fiscal 1974 that the Senator is mentioning. They are not increases over the budget this year. We took more than 183 requests from Members of this body. They asked us for more than $800 million, and $18 million of that is involved here. That took some discipline.

I again say to the Senator that he is talking about the land and water conservation fund. It was $76 million in fiscal 1974 and it is $300 million here. That money is earned from the oil and gas lease sales, and it is in a special fund. That money is used to acquire more lands for conservation.

I do not recall that we put through birth control yet in this country. There are more people demanding access to these parks and demanding facilities in these parks, demanding that we protect the forests as we use them, demanding that we do things right, as we do in our Alaska pipeline. That is costing a great deal of money, and we are willing to pay it back.

I could understand this if the Senator were speaking of defense, saying that we spent a lot of money and perhaps we could take 5 percent off a defense bill. The chairman has said that he is going to do this. The Senator does not give us credit for that discipline.

Look at each of these, item by item. Here is the book. There is a tab in each one. I do not know about the committees on which the Senator from South Carolina serves, but the chairman goes through this page by page.

The Senator says we should not spend the land and water conservation fund, when it is building up and has been set aside for that purpose, and is for the acquisition of land which will cost more next year. The Senator from South Carolina is the one who is going to cause inflation in the Federal budget. We assessed the need to buy that land now, rather than pay more money for it later. I think the money ought to be spent each year. It is not going to be inuationary to spend it. It is going to save the taxpayers money to get the land that Congress has already told the Federal Government to buy this year rather than next year.

Mr. HOLLINGS. Mr. President, will the Senator yield the floor?

Mr. STEVENS. Yes.

Mr. HOLLINGS. I will go along with the word—not discipline, really.

The distinguished leader put in the Record cuts that were made from the requests made by the President in 1970, 1971, 1972, 1973, and 1974, which amounted to some $23.5 billion that we have cut from what President Nixon had asked for in that 5-year period. But the same President and the same Senate and the same Congress spent $100 billion more than we brought in. I do not call that discipline.

The Senator from Arkansas, our chairman, has led the way. He asked us about this at the beginning of the year. But, as a member of the Appropriations Committee, I see these bills roll out on the floor—a half a billion dollars more, $620 million there, and this one which is more than last year. Every year we get a fiscal and every year the Government gets a physical.

It has been fattened up from 1974. We started fiscal year 1975 at the beginning of July, and we are fattening this up, and that is in the bill the committee reported. It has been fattened up by $665.8 million. To me, that is not discipline. We are really going down the drain in this country if we are going to sell each other that thought. We have to stop and say "no." I think we ought to get the Senator from Alaska's assistance on this measure.

Mr. STEVENS. Mr. President——

Mr. HOLLINGS. I will yield for a question.

Mr. STEVENS. Mr. President, I thought I had yielded to the Senator from South Carolina. Do I have the floor?

The PRESIDING OFFICER. It is the understanding of the Chair that the Senator from South Carolina has the floor. The Senator from Alaska did yield to him.

Mr. HOLLINGS. Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Alaska is recognized.

Mr. STEVENS. Mr. President, I yield to the Senator from Arizona.

## STATEMENT OF PERSONAL PRIVILEGE

Mr. GOLDWATER. Mr. President, I have never before taken the floor of the Senate to find fault with the press and television of America. I am forced to do it at this time because of two—if I would be allowed to use the word—damn lies that have appeared on NBC this morning and ABC this afternoon, having to do with my supposed visit to the White House last night and being turned away.

I have not been in the White House in about 2 weeks. I have not seen the President of the United States since May 5 or May 10.

If the American television people and the American press cannot start to be honest in this country, God help us. You are a rotten bunch.

[Applause in the galleries.]

Mr. BIBLE. Order, Mr. President.

The PRESIDING OFFICER. The Senate will be in order.

The Chair cautions visitors in the galleries that they are the guests of the Senate. Demonstrations of approval or disapproval are not permitted. The Chair will be compelled to clear the galleries if there are further demonstrations.

## DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATION ACT, 1975

The Senate continued with the consideration of the bill (H.R. 16027) making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1975, and for other purposes.

Mr. BIBLE. Mr. President, we have had a very interesting afternoon, and I am going to make no statement that will excite my good friends of the press.

We have discussed this matter pro and con. We have been up the hill and down the hill. I do not think anything else has to be said about the motion of the Senator from South Carolina to recommit. I addressed myself to that earlier today.

This is a realistic bill. We believe that the figure of the committee should be supported. I am perfectly willing to suggest that now we should go to a vote.

## APPOINTMENT BY THE PRESIDENT PRO TEMPORE

The PRESIDING OFFICER (Mr. WILLIAM L. SCOTT). The Chair, on behalf of the President pro tempore, pursuant to Senate Concurrent Resolution 85, appoints the following Senators to attend the Day of National Observance for the 200th Anniversary of the First Continental Congress, to be held in Philadelphia, Pa., October 14, 1974: The Senator from Rhode Island (Mr. PASTORE), the Senator from Georgia (Mr. NUNN), the Senator from Pennsylvania (Mr. HUGH SCOTT), and the Senator from Pennsylvania (Mr. SCHWEIKER).

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The PRESIDING OFFICER. The Senator from Kansas is recognized.

Mr. DOLE. Mr. President, I agree with the Senator from Nevada.

Mr. President, the junior Senator from Kansas would like to join the Senator from South Carolina as a cosponsor to his motion to recommit the Interior appropriation bill.

The instruction to the committee to reduce the appropriation by $170 million or by a little more than 5 percent is both reasonable and necessary in view of the severe problem the Nation is having with inflation. The motion to recommit gives the committee flexibility in deciding what programs should be cut.

### COMMITTEE SETS PRIORITIES

The Interior appropriation bill contains funds for some extremely vital programs, including some energy-related activities and some greatly needed programs to assist Indians. At the same time, expenditures for some of the recreation programs in this bill are not likely to have the same high national priority.

So it is my feeling that the members of the Appropriations Committee, having heard the testimony on these programs, are best qualified to determine the priority for the funds. At the same time, the members of the committee are commendably among the most fiscally responsible Members of the Senate, and I trust in their ability to achieve a rational and anti-inflationary appropriation bill.

### INCREASE IN 1975 BUDGET OVER 1974

This level of reduction is especially appropriate in view of the tremendous increase in the recommended expenditures for this year over last year. For fiscal year 1974, the appropriation for this same bill was set at about $2.8 billion. The funding recommendation this year of nearly $3.4 billion is more than a 21-percent increase. And I also note that $543 million will be included in a special energy research and development appropriation, which is normally included in this bill. When the R. & D. funds are counted with the recommended appropriation in this bill, we see that funding would be increased by nearly 41 percent.

Mr. President, we are beset with an inflation rate of over 12 percent. When this bill represents more than a 40-percent increase over last year, it is hard for me to believe that anyone could object to a reduction of 5 percent to the appropriation we are considering.

In recent days, we have seen the movement in the Senate growing stronger to meet our responsibilities in holding down Federal spending. I am pleased to have been among those leading this movement. It is clear to me that we in the Senate have a responsibility to continue these reductions in this and future appropriation bills.

I urge the support of every Senator for this motion to recommit with the instruction to cut spending by $170 million.

Mr. NUNN. Mr. President, I rise in support of the motion to recommit this bill to committee with instructions to reduce the total appropriated by $170 million, or 5 percent.

Once again the question before the Senate today is how serious are we in trying to cut Federal spending and bring balance back to the budget. According to the latest Gallup poll, more than half the American people blame the Government for our runaway inflation. When we look at the record of the recent past of mounting Federal spending and repetitive deficits, we simply cannot disagree with this judgment.

In May and June of ths year, when the Senate voted twice to place a ceiling of $295 billion on the Federal budget this fiscal year, I was heartened to think that we might be prepared to act to dampen inflation instead of fueling it as in past years. But when he began the present cycle of appropriations a few weeks ago, it seemed that once again we would stumble over the obstacle of translating overall policy into specific program cuts.

Mr. President, I am happy to say that in the last few days we have seen the few grow into the many. We have seen a wide surge of solid support for real dollar reductions in specific appropriations measures. Last Friday, we saw the distinguished Senator from West Virginia lead the fight to cut his own bill, the transportation appropriation bill, by 3½ percent, and we saw 58 Senators join in passing that amendment. On Monday, we saw the chairman of the Appropriations Committee, the distingiushed Senator from Arkansas, move to have the HUD, NASA, and veterans appropriation bill returned to the committee to enable it to make further reductions, and we saw 74 Senators pass that motion with only two voices in dissent.

Today the measure before us is the Interior appropriation bill. I believe there is good reason to apply the same full measure of fiscal restraint to this bill that we have tried to apply to the others. I do not mean to imply in any way that the Appropriations Committee has not worked diligently and ably to present a sound and solid measure with a reasonable balance between economy and action. We all know the dedication and responsibility of the distinguished Senator from Nevada and his colleagues. But the present bill was forged in committee without the strong element of fiscal restraint which we now agree must be given fuller weight. I believe the committee should reconsider the bill in the light of this new reality.

This appropriation bill provides funding authority for the Department of Interior, the Forest Service, several independent Indian agencies, and a number of cultural and planning activities. Of the total amount appropriated, more than two-thirds will go to the Department of Interior. Its appropriation of $2.15 billion is up $504 million over the amount appropriated last year, an increase of 30 percent.

For the bill as a whole, the total amount appropriated is $3.38 billion. This is $18.8 million more than the President asked for. Moreover the total is $599.7 million more than the amount appropriated in fiscal year 1974. This is an increase in 1 year of 18 percent.

In my view, this brief summary makes

clear that the impact of the bill is inflationary. With a total appropriation 18 percent higher than last year, we are asked to authorize a level of spending substantially above the rate of inflation or the cost increases which would have to be included to maintain programs at last year's level. The inflation rate during fiscal year 1974 was 11 percent. In fiscal year 1975, inflation is expected to run between 7 and 10 percent. For Federal spending to outstrip this measure of cost increases will only insure that inflation rises even higher and faster.

A 5-percent cut in this bill, or a reduction of $170 million as the present motion calls for, will bring the funding increases back in line with cost increases. Moreover, it will contribute to our effort to spread budget reductions equitably across all Federal activities to insure that no one segment, or group, or program must bear the burden of our failure to reduce the others. With more than $30 billion already appropriated this year without any real net reduction below the President's budget, we must act now on each and every bill or abandon our effort.

I would point out too, that a reduction in this bill will have only a marginal effect on energy research which we all agree must be accelerated. The major energy programs of the Department of Interior were included this year in the energy research and development bill which we passed in June. They will not be affected by our action today. If we were to add these programs back to the Department of Interior for this year and last year for comparative purposes, the total increase this year over last would rise to $912.8 million. This represents an aggregate increase of 30 percent.

Mr. President, in moving to recommit the HUD appropriation bill earlier this week, the Senator from Arkansas assured this body that he and the members of the Appropriations Committee, as agents of the Senate, would do everything possible to reflect the will of the Senate. He assured us the committee would give every consideration to trying to reach a balanced budget. I understand the distinguished chairman has already taken action to carry that pledge into effect.

I congratulate the Senator on that action and I look forward to seeing the appropriation bills still to be reported heavily weighted in favor of fiscal restraint. I do not favor the meat ax cut across the board except as a last resort. That approach denies us the benefit of the expertise and judgment of the committee in implementing the overall policy we establish. The present motion will insure that we and the country profit from the committee's experience. I urge my colleagues to join me in supporting the motion.

Mr. HATFIELD. Mr. President, I oppose any attempt to cut this bill further. Supporters of this cut must remember that our subcommittee already has pared this bill down from not only the budget request, but also from the millions of dollars sought in budget increases by our fellow Members of Congress.

Some of my colleagues supporting this cut must fail to see the correlation between reforestation and housing. I am sure that I could thumb through the CONGRESSIONAL RECORD and find speeches by nearly every one of the supporters of this cut regarding the need for better housing programs, the high cost of housing, and offering suggestions regarding housing.

Without reforestation, such pronouncements are meaningless. Reforestation is the key to decent housing programs for the people of this country. Let us look for a moment at the amendment I offered to increase reforestation by $15 million above the administration request of $35 million. At a reforestation rate funded by $35 million, it would take some 35 years to reduce the 3.3-million-acre backlog needing reforestation. This could be cut to little over 10 years by proper funding. I would have liked to add even more than this $15 million we did include, but I recognize the need to keep all funding levels down. Therefore, I thought this $15 million Senate addition is the minimum we should consider. The so-called budget cutters should realize they are destroying future housing goals for their children and their children.

Reforestation is the only realistic method available to forest land managers for the restoration of many resources, for ecological renewal and recreation needs, and for housing material sources.

I would note in passing, that some of those active these past weeks in seeking these budget cuts opposed strongly our various attempts to pare down the military budget, and who supported to the end U.S. activities in Indochina. I would point out that with the $423 million the United States spent in 1973 to bomb Cambodia after the January cease-fire until the August fund cutoff, we could have reforested America.

This defoliation of Indochina has really resulted in the defoliation of America. Millions of acres that must be reforested to meet future forestry needs of this country lie untouched because a budget pours billions into military spending at the expense of such critical natural resource needs.

Other bureaucratic decisions such as the one to increase timber cutting without increasing reforestation, road-building, watershed, or recreation aspects of the budget only emphasize the isolation of these decisions from professional foresters, from interested Members of Congress, and from a public that knows that more funding in all these areas is needed and needed now.

The energy crisis will intensify demands for wood building supplies because wood substitutes have a much higher "pollution price tag." When aluminum is processed into building material and compared with comparable wood products, the aluminum reflects an energy drain and pollution price tag 10 times that of wood. With the energy situation we face today and in the future, wood becomes more and more attractive, as solar energy reproduces new trees with a small environmental price tag. In addition, the forest resource is renewable and biodegradable—two major environmental assets not shared by alternative building materials.

The mounting pressures of an expanding population, burgeoning growth, and rising demands in America today dictate that we determine the best course and purpose for the Nation's forest lands.

Our forests must not become a national grab bag, with each special interest muscling others aside to stake its claim. The paramount task must be to reach common agreement on national forestry goals and objectives. The inevitable result of the present controversy over forest land uses leads to confusion as to purpose, uncertainty as to achievement, and causes inconclusive legislative debate at Federal, State and local levels.

Today, the amount of available forest land in the United States is shrinking, while demands for forest commodity and noncommodity uses are surging upward. We are committed by the reality of an expanding population to utilization of a steadily increasing stream of forest resources for conversion into goods and services for more of our people. U.S. Census Bureau projections indicate a gain of 75 million more people by the end of this century. This means that the potential demand for timber in the United States will increase about 75 percent in the next three decades. At 1970 prices, projected timber demands will exceed projected supplies by as much as 20 billion board feet in the year 2000. Under these conditions, substantial increases in price will occur under supply and demand.

Past experiences show that low cost housing is the first to go down when prices go up, and low cost housing for low income groups is one of the most important social problems facing America today. In addition, the 1973 mortgage money increase of some 60 percent has frozen the middle class out of new housing. Anyone who has looked at houses recently can bear witness to this steep climb.

Five recent timber supply studies provide ample supporting data on what must be done. These studies all repeat that essential forest investments are not being made, thereby precluding a satisfactory level of management intensity. Major opportunities exist to step up utilization of the 300 million acres of small nonindustrial private lands. Without increasing even the level of management intensity, utilization could be boosted significantly by a vigorous reforestation program to revitalize forest producing land now fallow or idle.

As a member of the Interior Appropriations Subcommittee, I worked in 1972 to add $5 million for reforestation, only to see it impounded. That $5 million is not even one-half the cost of one B–52 bomber.

The funding our committee provides in this bill is more realistic, but even more funding is needed if we are to meet our housing needs. I urge supporters of this proposed cut to think about the need for better housing before they support this cut. They should think about environmental protection, about wilderness areas, and the other aspects of multiple use management.

I want, Mr. President, to add a few words about other aspects of forest man-

agement, for this bill goes beyond reforestation alone.

In addition, an urgent need exists to accelerate forestry research, technical assistance, and conservation education. Expenditures for forestry research are far too low to satisfy the problems of timber utilization and environmental enhancement. Much more needs to be learned about ecological relationships, tree genetics, soil nutrition, harvesting techniques, wood utilization, water qualities, aerial logging methods, and optimum multiple use development.

The extensive nonindustrial privately owned acreage in the United States is not growing its share of timber. Economic incentives are necessary to increase timber production on these lands for public benefit. If the public is to share in these benefits, it is only fair the public share in the cost of producing them.

The Nation's forests offer our people a tree-based environment—an environment for timber growth and an environment for psychic and social well-being The challenge of the future is not to teach man how to minimize his impact upon the forest, but to maximize the forest's impact upon man.

What is needed must begin with reconciliation and agreement between divergent interests to bring about a strong, united national effort necessary to enact substantive forestry legislation.

A challenge here is to step up utilization of our timber. All aspects of utilization must be increased in a scientific manner that does not degrade other forest uses. In addition, better utilization of logs at the mills is needed. These utilization questions offer a challenge that can and must be solved, and are ones well within the reach of today's applied technology.

Forecasts of future demands on all segments of our dwindling natural resources list shortages, potential shortages, and continued crises. Improved management of our forests, however, will offer one renewable resource that can meet the increasing demands upon it from the various segments of society. Recreation, timber production, watershed protection, fish and wildlife, wilderness—meeting the need of all these competing uses is possible if we meet this challenge of better forest management.

In conclusion, Mr. President, I would like to mention three other amendments I added in committee, and point out how they help us meet these goals. The bill contains $2.8 million not in the budget request for construction of the west wing of the Corvallis, Oreg., Forestry Sciences Research Laboratory. This will allow vital forest-related research on seeding planting and nursery practices; on solviculture of mixed conifers; on the genetics of Douglas-fir and other Pacific Northwest conifers; on brushfield reclamation, and on watershed management research, including anadromous fish habitat management.

Another amendment added by the subcommittee would provide $1,187,000 for the Bureau of Sport Fisheries national fish hatchery at Warm Springs Indian Reservation. This hatchery, when completed, will produce about 1.5 million salmon and trout annually with a combined weight of some 165,000 pounds for stocking waters of the Warm Springs Indian Reservation in northwestern Oregon.

In addition to supplying the fish, the hatchery will provide substantial economic benefits to the Warm Springs Indians through the sale of fishing permits, guide services, and related services connected with the fishing industry. It also will provide employment and training for Indians wishing to enter the fisheries field.

To date, some $2,445,000 has been appropriated for this project. Funds this year are needed for the holding pond complex, a rearing water system, a spawning facility, and to equip the hatchery building. Without these funds construction of the hatchery would come to a halt.

The last amendment we added in subcommittee affecting Oregon directly is $60,000 in the Forest Service budget for the La Grande Forest Service Range and Wildlife Habitat Laboratory.

Last year, research was initiated into acute bovine pulmonary emphysema, a serious livestock disease. It is suspected to be brought on by grazing changes.

Funds are necessary to conduct a second phase investigation of physiological features of this disease simultaneously with the ongoing research to identify the range conditions which are associated with it. With the completion of these stages, work on possible controls through range management and veterinary medicine can begin.

In Grant County, Oreg., alone, $75,000 was lost in 1972, all directly attributable to this disease. It has been estimated that the total impact on Grant County in 1973 was $1.2 million.

This is a good bill, one under the original budget requests. We cut it in subcommittee to the bone. Further cuts should not be made, and the legislation should be approved as is.

Mr. BIBLE. Mr. President, I promised earlier to yield whatever time he might want, because there is not a time limit, to the distinguished chairman of the full committee (Mr. McCLELLAN).

I think we are ready to vote. I have thought that practically every other 5 minutes of today. I could be wrong.

The Senator from South Carolina assures me that we are ready to vote.

Mr. McCLELLAN. Mr. President, as far as I am concerned, we are about ready to vote. I have no long speech to make. I simply recognize the problems that confront all of us with respect to public spending.

I am doing what I can to make reductions in the bills over which I have prime responsibility. I think I can say to the Senate that insofar as the defense bill is concerned, in a sense of cooperation, the subcommittee will recommend a very substantial reduction in defense spending, and I am confident that the Committee on Appropriations will generally sustain what the subcommittee, I think, will recommend.

I also make this comment about it: You can cut from the defense bill $10 million, $20 million. You can cut whatever you want to. The question is, do you want to incur that much risk to the security of this country? Sad to say, there will always be fat in it. In a $80-odd billion bill, there is no way to get that out. I only mention this preliminary to what I want to say, because to cast the implication here in this body that there is no conscientious and serious effort on the part of the Committee on Appropriations to bring about reductions in these appropriations is not quite accurate.

We are doing our best and, of course, the committee can reduce further what we recommend if it wants to. That is true, as I said. It can go just as far as it deems that we are willing to incur the risk of further disarmament or reducing our military posture. That is a matter that addresses itself to all of us.

As to this particular bill, I have no particular projects in it except one that I know about, and it is a money-making project. It is already partially constructed and already paying off more than it cost, and there is another section of it which, if constructed, will accommodate, this year and next, the 30,000 people that were turned away from it last year because this was not completed when they were willing and ready to pay the money to do it.

That is just one project. There are many in here, I am sure, that will not pay off. We can take a reduction in this; we can take a reduction in many of them.

The point I wish to make is that I would hope that the members of the Committee on Appropriations and other Members of this body will be fair to the Committee on Appropriations. If there are projects which ought to be cut 5 percent or cut 20 percent, or taken out, present them to the committee and let us have the opportunity to do it.

I know we may send it back, and do it that way. But are we going to have all the bills sent back? Are we going to try to do all this work over again? It is not easy, because there is a discipline among us today to try to bring about these reductions.

I hope the Senate will sustain what the committee has done thus far. We have passed some bills without this 5-percent reduction. I do not think it is right, at this hour, to begin forcing this kind of reduction and show favoritism in one department as against another.

I hope that the committee will sustain what has been done.

If it goes back to the committee, of course, I know the distinguished Senator from Nevada will do his best with the subcommittee to work it out. But I hope we will not make this a practice and set a precedent of doing this on every bill that comes before us. I hope that this proposed recommittal will be rejected.

Mr. BIBLE. I thank the chairman of the Committee on Appropriations. Obviously, he understands my sentiments. I do not think any case has been made for sending the bill back to reduce it $170 million. We have talked on this since 12 o'clock noon, and this is 4 hours later. There is very little I can add. I think most people have their positions.

I think the case has not been made for

sending it back. I think this is a responsible bill. I think it meets the needs of today in the climate of today.

With those few short words, I suggest we get on to the voting.

Have the yeas and nays been ordered?

The PRESIDING OFFICER. The Senator is correct; the yeas and nays have been ordered.

Mr. BIBLE. I suggest that the roll be called.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from South Carolina 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. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Idaho (Mr. CHURCH), the Senator from Alaska (Mr. GRAVEL), the Senator from Louisiana (Mr. LONG), and the Senator from New Mexico (Mr. MONTOYA) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Maryland (Mr. MATHIAS), the Senator from Oregon (Mr. PACKWOOD), and the Senator from Kansas (Mr. PEARSON) are necessarily absent.

I also announce that the Senator from New Jersey (Mr. CASE) is absent on official business.

I further announce that, if present and voting, the Senator from New Jersey (Mr. CASE) would vote "nay."

The result was announced—yeas 37, nays 54, as follows:

[No. 354 Leg.]

YEAS—37

| | | |
|---|---|---|
| Allen | Dole | Nunn |
| Baker | Domenici | Percy |
| Bartlett | Eagleton | Proxmire |
| Bellmon | Fulbright | Ribicoff |
| Bentsen | Gurney | Roth |
| Biden | Hansen | Schweiker |
| Brock | Helms | Scott, William L. |
| Buckley | Hollings | Stafford |
| Byrd, Harry F., Jr. | Huddleston | Symington |
| Chiles | Hughes | Taft |
| Cook | McClure | Thurmond |
| Curtis | McGovern | Tunney |
| | McIntyre | |

NAYS—54

| | | |
|---|---|---|
| Abourezk | Griffin | Metzenbaum |
| Aiken | Hart | Mondale |
| Beall | Hartke | Moss |
| Bennett | Haskell | Muskie |
| Bible | Hatfield | Nelson |
| Brooke | Hathaway | Pastore |
| Burdick | Hruska | Pell |
| Byrd, Robert C. | Humphrey | Randolph |
| Cannon | Inouye | Scott, Hugh |
| Clark | Jackson | Sparkman |
| Cotton | Javits | Stennis |
| Cranston | Johnston | Stevens |
| Dominick | Kennedy | Stevenson |
| Eastland | Magnuson | Talmadge |
| Ervin | Mansfield | Tower |
| Fannin | McClellan | Weicker |
| Fong | McGee | Williams |
| Goldwater | Metcalf | Young |

NOT VOTING—9

| | | |
|---|---|---|
| Bayh | Gravel | Montoya |
| Case | Long | Packwood |
| Church | Mathias | Pearson |

So the motion to recommit was rejected.

Mr. BIBLE. Mr. President, I move to reconsider the vote by which the motion was rejected.

Mr. STEVENS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STEVENS. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order. Senators will please take their seats. The Senator will suspend.

Mr. BIBLE. May we have order, Mr. President?

The PRESIDING OFFICER. The Chair is attempting to obtain order and will request that the Senators take their seats and take their conversations to the cloakroom. Will the Senators cease their conversations.

The Senator from Nevada.

Mr. BIBLE. Mr. President, while we have a good attendance on the floor I would like to inquire whether there are any other Senators who have amendments either to increase or to decrease the amount in the bill?

Mr. ALLEN. Mr. President——

Mr. BIBLE. Apparently there are no further amendments.

Mr. ALLEN. If the Senator will yield——

Mr. BIBLE. I have already promised to yield to the two Senators from Alabama. My understanding is this would just be for a colloquy, and I would certainly hope we would get a third reading in about 10 minutes for the Senators who are here.

I yield to the two Senators from Alabama. Let them flip a coin, and I will recognize them one after the other, whichever way they want.

I will first recognize the senior Senator from Alabama (Mr. SPARKMAN). We do not even need to flip the coin.

Mr. SPARKMAN. I thank the chairman of the committee for yielding.

Mr. President, I simply want to say——

The PRESIDING OFFICER. Would the Senator please use his microphone?

Mr. BIBLE. May we have order, Mr. President. I think we will be to the third reading momentarily.

Mr. SPARKMAN. Mr. President, I regret that the committee saw fit to delete in this bill construction funds which had been approved by the House of Representatives for the remaining section of the Natchez Trace Parkway in northwest Alabama.

These moneys are urgently needed to initiate construction of the 11.4 miles from Margerum in Colbert County, Ala., to the Alabama-Mississippi State line. During the decade of the sixties a bridge was constructed across the Tennessee River between Colbert and Lauderdale Counties, Ala., as a part of the Natchez Trace Parkway, but the access and enjoyment of the bridge and points south of the river has been badly hampered by the 11.4 miles I have just mentioned.

I am advised by officials of the National Park Service that the entire section from the river area to the Alabama-Mississippi State line could be under contract during the current fiscal year provided funds in the amount of $8.4 million were made available. In our efforts to cut back spending, however, we are requesting only the million dollars in moneys approved by the other body in passing its version of H.R. 16027.

The Natchez Trace Parkway, although incomplete, has already proven to be one of the most popular facilities of the National Park Service. Construction of the uncompleted section in Colbert County, Ala., will result in total enhancement of this splendid and important national recreational facility.

I would hope that the Senate conferees would go along with this particular aspect of the House version of the Interior Department appropriations bill in conference.

I just want to say I am sorry that the committee did not see fit to include in the bill the same provision that the House had there with reference to the completion of a stretch of the Natchez Trace Parkway in Alabama.

I notice there is $6 million or $5.4 million to do that work down in Mississippi. This is the only interior project in Alabama, with the exception of that little forestry station that the committee has provided funds to build in Auburn, and this project has been underway for many years. It is lacking, I think, only 51 miles in Alabama to complete it. The House included, as I recall, $1 million.

Mr. BIBLE. That is correct. The Senator from Alabama is correct.

Mr. SPARKMAN. I am not going to offer an amendment, but I hope in conference the Senate's committee will consider very seriously agreeing to the House proposal on it to complete this project inside Alabama.

Mr. BIBLE. We have had many pleas on the completion of the Natchez Trace. The Senator from Mississippi pointed out his problems in his State of Mississippi. I know the Senator from Alabama has some problems in Alabama.

Mr. SPARKMAN. Just one small stretch.

Mr. BIBLE. I understand.

Mr. SPARKMAN. Built from Nashville down——

The PRESIDING OFFICER. Will the Senators suspend? The Senate is not in order and we would ask the cooperation of all the Senators and the employees of the Senate.

The Senator may proceed.

Mr. SPARKMAN. There is just one stretch, I believe it is just 11 and four-tenths miles.

Mr. BIBLE. I realize the importance of this project to both of the Senators from Alabama and to other people in Alabama. But if the Senators from Alabama had been here when that sterling gentleman from South Carolina was assaulting this budget from one end to the other——

[Laughter.]

Mr. SPARKMAN. I was here.

Mr. BIBLE (continuing). He would have understood why we had to make a few cuts here and there.

But I want to say that that problem has been resolved, and we will be very happy to take this item to conference. We will get ourselves some more and additional information.

I found out in the years that I have worked on these Interior appropriations bills, I guess it is my Western training, that the thing to do is to take on a few of the House items, so that we are not

spending all our time arguing over the Senate items.

I never felt that was the correct way to negotiate. Out our way, where some of us have in the past played cards, one has always got to have a little something in the hole card. It is a Western expression, and I am not going to explain it to those who do not gamble.

Mr. PASTORE. Mr. President, will the Senator yield? We, in Rhode Island, are not gamblers, but we follow the same procedure.

Mr. BIBLE. That is fine.

Mr. SPARKMAN. Let me say this, in conference the conferees have to build up credits back and forth.

Mr. BIBLE. That is what we are trying to do.

Mr. SPARKMAN. All I am suggesting is to consider the House position on this.

Mr. BIBLE. We will consider it very carefully, and I hope the Senator will give us some additional information.

Mr. SPARKMAN. It is a small stretch there.

Mr. BIBLE. I realize that, and I want to make the RECORD clear that there is a lot more in this budget for Alabama than just this little project. I do not want to get into that but simply say that we will do the best we can.

I now yield to the distinguished junior Senator from Alabama (Mr. ALLEN).

Mr. ALLEN. I thank the distinguished chairman.

First, I want to associate myself with the remarks of my distinguished colleague (Mr. SPARKMAN) in regard to the Natchez Trace and for the completion of this highway throughout Alabama. I would hate to have them come to the boundary of Alabama and then have to get off the highway in Alabama to go to Mississippi. I would like to get this missing link completed.

I rise to call the chairman's particular attention to the fact that on page 38 of the House report provision has been made for a $816,000 appropriation for construction funds to complete the southeast regional forestry sciences laboratory at Auburn University at Auburn, Ala., and I notice that this item was deleted from the bill by the Senate committee.

I would like to call attention to the fact that this is a 2-year project. As a matter of fact, it originally started back in 1972 when $110,000 in planning funds were appropriated to develop plans and specifications for the forestry sciences laboratory proposed for construction on a 6-acre plot donated by Auburn University, and that appropriation was made, and then in the appropriation bill last year $700,000 were appropriated to put up the shell of the building.

It was contemplated that the remainder of the funds, $816,000, would be appropriated this year to complete the project. The work remaining in this last stage includes completion of facilities in the main laboratory to house the research on silviculture of longleaf pines, landscaping, drive and parking areas and construction of the greenhouse headhouse, chemical storage building, and shop-warehouse.

I do not believe we can afford to delay the completion of this vital project any longer, as you are aware further delays result in greater costs.

I know that the chairman would not like to have a bill just halfway completed when the appropriation was split in two.

Mr. BIBLE. May we have order, Mr. President?

The PRESIDING OFFICER. The Senate will be in order.

Mr. ALLEN. To complete the bill halfway, and it was contemplated that time that the remainder of the appropriation would be made available in this appropriation bill, the House would appropriate the funds.

Mr. BIBLE. I understand, and may I just respond very briefly?

I have checked into this item that the Senator from Alabama was kind and courteous enough, as he always is, to call to my attention in advance of what he is saying now.

He states it correctly, the first appropriation was $700,000, and I understand that they just opened bids on this in April of this year, 1974.

Mr. ALLEN. That is on the second half.

Mr. BIBLE. My understanding is that that is the first phase. It will be operational on its own.

Now the second phase to which the Senator addresses himself is to expand the program and that does require the figure of $816,000.

Mr. ALLEN. Yes.

Mr. BIBLE. I do not believe we went into this in depth on the Senate side. I have no great familiarity with it. I checked it out since he has called it to my attention.

I will do all I can to explain this very thoroughly. It still will be in conference with the House. We will do the best we can to move forward with this matter.

Mr. ALLEN. I know the chairman will, and having full confidence in the chairman and not wishing to go counter to his wishes, we are making this request in policy rather than seeking to have an amendment adopted here on the floor, which we certainly want to avoid.

Mr. BIBLE. Well, I am glad the Senator feels that way because I might have to oppose it.

Mr. ALLEN. That is exactly what I had in mind. We thought that, but decided we would throw ourselves on the distinguished chairman's mercy, that he would see fit to go along with us.

Mr. BIBLE. I always believe in compassion, mercy, and sympathy, so we will have it in conference and take a good look at it.

Mr. ALLEN. I thank the chairman very much. Of course, my distinguished senior colleague joins in.

Mr. BIBLE. If there are no further amendments, and there appear to be none, I ask for a third reading.

The PRESIDING OFFICER. If there are no further amendments to be proposed, the question is on the engrossment of the amendments and third reading of the bill.

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

The bill was read the third time.

Mr. McGEE. Would the senior Senator from Nevada (Mr. BIBLE) yield for a brief question?

Mr. BIBLE. I would be happy to yield to the Senator from Wyoming.

Mr. McGEE. The chairman will recall that during consideration of the Supplemental Appropriations Act in December 1971, the committee, at my request, made available the appropriated sum of $2,215,000 for improvements at the Jackson Hole Airport. This money was to remain available to the National Park Service on a continuing basis until the planning, development, and improvements could be completed. As you know, this airport is located in the Grand Teton National Park in Wyoming.

Although there have been some delays in developing the plan, I am advised that the Park Service is now ready to proceed with these improvements. The total cost will approximate $2 million. All of these funds will be spent in cooperation with the Federal Aviation Administration and the local airport board.

Mr. President, the planned improvements are for safety reasons and are extremely important to the community of Jackson and the many, many tourists who fly into that area the year around. The air traffic has increased tremendously in recent years due to the increased number of visitors to Yellowstone National Park and Grand Teton National Park in the summer, as well as the newly developed Jackson Hole ski areas in the winter.

The flight safety and efficiency improvements of which I speak have been developed in cooperation with the FAA and include such items as runway surface improvements, construction of a new taxi and parking area, improved lighting systems—all of which are vital for providing public safety at the airport.

Mr. President, I note that on page 12 of the committee report the language indicates that the committee has directed that $1 million in unobligated funds appropriated earlier for delayed projects be reprogramed to help finance new projects added by the committee. The House committee called for reprograming $2.8 million.

Mr. President, the question I have is whether the $1.8 million difference is clearly intended by the committee to be held and utilized for the Jackson Hole Airport safety improvement project? I know that this was the intent of the committee and Congress last year, and I want the record to be clear that this is once again our intent.

Mr. BIBLE. I thank the Senator from Wyoming (Mr. McGEE) for raising this question.

The House is calling for the reprograming of $2.8 million in Park Service construction funds, has said it is looking at $800,000 in unused funds for Cape Hatteras and $2 million that was originally appropriated in 1972 for extension of the Jackson Hole Airport runway in Wyoming. After House passage of the Interior appropriations bill, the committee learned that the Park Service intends to use the Jackson Hole funds for general airport improvements. This had not

been brought to the committee's attention previously, and that is the basis for the misunderstanding.

However, the committee has reduced the reprograming to only $1 million. I can say to the Senator that the committee definitely does not intend, as a part of this recommended reprograming, to take any funds away from Jackson Hole Airport.

This is a matter for conference, and I hope it can be worked out to everyone's satisfaction. Meanwhile, I think it would be wise for the Park Service to give the committee official notification of its plans to modify the use of the Jackson Hole appropriation, since it is not being used for the specific purpose for which it was appropriated.

Mr. McGEE. The House position, of course, would put the Jackson Hole Airport safety improvement program in jeopardy. I certainly hope that when we take this bill to conference, Mr. Chairman, that the Senate position in this matter will prevail. I also wish to take this opportunity to thank the senior Senator from Nevada (Mr. BIBLE) for his continuing cooperation in this matter.

Mr. BIBLE. I thank the senior Senator from Wyoming.

Mr. HANSEN. Mr. President, a matter related to the fiscal year 1975 appropriation for the National Park Service very much concerns me, and I hope the Senate conferees will take it into account when they meet with the House conferees to resolve differences between the two versions of H.R. 16027.

When the House Appropriations Committee considered this bill, $2.8 million of National Park Service funds appropriated in previous fiscal years was reprogramed for use on a variety of projects. There was no indication either in the House committee report on H.R. 16027 or during the House floor debate on the bill, as to which projects the committee intended to "unfund" in order to reprogram this amount; however, I am advised that $2 million previously appropriated for safety improvements at the Jackson Hole Airport in Grand Teton National Park, Wyo., and $800,000 intended for storm damage repair at Cape Hatteras, was reprogramed by the House committee for other uses.

Mr. President, the $2 million for safety improvements at Jackson Hole Airport was first appropriated by Congress in fiscal year 1972, and having worked on this project prior to that time and ever since that time, I naturally am concerned about the action taken recently by the House committee, which subsequently was approved by the full House on July 24.

My colleagues may recall that the $2 million originally was added to a supplemental appropriation in order to pay for improvements at the airport, including the extension of the runway. This improvement plan at one time had the full support and approval of the National Park Service, but the extension of the runway subsequently became embroiled in controversy and enmeshed in the various stages of environmental impact studies and hearings, due to the fact that the airport is located within Grand Teton National Park.

In May of this year, following several years of studies, surveys, public hearings, meetings, and the preparation of draft and final environmental impact statements concerning the runway extension, Secretary of the Interior Rogers Morton announced publicly that the extension would be held in abeyance pending the completion of a regional transportation and airport site location study to determine "whether there are other sites which would be viable alternatives to an extension of the runway at Jackson Hole Airport in Grand Teton National Park, Wyo." The transportation study is to be conducted by the Department of Transportation.

In that same public statement, and in subsequent letters to me and to the congressional delegations of Wyoming, Idaho, and Montana, Secretary Morton said with the exception of the runway extension, the improvements proposed at the airport were necessary and important, and he said he had directed the National Park Service to proceed with certain safety improvements at the Jackson Hole Airport which the Federal Aviation Administration and the National Park Service have long agreed are required for flight safety and efficiency. Of the improvements needed at this airport, Mr. President, only the extension of the runway was subject to controversy, and the improvements outlined by the Secretary in his May 22 press release, and for which the $2 million would be spent, have the support of proponents and opponents of the runway extension. None of this money would be spent to extend the runway, since that is a dead issue at this point.

The House committee's action means, of course, that the necessary improvements at Jackson Hole Airport cannot be undertaken until such time as Congress again appropriates additional money to do the job.

There is every reason to proceed now with the remaining safety improvements, and that is precisely what Secretary Morton said he would do. In a letter dated May 23, 1974, he said:

> In the meantime, I have directed the National Park Service to proceed with strengthening and widening the existing 6,305-foot runway, constructing a parallel 6,305-foot taxiway, providing additional aircraft and vehicle parking, installing a new sewage system, and making other minor improvements. I agree that the Federal Aviation Administration projects that are necessary for flight safety and efficiency should be implemented.

I would hope the Senate's record of consideration of H.R. 16027 might reflect the fact that the National Park Service made a commitment to the Jackson Hole Airport authority to proceed with certain safety improvements, and that it intended to utilize this $2 million to pay for those improvements. I am pleased to join my colleague from Wyoming, Senator McGEE, in urging the Senate conferees to consider this matter when they meet with the House conferees to work out a compromise between the two versions of this legislation.

A commitment has been made, and funds are available to meet the commitment. I hope the Congress will agree those funds should remain available, and should not be reprogramed for other purposes.

I ask unanimous consent to have printed in the RECORD at this point a copy of a May 23 letter from Secretary of the Interior Rogers Morton; my June 4 letter to the Secretary on the same subject; his June 28 response; and a May 24 press release from the Interior Department outlining the improvements to be undertaken.

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

U.S. DEPARTMENT OF THE INTERIOR,
*Washington, D.C., May 23, 1974.*

Hon. CLIFFORD P. HANSEN,
*U.S. Senate,*
*Washington, D.C.*

DEAR CLIFF: I have asked the Department of Transportation to conduct a regional transportation and airport site location study to determine whether there are other sites which would be viable alternatives to an extension of the runway at Jackson Hole Airport in Grand Teton National Park, Wyoming. It is my hope that this study can be completed in 1 year.

In the meantime, I have directed the National Park Service to proceed with strengthening and widening the existing 6,305-foot runway, constructing a parallel 6,305-foot taxiway, providing additional aircraft and vehicle parking, installing a new sewage system, and making other minor improvements. I agree that the Federal Aviation Administration projects that are necessary for flight safety and efficiency should be implemented.

I have made these decisions after a careful study of the environmental, economic and safety consequences of all the alternatives available to me.

I fully appreciate the implications this decision has upon Jackson. Hopefully, a permanent solution can be found what will serve both the community and the Grand Teton National Park.

Sincerely yours,

ROGERS C. B. MORTON,
*Secretary of the Interior.*

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[Department of the Interior News Release]

SECRETARY MORTON AGREES TO IMPROVEMENTS FOR GRAND TETON AIRPORT; DECISION ON RUNWAY EXTENSION WILL AWAIT REGIONAL TRANSPORTATION STUDY

Secretary of the Interior Rogers C. B. Morton today announced that the National Park Service will make safety improvements to Jackson Hole Airport in Grand Teton National Park, Wyoming, but said a regional transportation study will be conducted to determine whether there are other sites which would be viable alternatives to an extension of the runway.

Secretary Morton said he has directed the National Park Service to strengthen and widen the existing 6,305-foot runway, construct a parallel 6,305-foot taxiway, provide additional aircraft and vehicle parking, install a new sewage system and make other minor improvements.

The Secretary said he has not yet determined whether the proposed extension of the runway to 8,000 feet is essential to its continued operation but that the Federal Aviation Administration should consider installing an instrument landing system, a lighted runway and air traffic control tower.

"By these actions," Secretary Morton said, "we can eliminate the safety hazards that may exist at the airport and greatly reduce the number of overflights there but not make an irreversible decision until all alternatives have been carefully considered."

Secretary Morton said he expects the FAA to begin work soon on the regional transportation study aimed at analyzing possible alternative sites for the airport. The facility is operated by the five-member Jackson Hole Airport Board, a public body authorized by the town of Jackson, Wyoming. The Board has a special use permit, issued by the National Park Service, to operate the airport within the national park.

"Especially in view of the energy shortage it behooves us to make sure we completely understand how best to move people to and from this beautiful area and around the national parks and forests once they get there," the Interior Secretary said.

"Further, I am charged by law to permit airport operations in a National Park only if they are necessary to the proper performance of the functions of the Department of the Interior, and the Secretary of Transportation must determine that no prudent and feasible alternative exists to the use of parklands for the airport improvement."

Funds for the extension of the runway were appropriated by the Congress in December 1971. The extension was proposed to allow use of pure jet commercial aircraft at the airport which extension supporters argue is necessary for reliable year around service to the Jackson area.

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COMMITTEE ON FINANCE,
*Washington, D.C., June 4, 1974.*

Hon. ROGERS C. B. MORTON,
*Secretary of the Interior,*
*Washington, D.C.*

DEAR ROG: I want you to know how much I appreciate the courtesies you have extended me in regard to the Jackson Hole Airport proposal. You have been very thoughtful.

While I wish that you would have made a decision to extend the runway now, I am grateful that you did not close the door to the possibility of the future extension. I am hopeful that the study of the alternatives to the extension of the airport can be expeditiously prepared. Our past experience would also indicate the need for obtaining professional consultants to complete this study.

Now that the decision has been made to proceed with the other improvements, there is a need to clarify who will administer the appropriate funds. I would encourage you to delegate to the Airport Board the authority to supervise the construction of the authorized improvements.

I do not mean to imply that the Park Service or the FAA should not approve the final plans and specifications. However, I understand that the procedural requirements of the Park Service and the FAA may be different. If this is the case, needless duplication would result. There should be no need to require separate plans to be submitted to the Park Service and the FAA. Furthermore, if both agencies must be involved in every detail relating to the construction of the project, the date of completion will be needlessly delayed. The Airport Board would be best qualified to oversee these details.

Thank you for your cooperation and assistance.

With best regards,
Sincerely,

CLIFFORD P. HANSEN,
*U.S. Senator.*

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U.S. DEPARTMENT OF THE INTERIOR,
*Washington, D.C., June 28, 1974.*

Hon. CLIFFORD P. HANSEN,
*U.S. Senate, Washington, D.C.*

DEAR CLIFF: Thank you for your letter concerning the improvements at the Jackson Hole Airport in Grand Teton National Park. I, too, desire that the alternative study be promptly completed so that the long-range future of the airport can be decided. This will also acknowledge the copy of your letter to Director Walker of the National Park Service.

I also agree with you that the number of agencies supervising installation of the necessary airport improvements be kept to a minimum. At an interagency meeting held in Jackson on June 10, it was decided that the National Park Service will complete the preparation of contract documents, plans, and specifications. Upon completion, the Service will turn over its work, the appropriated funds, and responsibility for construction to the Airport Board. We believe that this is the most expeditious approach to installation of improvements.

We appreciate and understand your concern in this important matter, and we will expedite the airport improvements and the regional transportation study.

Thank you for your cooperation, and we will keep you informed on our progress.

Sincerely yours,

ROG,
*Secretary of the Interior.*

Mr. TUNNEY. Mr. President, the legislation we are considering, the Interior Department appropriations bill, contains $10 million earmarked for land acquisition in the Lake Tahoe Basin.

It is my understanding that this money will be used to purchase from the Fibreboard Corp., a 10,123.9 acre tract northeast of Lake Tahoe in Placer County, Calif. I fully support this acquisition. After carefully reviewing the facts, I feel that Federal acquisition of this property is necessary to prevent further degradation of the lake.

As Senators are aware, the land in question was originally sought by the Forest Service in exchange for timber credits under the general exchange authority. This would have resulted in a $2.4 million loss to the 16 northern California counties in which the timber exists. As a result, the exchange was not likely.

Therefore, I believe that the Interior Committees of the House and Senate acted wisely by deciding on a direct purchase. Keen congressional vigilance at Tahoe is our best tool to insure that Federal money is not spent without full assurances that the purchase will be in the best interest of all who strive to protect this matchless alpine lake.

Mr. ROTH. Mr. President, once again we are being asked to approve a budget-breaking spending bill. The amount of money recommended by the Committee for the Interior Department and related agencies is almost $600 million over last year's appropriations. This final figure represents an 18-percent increase over last year's spending, an increase that is clearly inflationary and irresponsible. To make matters worse, the committee is recommending a spending increase despite the fact that many of the programs in last year's bill are not even included in this year's bill. Several agencies and activities normally carried in this bill were funded in the special energy research and development appropriations bill. When the amount of spending in the two bills are combined, presenting a more accurate comparison with last year's spending, the total increase is nearly $1 billion, or 21 percent, over last year's appropriations.

A portion of the increase can be attributed to energy-related programs. I supported these programs in the special energy research and development appropriations bill, but I cannot support the large increase in spending for the programs contained in this bill. The Congress has to get away from the idea that each and every Federal program is entitled to an automatic spending increase every year.

Within the past 9 months, the Congress responded to the energy crisis with a united and coordinated effort. I believe it is high time for the Congress to respond to the inflation crisis with the same determination as it responded to the energy crisis. Inflation is a problem that affects all of the American people, and the Members of Congress have an obligation to take action to reduce the inflation problem.

A reduction in Federal spending and an end to deficit spending is the most effective way that the Congress can reduce inflationary pressures in the economy.

I intend to vote against this inflationary increase in Federal spending, and I urge each of my colleagues to do the same.

Mr. BIBLE. Mr. President, I ask for the yeas and nays on passage.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

Mr. HARRY F. BYRD, JR. Will the Senator from Nevada yield for a question?

Mr. BIBLE. I am happy to yield to the Senator.

Mr. HARRY F. BYRD, JR. Have there been floor amendments changing the total figure, and if so, what is the new figure?

Mr. BIBLE. There have been no floor amendments which in any way change the figures which the Senator has before him in either the bill or the report.

Mr. HARRY F. BYRD, JR. I thank the Senator.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

On this question the yeas and nays have been ordered and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Idaho (Mr. CHURCH), the Senator from Alaska (Mr. GRAVEL), the Senator from Louisiana (Mr. LONG), the Senator from New Mexico (Mr. MONTOYA), and the Senator from Arkansas (Mr. FULBRIGHT) are necessarily absent.

Mr. TOWER. I announce that the Senator from Arizona (Mr. GOLDWATER), the Senator from Michigan (Mr. GRIFFIN), the Senator from Maryland (Mr. MATHIAS), the Senator from Oregon (Mr. PACKWOOD), the Senator from Kansas (Mr. PEARSON), and the Senator from Pennsylvania (Mr. HUGH SCOTT) are necessarily absent.

I also announce that the Senator from New Jersey (Mr. CASE) is absent on official business.

I further announce that, if present and

voting, the Senator from New Jersey (Mr. CASE), and the Senator from Pennsylvania (Mr. HUGH SCOTT) would each vote "yea."

The result was announced—yeas 69, nays 18, as follows:

[No. 355 Leg.]

YEAS—69

| | | |
|---|---|---|
| Abourezk | Fong | Metzenbaum |
| Aiken | Hansen | Mondale |
| Allen | Hart | Moss |
| Baker | Hartke | Muskie |
| Beall | Haskell | Nelson |
| Bellmon | Hatfield | Pastore |
| Bennett | Hathaway | Pell |
| Bentsen | Hruska | Percy |
| Bible | Hughes | Randolph |
| Brock | Humphrey | Ribicoff |
| Brooke | Inouye | Schweiker |
| Burdick | Jackson | Sparkman |
| Byrd, Robert C. | Javits | Stafford |
| Cannon | Johnston | Stennis |
| Clark | Kennedy | Stevens |
| Cook | Magnuson | Stevenson |
| Cotton | Mansfield | Talmadge |
| Cranston | McClellan | Thurmond |
| Curtis | McClure | Tower |
| Dominick | McGee | Tunney |
| Eastland | McGovern | Weicker |
| Ervin | McIntyre | Williams |
| Fannin | Metcalf | Young |

NAYS—18

| | | |
|---|---|---|
| Bartlett | Domenici | Proxmire |
| Biden | Eagleton | Roth |
| Buckley | Gurney | Scott, William L. |
| Byrd, Harry F., Jr. | Helms | Symington |
| Chiles | Hollings | Taft |
| Dole | Huddleston | |
| | Nunn | |

NOT VOTING—13

| | | |
|---|---|---|
| Bayh | Gravel | Packwood |
| Case | Griffin | Pearson |
| Church | Long | Scott, Hugh |
| Fulbright | Mathias | |
| Goldwater | Montoya | |

So the bill (H.R. 16027) was passed.

Mr. BIBLE. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. McGEE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BIBLE. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical corrections in the engrossment of the Senate amendments.

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

Mr. BIBLE. Mr. President, I move that the Senate insist upon its amendments, request a conference with the House of Representatives thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. BIBLE, Mr. MCCLELLAN, Mr. ROBERT C. BYRD, Mr. MCGEE, Mr. MONTOYA, Mr. CHILES, Mr. MANSFIELD, Mr. STEVENS, Mr. YOUNG, Mr. HATFIELD, and Mr. BELLMON conferees on the part of the Senate.

Mr. MANSFIELD. Mr. President, if I may have the attention of the Senate, I cannot let this occasion go by without paying my respects to the senior Senator from Nevada, who has handled his last Interior appropriation bill on the floor of the Senate. He is retiring voluntarily after a long and distinguished career.

I know of no man more modest, more worthy, and more understanding than ALAN BIBLE.

I just want you to know—and I think I speak for every **Member of the Senate—**



that we are indebted to you for the statesmanship and the understanding and the consideration you have shown to all of us through the years, regardless of party or where we come from. You have been a Senator's Senator, in my opinion, I am indebted to you for the fine service you have performed for your State and for this Nation.

[Applause, Senators rising.]

Mr. BIBLE. Mr. President, if I had known that the distinguished Senator from Montana was going to say that, I would not now be standing on the Republican side of the Chamber. [Laughter.]

I remain a Democrat, but I think I can respond while standing in the midst of my Republican friends.

These have been rewarding years and challenging years. I have said many times that I hope I have made a few contributions. Thank you very much.

[Applause.]

## AMENDMENT OF THE ATOMIC ENERGY ACT OF 1954

Mr. PASTORE. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 3698.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 3698) to amend the Atomic Energy Act of 1954, as amended, to enable Congress to concur in or disapprove international agreements for cooperation in regard to certain nuclear technology which was to strike out all after the enacting clause, and insert:

That subsection 123 d. of the Atomic Energy Act of 1954, as amended, is revised to read as follows:

"d. The proposed agreement for cooperation, together with the approval and determination of the President, if arranged pursuant to subsection 91 c., 144 b., or 144 c., or if entailing implementation of sections 53, 54, 103, or 104 in relation to a reactor that may be capable of producing more than five thermal megawatts or special nuclear material for use in connection therewith, shall have no force or effect unless and until specifically approved by Act of Congress.

SEC. 2. The amendment made by the first section of this Act shall apply to any agreement or any amendment to any agreement, if the agreement or the amendment is proposed or entered into after July 1, 1974.

Mr. PASTORE. Mr. President, I move that the Senate disagree to the amendment; request a conference thereon with the House of Representatives; and that the Chair be authorized to appoint conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. PASTORE, Mr. SYMINGTON, Mr. MONTOYA, Mr. AIKEN, and Mr. BAKER conferees on the part of the Senate.

## AMENDMENT OF THE EXPORT-IMPORT BANK ACT OF 1945

Mr. STEVENSON. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on Senate Joint Resolution 229.

The PRESIDING OFFICER (Mr. WILLIAM L. SCOTT) laid before the Senate the amendment of the House of Representatives to the joint resolution (S.J. Res. 229) to amend the Export-Import Bank Act of 1948, which was on line 4, strike out "August 31" and insert "September 30".

Mr. STEVENSON. Mr. President, I move that the Senate concur in the amendment of the House.

The motion was agreed to.

## EXTENSION OF EXPIRATION DATE OF THE EXPORT ADMINISTRATION ACT OF 1969

Mr. STEVENSON. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of House Joint Resolution 1104.

The PRESIDING OFFICER (Mr. WILLIAM L. SCOTT) laid before the Senate House Joint Resolution 1104, which was read twice by its title, as follows:

A joint resolution (H.J. Res. 1104) to extend by sixty-two days the expiration date of the Export-Administration Act of 1969.

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

There being no objection, the joint resolution (H.J. Res. 1104) was considered, ordered to a third reading, read the third time, and passed.

## MINORITY PARTY MEMBERSHIP ON THE COMMITTEE ON THE BUDGET OF THE SENATE

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

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

There being no objection, the resolution (S. Res. 378) was considered and agreed to, as follows:

*Resolved,* That the following shall constitute the Minority Party's membership on the Committee on the Budget of the Senate for the remainder of the 93rd Congress: Peter H. Dominick of Colorado, Milton R. Young of North Dakota, Roman L. Hruska of Nebraska, Jacob K. Javits of New York, Paul J. Fannin of Arizona, Robert Dole of Kansas.

## EMPLOYMENT OF WHITE HOUSE OFFICE AND EXECUTIVE RESIDENCE PERSONNEL—CONFERENCE REPORT

The PRESIDING OFFICER (Mr. WILLIAM L. SCOTT). Under the previous order, the Senate will now resume consideration of the conference on H.R. 14715.

Mr. WEICKER. Mr. President, I move to table the conference report on H.R. 14715, employment of White House office and executive residence personnel.

I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Connecticut. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce

that the Senator from Indiana (Mr. BAYH), the Senator from Idaho (Mr. CHURCH), the Senator from Alaska (Mr. GRAVEL), the Senator from Louisiana (Mr. LONG), and the Senator from New Mexico (Mr. MONTOYA) are necessarily absent.

Mr. TOWER. I announce that the Senator from Arizona (Mr. GOLDWATER), the Senator from Michigan (Mr. GRIFFIN), the Senator from Maryland (Mr. MATHIAS), the Senator from Oregon (Mr. PACKWOOD), the Senator from Kansas (Mr. PEARSON), and the Senator from Pennsylvania (Mr. HUGH SCOTT), are necessarily absent.

I also announce that the Senator from New Jersey (Mr. CASE) is absent on official business.

I further announce that, if present and voting, the Senator from Pennsylvania (Mr. HUGH SCOTT) would vote "nay."

The result was announced—yeas 54, nays 34, as follows:

[No. 356 Leg.]

YEAS—54

| | | |
|---|---|---|
| Abourezk | Fulbright | Pell |
| Allen | Gurney | Percy |
| Baker | Hart | Proxmire |
| Bartlett | Hartke | Ribicoff |
| Beall | Haskell | Roth |
| Bentsen | Hatfield | Schweiker |
| Biden | Hathaway | Sparkman |
| Brock | Helms | Stafford |
| Brooke | Hollings | Stevenson |
| Buckley | Huddleston | Symington |
| Byrd, Harry F., Jr. | Javits | Taft |
| | Johnston | Thurmond |
| Chiles | Kennedy | Tower |
| Clark | McGovern | Tunney |
| Cook | McIntyre | Weicker |
| Cranston | Metzenbaum | Williams |
| Dole | Muskie | Young |
| Eagleton | Nelson | |
| Ervin | Nunn | |

NAYS—34

| | | |
|---|---|---|
| Aiken | Fannin | McGee |
| Bellmon | Fong | Metcalf |
| Bennett | Hansen | Mondale |
| Bible | Hruska | Moss |
| Burdick | Hughes | Pastore |
| Byrd, Robert C. | Humphrey | Randolph |
| Cannon | Inouye | Scott, William L. |
| Cotton | Jackson | |
| Curtis | Magnuson | Stennis |
| Domenici | Mansfield | Stevens |
| Dominick | McClellan | Talmadge |
| Eastland | McClure | |

NOT VOTING—12

| | | |
|---|---|---|
| Bayh | Gravel | Montoya |
| Case | Griffin | Packwood |
| Church | Long | Pearson |
| Goldwater | Mathias | Scott, Hugh |

So the motion to table the conference report was agreed to.

Mr. WEICKER. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. TAFT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MANSFIELD. Mr. President, there will be no further votes tonight.

## REVISING AND AMENDING THE PRICE-ANDERSON INDEMNITY PROVISIONS OF THE ATOMIC ENERGY ACT OF 1954, AS AMENDED

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of calendar No. 987, H.R. 15323, so that it may become the pending business.

The PRESIDING OFFICER (Mr. MCINTYRE). The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 15323) 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.

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 Joint Committee on Atomic Energy with amendments, on page 2, beginning at line 10, to strike out the following language:

*And provided further,* That as the term is used in subsection 170 c., it shall include any such occurrence outside the United States or any other nation if such occurrence arises out of or results from the radioactive, toxic, explosive or other hazardous properties of source, special nuclear, or byproduct material licensed pursuant to Chapters 6, 7, 8, and 10 of this Act, which is used in connection with the operation of a licensed stationary production or utilization facility and/or moves outside the territorial limits of the U.S. in transit from one person licensed by the Commission to another person licensed by the Commission.

And insert in lieu thereof:

*And provided further,* That as the term is used in subsection 170 c., it shall include any such occurrence outside the United States if such occurrence arises out of or results from the radioactive, toxic, explosive, or other hazardous properties of source, special nuclear, or byproduct material licensed pursuant to chapters 6, 7, 8 and 10 of this Act, other than for import or export or for nuclear ship propulsion, which takes place outside the territorial limits of the United States or any other nation.

On page 8, in line 12, strike out ": *Provided further,* That notwithstanding any other provision of this Act the indemnification provisions shall not apply to any 'nuclear incidents' occurring in any nation other than the United States."

On page 10, in line 23, strike out ", announced by the Atomic Energy Commission on June 27, 1973" and insert in lieu thereof "entitled 'An Assessment of Accident Risks in U.S. Commercial Nuclear Power Plants', AEC Report Number WASH-1400".

## ORDER FOR ADJOURNMENT UNTIL 10 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business tonight, it stand in adjournment until the hour of 10 o'clock tomorrow morning.

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

## INFLATION POLICY STUDY

Mr. MANSFIELD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. Con. Res. 93.

The PRESIDING OFFICER (Mr. MCINTYRE) laid before the Senate the amendment of the House of Representatives to the concurrent resolution (S. Con. Res. 93) relating to an inflation policy study, with the following amendment:

Page 2, line 7, after "to," insert "the causes of the current inflation and".

Mr. MANSFIELD. I move that the Senate concur in the amendment of the House of Representatives.

The motion was agreed to.

Mr. JAVITS. Mr. President, could we have another little idea from the majority leader? I know what the concurrent resolution is, and I am in favor of it, but could the Senator tell us what the House did today?

Mr. MANSFIELD. It is a perfecting amendment.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk read as follows:

Page 2, line 7, after "to," insert "the causes of the current inflation and".

Mr. JAVITS. I thank the Chair.

## AUTHORIZATION FOR THE CLERK OF THE HOUSE OF REPRESENTATIVES TO MAKE CORRECTIONS IN THE ENROLLMENT OF H.R. 69

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of House Concurrent Resolution 583, authorizing the Clerk of the House of Representatives to make corrections in the enrollment of H.R. 69.

The PRESIDING OFFICER. The concurrent resolution will be stated.

The assistant legislative clerk read as follows:

*Resolved by the House of Representatives (the Senate concurring),* That the Clerk of the House of Representatives in the enrollment of the bill (H.R. 69) to extend and amend the Elementary and Secondary Education Act of 1965, and for other purposes, is authorized and directed to make the correction described in the following sentence. Immediately after subsection (b) of section 121 of title I of the Elementary and Secondary Education Act of 1965, which is added by section 101(a)(2)(E) of the bill, insert the following:

"(c) A State agency shall use the payments made under this section only for programs and projects (including the acquisition of equipment and, where necessary, the construction of school facilities) which are designed to meet the special educational needs of such children, and the State agency shall provide assurances to the Commissioner that each such child in average daily attendance counted under subsection (b) will be provided with such a program, commensurate with his special needs, during any fiscal year for which such payments are made.

"(d) In the case where such a child leaves an educational program for handicapped children operated or supported by the State agency in order to participate in such a program operated or supported by a local educational agency, such child shall be counted under subsection (b) if (1) he continues to receive an appropriately designed educational program and (2) the State agency transfers to the local educational

agency in whose program such child participates an amount equal to the sums received by such State agency under this section which are attributable to such child, to be used for the purposes set forth in subsection (c).

SEC. 2. The Clerk of the House of Representatives in the enrollment of such bill is further authorized and directed to make the correction described in the following sentence. In section 252 of the bill, strike "Title IV" and insert in lieu thereof "Title V".

SEC. 3. The Clerk of the House of Representatives in the enrollment of such bill is further authorized and directed to make the correction described in the following sentence. In the title of section 612 of the bill, strike out "Office" and insert in lieu thereof "Bureau".

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the concurrent resolution (H. Con. Res. 583) was considered and agreed to.

## LEGISLATIVE PROGRAM

Mr. TOWER. I take this opportunity to ask the majority leader as to what else is contemplated for this evening, and what the business will be for tomorrow and for the remainder of the week, to the extent that he is able to tell now.

Mr. MANSFIELD. Mr. President, there will be no further business this evening, but the first order of business tomorrow will be the bill on atomic energy. I think the big difficulty will be over the Price-Anderson provisions.

Following that, it is anticipated that we will take up Calendar Order No. 1024, H.R. 15581, the District of Columbia appropriation bill, and following that, Calendar No. 975, S. 3569, the so-called Amtrak bill.

If we finish with those three bills tomorrow, we will not meet on Friday. But if we do not finish, we will come in Friday to complete the work which will be begun tomorrow.

Mr. TOWER. I thank the distinguished majority leader.

Mr. MANSFIELD. On Monday, may I say to the distinguished acting Republican leader, the Senate will proceed to the consideration of the unfinished business, which is the Consumer Protection Agency measure, but I believe we will spend some time on Monday on the Housing conference report, which I believe is ready and which the Senator from Alabama (Mr. SPARKMAN) has indicated he will be prepared to take up.

Mr. TOWER. May I ask the majority leader whether it is anticipated that a cloture motion will be filed on Monday on S. 707?

Mr. MANSFIELD. No, I do not think so. Some attention has been given to a previous commitment, and one may be filed, but we are anxious to determine what will happen in that area as soon as possible.

## ADJOURNMENT UNTIL 10 A.M.

Mr. MANSFIELD. 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 the hour of 10 o'clock tomorrow morning.

The motion was agreed to; and, at 5:26 p.m., the Senate adjourned until tomorrow, Thursday, August 8, 1974, at 10 a.m.

## NOMINATIONS

Executive nominations received by the Senate August 7, 1974:

CORPORATION FOR PUBLIC BROADCASTING

The following-named persons to be members of the Board of Directors of the Corporation for Public Broadcasting for the terms indicated:

For the remainder of the term expiring March 26, 1978:

Amos B. Hostetter, Jr., of Massachusetts, vice Theodore W. Braum, resigned.

For a term expiring March 26, 1980:

Joseph Coors, of Colorado, vice Albert L. Cole, term expired.

Lucius Perry Gregg, Jr., of Illinois, vice James R. Killian, Jr., term expired.

Lillie E. Herndon, of South Carolina, vice Frank Pace, Jr., term expired.

John Whitney Pettit, of Maryland, vice Robert S. Benjamin, term expired.

IN THE ARMY

Col. Frederick Adair Smith, Jr., xxx-xx-[redacted], U.S. Military Academy, for appointment as Dean of the Academic Board of the U.S. Military Academy under the provisions of title 10, United States Code, sections 4333 and 4335.

## CONFIRMATIONS

Executive nominations confirmed by the Senate August 7, 1974:

DEPARTMENT OF STATE

Richard W. Murphy, of Virginia, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Syrian Arab Republic.

ENVIRONMENTAL PROTECTION AGENCY

Roger Strelow, of Maryland, to be an Assistant Administrator of the Environmental Protection Agency.

James L. Agee, of Washington, to be an Assistant Administrator of the Environmental Protection Agency.

(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, August 7, 1974*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

*The fruit of the Spirit is in all goodness and righteousness and truth.*—Ephesians 5: 9.

Almighty God, who hast gathered our people into a great nation and art calling them to live together with justice and good will, renew our spirits in Thee and restore to us a good relationship with those with whom we live and work.

Look with Thy favor upon those who serve our country here on Capitol Hill. Grant unto them wisdom of mind, strength of character, goodness of heart, and so direct them in their decisions that peace and justice may prevail for the benefit of all our people.

We pray especially for our President, our Speaker, and every Member of Congress. Make them equal to their high tasks, just in the exercise of power, generous in judgment, and always loyal to the royal within themselves.

In the spirit of Christ 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 PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Marks, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On July 30, 1974:

H.R. 7207. An act for the relief of Emmett A. and Agnes J. Rathbun;

H.R. 9440. An act to provide for access to all duly licensed clinical psychologists and optometrists without prior referral in the Federal employee health benefits program;

H.R. 11295. An act to amend the Anadromous Fish Conservation Act in order to extend the authorization for appropriations to to carry out such act, and for other purposes; and

H.R. 15461. An act 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;

H.R. 377. An act to authorize the Secretary of the Interior to sell certain rights in the State of Florida; and

H.R. 3544. An act for the relief of Robert J. Beas.

On August 5, 1974:

H.R. 14592. An act 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.

## MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 566. Concurrent resolution to provide additional copies of hearings and the final report of the Judiciary Committee on the impeachment inquiry.

The message also announced that the Senate had passed with amendments in