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Congressional Record

PROCEEDINGS AND DEBATES OF THE 93^d CONGRESS, FIRST SESSION

SENATE—*Friday, February 8, 1974*

The Senate met at 10 a.m., and was called to order by Hon. QUENTIN L. BURDICK, a Senator from the State of North Dakota, who thereupon offered the following prayer:

Let us pray:

They that wait upon the Lord shall renew their strength; they shall mount up with wings like eagles; they shall run, and not be weary; and they shall walk, and not faint.—Isaiah 40: 31.

Help us, O Lord, to run when we can, to walk when we ought, to wait when we must. In everything do through us only what is best for the United States, and give us wisdom to leave undone that for which we are not ready.

In Thy holy name we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

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

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, February 8, 1974.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. QUENTIN L. BURDICK, a Senator from the State of North Dakota, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

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

QUORUM CALL

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

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

The 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 President, I ask unanimous consent that the order for the quorum call be rescinded.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 ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SENATOR BURDICK'S PRAYER

Mr. MANSFIELD. Mr. President, first let me commend the distinguished Senator from North Dakota for the prayer which he delivered this morning. I thought it was excellent, to the point and, as always, badly needed and much appreciated by all of us.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Thursday, February 7, 1974, be dispensed with.

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

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees be authorized to meet during the session of the Senate today.

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

EXECUTIVE SESSION

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

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

DEPARTMENT OF STATE

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

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

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

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

Mr. MANSFIELD. Gladly.

Mr. JAVITS. I would like to say just a word about the nomination of Joseph Sisco to be Under Secretary of State.

I know, as he is a personal friend as well as a Government official, that he had hoped to retire to the presidency of a college, hopefully in my own State, and this was very dear to his heart; however, at the request of the Secretary of State, in response to what has always been his giving the highest priority to calls to duty, he is remaining with the State Department. He has, as a Foreign Service officer, both in the United Nations and for the Department of State, rendered great services to our Nation and its people in the interests of the peace and security of our country. I believe it should be noted now, at this stage of his career, that he is again sacrificing himself in the interests of our Nation, and that we should express our gratitude to him for it.

Mr. MANSFIELD. Mr. President, if the Senator will yield, I want to join in the remarks just made by the distinguished Senator from New York, and to say that I, too, and I am sure the Senate, the Congress, and the people of this Nation appreciate the sacrifice which Mr. Sisco is making. He has had a long, arduous, and difficult job, and this job will be just as difficult because I daresay one of his main areas of interest will continue to be the Middle East, where he has performed so magnificently. I am delighted that he has once again shown his integrity and his patriotism by accepting a nomination as Under Secretary of State for Political Affairs.

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

FEDERAL RESERVE SYSTEM

The assistant legislative clerk read the nomination of Henry C. Wallich, of Connecticut, to be a member of the Board of Governors.

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

SECURITIES AND EXCHANGE COMMISSION

The assistant legislative clerk read the nomination of Irving M. Pollack, of Maryland, to be a member of the Securities and Exchange Commission.

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

SECURITIES INVESTOR PROTECTION CORPORATION

The assistant legislative clerk read the nomination of Jerome W. Van Gorkom, of Illinois, to be a Director.

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

DEPARTMENT OF DEFENSE

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

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

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

NOMINATIONS PLACED ON THE SECRETARY'S DESK

The assistant legislative clerk proceeded to read sundry routine nominations placed on the Secretary's desk in the Air Force, Army, Navy, and Marine Corps.

The ACTING 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 immediately notified of the confirmation of these nominations.

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

LEGISLATIVE SESSION

Mr. MANSFIELD. I ask unanimous consent that the Senate return to the consideration of legislative business.

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

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, before I proceed to make a unanimous-consent request, I want to call to the attention of the Senate that, because of the inclement weather, for the first time in the Senate's history no official reporter is present and that the proceedings up to now were being taken down on a tape recorder furnished by the distinguished Secretary of the Senate, Mr. Francis R. Valeo. So, with that innovation, plus the fact that the distinguished Senator from North Dakota (Mr. BURDICK) delivered such an excellent prayer this morning, I believe that this day the Senate is off to a very good start.

UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. Now, Mr. President, on my own time, I propound the following unanimous-consent request:

Ordered, that on Tuesday, February 19, 1974, at 4 p.m., a vote occur on the motion to recommit the conference report on S. 2589.

That on Tuesday, February 19, 1974, the Senate convene at 10 a.m., and that after the recognition of the two leaders under the standing order, the conference report be laid before the Senate, and that the time until 12:30 p.m. be equally divided between and controlled by the Senator from Washington (Mr. JACKSON) and the Senator from Arizona (Mr. FANNIN), and the time from 2 p.m. to 4 p.m. on that day be similarly divided and controlled.

That if the conference report is not recommitted, a vote on the adoption of the conference report on S. 2589 follow immediately the vote on the motion to recommit.

That all points of order be excluded, so that the votes will occur on a motion to recommit and a motion to approve or disapprove the conference report.

It is my understanding, Mr. President, that this has been cleared all around.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

Does the Republican leader seek recognition?

Mr. FANNIN. Mr. President, I yield back the time of the Republican leader.

ORDER OF BUSINESS

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

SENATE RESOLUTION 283—SUBMISSION OF A RESOLUTION RELATING TO ARMS LIMITATION AND REDUCTION TREATIES BETWEEN THE UNITED STATES AND THE SOVIET UNION

(Referred, by unanimous consent, to the Committee on Foreign Relations and the Committee on Armed Services.)

Mr. MATHIAS. Mr. President, I send a resolution to the desk, and because of the extraordinary aims of the resolution and its vital impact on the national security of the United States, I ask unanimous consent that the resolution be referred, not to a single committee, but to two committees, to the Committee on Foreign Relations, to which it would normally be referred, and also to the Committee on Armed Services which would have an important interest in the subject.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Maryland? The Chair hears none, and it is so ordered.

The resolution reads as follows:

S. RES. 283

Whereas the treaty on the limitation of anti-ballistic-missile systems and the interim agreement on certain offensive weapons systems, concluded between the United States and the Soviet Union on May 26, 1972, strengthened the security of the United States by setting limits on particular categories of nuclear weapons systems; and

Whereas the first round of Strategic Arms Limitation Talks (SALT) began a constructive dialog between the two nations which could lead to further nuclear arms limitations through mutually agreed upon reductions of existing nuclear weapons systems; and

Whereas the nuclear arms race, despite the positive achievements of the treaty and interim agreement signed on May 26, 1972, has continued its costly and dangerous course in areas not covered by such treaty and interim agreement; and

Whereas research, development, testing, and deployment of more advanced nuclear weapons systems continue at a rising level of expenditures by both the United States and the Union of Soviet Socialist Republics; and

Whereas such further efforts and expenditures for research, development, testing, and deployment of advanced nuclear weapons systems could undermine the nuclear deterrent now possessed by both the United States and the Soviet Union and weaken the mutual confidence of both nations in their ability to prevent nuclear war; and

Whereas the negotiations now underway in Geneva in connection with the Strategic Arms Limitation Talks (SALT) still offer the best opportunity to conclude further treaties and agreements which would lessen the possibility of any nuclear war and reduce the costly and dangerous burden of armaments borne by the United States and the Soviet Union: Now, therefore, be it

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

(1) the President, the Secretary of State, the Secretary of Defense, and the Director of the Arms Control and Disarmament Agency and their advisors should (a) give the highest priority to concerted efforts to achieve treaties and agreements which will halt the nuclear arms race through reductions of existing weapons stocks on a mutually agreed upon basis of overall equality; (b) and take such additional steps as might be necessary to lessen the probability of nuclear holocaust;

(2) concerted efforts should be made to achieve restraint on the part of both the Soviet Union and the United States during the Strategic Arms Limitation Talks now in progress with regard to further expenditures for research, development, testing, and deployment of all nuclear weapons systems;

(3) inequalities that may now exist in the respective nuclear weapons systems of both the United States and the Soviet Union should be eliminated through mutually agreed upon reductions of existing nuclear weapons systems;

(4) a mutually agreed upon equality of the deterrent forces of the two countries will necessarily involve an overall balance in their respective forces taking into account the following elements, among others:

(A) quantitative factors of nuclear weapons systems such as numbers of launchers, amounts of megatonnage, and numbers of deliverable warheads;

(B) qualitative differences between nuclear weapons systems such as reliability, accuracy, reload capability, survivability, maneuverability of warheads and range; and

(C) geographical factors bearing on the effectiveness of nuclear weapons systems.

SEC. 2. It is further declared to be the sense of the Senate that the President of the United States and the Secretary of State 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 further arms limitations and reductions within the context of an assured deterrent which is the basis of our national security.

SEC. 3. The Secretary of the Senate is di-

rected to transmit copies of this resolution to the President and the Secretary of State.

Mr. MATHIAS. Mr. President, I further ask unanimous consent that in addition to the cosponsors whose names appear on the resolution as introduced, Senators MANSFIELD, KENNEDY, and JAVITS, that the following Senators also be added as cosponsors: Senators BAYH, BURDICK, CHURCH, CLARK, CRANSTON, FULBRIGHT, HART, HATFIELD, HATHAWAY, HUGHES, HUMPHREY, MCGOVERN, MCINTYRE, MONDALE, MUSKIE, NELSON, PERCY, PROXMIRE, SYMINGTON, TUNNEY, WILLIAMS, STEVENSON, and ABOUREZK.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Maryland?

The Chair hears none, and it is so ordered.

Mr. JAVITS. Mr. President, would the Senator yield briefly to me since I must go to a committee hearing?

Mr. MATHIAS. I yield to the distinguished Senator from New York.

Mr. JAVITS. Mr. President, I would like to commend the Senator for his thoughtfulness, alertness, and creativity in respect of this resolution. This relates essentially to the whole arms race, especially to the nuclear arms race which would put the Soviet Union and the United States as the two poker players in a game which could destroy us.

I thank the Senator for his great helpfulness in this matter. He has done this though he is not a member of the committee. I hope that one day he will be a member of the committee.

The Senator is performing an enormous service to the country and to the cause of peace in this and other nations, for which I am extremely thankful.

Mr. MATHIAS. Mr. President, I thank the Senator from New York. I appreciate the support of the Senator and his cosponsorship as well as his work.

Mr. President, the most important negotiations which will directly affect our national security are the SALT talks which will be resumed at Geneva at the end of this month. The life of every citizen will be affected by the outcome of those crucial negotiations. If the SALT talks fail, the danger of a nuclear war will be greatly increased. If these talks fail, the costly and dangerous burden of armaments will be increased. Our military forces will require the expenditure of tens of billions of dollars in addition to the hundreds of billions of dollars already spent on our arsenal of nuclear armaments.

National security policy of the United States must be the result of the joint action of the Congress and the executive branch. There is no more vital national security issue than the definition of the purpose, nature, and extent of our nuclear deterrent. The United States has been engaged since 1968 in a great and profound debate on the foundations of our national security policy. This debate continues to this day. The ABM issue and the progress and outcome of SALT I are policy reflections of this crucial national debate. It is my intention, along with the distinguished majority leader, Mr. MANSFIELD, and the distinguished chairman of the Foreign Relations Committee, and other cosponsors, to define in the form of a Senate resolution what we think the future course of U.S. policy in strategic weapons should be. This resolution is focused upon the SALT II talks. We introduce this resolution at this time, because we believe that the Congress and the administration should work together closely so that we can arrive at a jointly approved national security policy for the SALT talks at Geneva and to lay down guidelines for our future strategic policy that the Congress and the country can fully support. The defense budget is now under consideration by the Congress and it is our view that this resolution provides sound guidelines which could assist the Congress in determining what strategic expenditures are essential to our national security.

The ABM treaty signed with the Soviet Union at Moscow on May 26, 1972, marked a possible turning point away from the seemingly unbreakable circles of the arms race. The decision not to build ABM's on the part of the United States and the Soviet Union was the beginning of a mutual attempt by the super powers to halt the nuclear arms race. At the same time, in May of 1972, an interim agreement on certain nuclear offensive weapons systems was concluded by the United States and the Soviet Union. The agreement was, in essence, a freeze on existing offensive nuclear weapons capabilities. As Members of this body know, this freeze, this interim agreement, lapses in 1977. Two years have passed and after extensive negotiations, the second phase of the SALT talks at Geneva have not yet produced substantial results. Great diplomatic efforts will be required to make SALT II a success.

It is my hope that the policy of this Government will be to build vigorously upon the hopeful beginnings achieved in SALT I and conclude with the Soviet Union at the earliest possible time further nuclear arms limitations through mutually agreed upon reductions of nuclear weapons systems.

We are all aware that the arms race goes on. This is reflected in the Pentagon budget which the President has sent to the Congress—the largest in our peacetime history. The same process of escalating defense costs is taking place in the Soviet Union. There is no question that the arms race is of such costly magnitude that it underlies the great necessity to press for reductions which will achieve an overall equality of nuclear deterrent forces at a much lower level of danger and cost.

This has been the declared purpose of the United States since the SALT talks began—a purpose supported by the Congress and the people. The resolution which we have just introduced expresses the sense of the Senate that the United States should give the highest priority to concerted negotiations to achieve treaties and agreements which will halt the nuclear arms race. In our view, the best approach is through reductions of existing weapons stocks on a mutually agreed upon basis of overall equality. This resolution recognizes that the inequalities that now exist in the respective nuclear weapons systems of both the United States and the Soviet Union can be removed by mutually agreed upon reductions. The alternative is an ever-rising increase in the numbers of weapons. It is our view that the advice of the Senate to the President concerning the strategic arms race should be that we should make every effort to achieve reductions of existing nuclear weapons stocks and limitations upon the qualitative arms race.

The resolution we have introduced recognizes that the deterrent forces of the United States and the Soviet Union are very different. If we are to achieve an overall balance, all of the relevant factors have to be considered as an aggregate. The negotiations will have to take account of not only quantitative factors such as numbers of launchers, amounts of megatonnage, and numbers of deliverable warheads; it will also have to take account of qualitative differences contained in the nuclear weapons systems of the two countries such as reliability, accuracy, reload capability, survivability, maneuverability of warheads and range. We are all aware that geography is another important element that bears on the effectiveness of nuclear weapons systems and should be among the factors that go into the overall balance. We believe it is essential to include all the relevant factors in the negotiations at Geneva. The United States should not approach the SALT talks, in our view, with any limitations that would serve to undermine the possibility of a successful conclusion of treaties—treaties that would result in significant reductions of strategic weapons. It is obvious that the United States is stronger in certain categories while the Soviet Union is superior in others. There are no exact equivalents except the certainty of total annihilation if these weapons are ever used.

Mutual agreements on the part of the two great powers for mutual restraints on the expenditures on the research, development, testing, and deployment of advanced or modernized nuclear weapons systems should be a part of the SALT negotiations. There is good reason to believe that the Soviet Union might be willing to agree to proposals which are aimed at devising mutually acceptable and accurate means of determining the military expenditures and particularly in those of the strategic weapons areas of the two countries. To obtain such mutual agreement would do much to bring to an end the fears generated by the uncertainties of the present unreliable data on comparative defense spending and could break the cycle of expenditures based upon what the other power is doing. This is one small but im-

portant example of what might be usefully achieved by the SALT negotiators in Geneva and we urge that our negotiators attempt to achieve such an agreement.

Another important aspect of the strategic arms race is the continuing research and development testing and deployment of new weapons on both sides which appear to have as their purpose the achievement of qualitative superiority. It is our view that every effort should be made to produce mutual agreements that will limit the qualitative arms race. Effective limitations are possible. Any sober analysis of the arms race will indicate that qualitative limitations are essential if the overall parity between the two nations and the stability of the respective deterrents obtain from reductions of existing nuclear weapons stocks are to be maintained or to have any lasting effect.

I offer this resolution with Senator MANSFIELD and Senator KENNEDY in the spirit of support for the efforts made thus far at Vienna and Helsinki at SALT I, and with the hopes that SALT II will achieve its goals of lessening the dangers of nuclear holocaust through effective agreement limiting the qualitative arms race and through reductions of existing weapons. It is our view that the Senate will do what it can to make these most critical negotiations a success.

I ask unanimous consent that the name of the Senator from North Dakota (Mr. BURDICK) be added as cosponsor of the resolution.

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

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

Mr. MATHIAS. I am happy to yield to the distinguished majority leader.

Mr. MANSFIELD. Mr. President, the distinguished Senator from Maryland, who has been in the forefront in this particular area in his years in the Congress, both the House and the Senate, did me the privilege of allowing me to look at his resolution before he introduced it, and I feel honored to be a cosponsor.

I note that he emphasizes several times joint action of the Congress and the executive branch, and I believe that this is a most commendable argument, and that if the executive branch and the Congress will act together jointly, the possibility of achieving something in the way of positive results will be that much more favorable.

As the Senator knows, it seems that the SALT II talks were getting off to a shaky start, to put it mildly.

Evidently the Soviet Union has laid down positions which are unacceptable to us. Perhaps it is a bargaining factor and perhaps not. However, the main thrust of the resolution, as I interpret it, would, I hope, pave the way toward a limitation of arms in the immediate future and over the long run—I think this is much more important—a reduction of armaments so that the two countries could achieve an equal status. The word "equal" is most important.

If we are successful in the SALT II talks in limiting arms and if we are successful in bringing about jointly a reduction in arms, it would be for the benefit not only of our two countries, the so-called two super powers, but also for the world as a whole. It would allow a diffusion of funds into areas for the constructive use of the people of the two countries and of the world. And it would halt this dangerous spiral, this mad momentum which the arms race between the Soviet Union and the United States entails.

It is my understanding that on an overall basis, taking into account the cost of past wars, approximately 50 percent of our budget goes for those purposes and defense purposes. Now the administration is asking in excess of $80 billion, with the figure probably being closer to $90 billion, and with the enormous cost of past wars for which we are paying—even the Civil War, the Spanish-American War, World War I, World War II, Korea, and Vietnam—we have to take in the whole picture. Incidentally, it is my understanding, based on figures issued by the Department of Commerce in 1972, that the cost of the war in Vietnam, I believe, will extend approximately to the year 2050.

The ACTING PRESIDENT pro tempore. The time of the Senator has expired.

Mr. ROBERT C. BYRD. Mr. President, if the Chair will recognize me, I ask unanimous consent, since I have a previous order, that I may be permitted to yield to the distinguished majority leader such time as he may require.

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

Mr. MANSFIELD. The cost at that time will be somewhere around $425 to $450 billion, cumulatively.

I think that it is time we do something if we can, and if we have the courage to do it and the good sense to do it, to bring about not only a limitation, but also, over a period of time, a reduction of arms between the two great super powers and do it on an equitable basis so that parity will be the ultimate result and the savings will have a beneficial affect.

Mr. STENNIS. Mr. President, if the Senator will yield to me briefly, I want to express my interest in the remarks of the Senator from Montana.

I think that he and I would be in agreement on a great many of those points.

I am pleased at the idea of referring this to the Foreign Relations Committee and to the Armed Services Committee for a look into these matters. Am I correct in stating that that is the purpose?

Mr. MANSFIELD. The Senator is correct. The distinguished Senator from Maryland made that request on his own.

Mr. STENNIS. I thank him for making the request, and I thank the Senator from Montana for yielding.

Mr. MATHIAS. Mr. President, if the majority leader would yield to me, I would like to thank him for his careful analysis of really what we intend to do with this resolution. We intend to try to turn an ever-increasingly dangerous and costly situation around.

I thank the distinguished chairman of the Armed Services Committee and the remarks he has made and I welcome his interest and the interest of the Armed Services Committee in the issues contained in this resolution. He has with great wisdom and great understanding observed in the reports of the Armed Services Committee in the last year or two the fact that we cannot increase our national security simply by increasing our expenditures for arms, and that the sophistication of modern arms and the expenditure required for moderate arms no longer impart a direct, mathematical relationship between the security obtained and the dollars spent.

That is part of the rationale of the resolution. What we want and what every Member of the Senate wants is the ultimate national security of the United States. And we believe that that security can be found in the policies enunciated in the resolution.

I appreciate the support and the generous assistance of the distinguished majority leader.

Mr. MANSFIELD. Mr. President, may I say that no better leader could be found to carry on the responsibility of this resolution in all of the details it envisions, insofar as the future of the Nation is concerned. I thank the distinguished Senator from Maryland.

Mr. President, I ask unanimous consent that an estimate of the total cost of American wars by rank carried in the Statistical Abstract of the United States—1973, 93d Congress, 1st session, House Document 93–134, put out by the U.S. Department of Commerce, and the Bureau of the Census, be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. MANSFIELD. Mr. President, in relation to the colloquy I had with the distinguished Senator from Maryland (Mr. MATHIAS), during the course of the introduction of his resolution, the figure I gave was incorrect.

I mentioned that the total cost of the Vietnam war would be between $425 and $450 billion, and that that would be the ultimate cost. The figure carried in the Department of Commerce document is $352 billion, and that carries up almost to the middle of the next century.

In contrast, World War II's ultimate cost is estimated at $664 billion; the Korean conflict at $164 billion; World War I, $112 billion; the Civil War, the Union only, $12,592 million; the Spanish-American War, $6,460 million; the American Revolution, $190 million; the War of 1812, $158 million; the Mexican War, $147 million.

These figures are interesting because, for example, the original cost of the war in Vietnam was $128 billion, compared to what will ultimately become $352 billion, and the other figures appertaining to the other conflicts are just as interesting.

EXHIBIT 1

NO. 408. ESTIMATES OF TOTAL COST OF AMERICAN WARS, BY RANK

[In millions of dollars, except percent]

War	Estimated ultimate costs	Original war costs [1]	Veterans' benefits			Estimated interest payments on war loans	
			Total costs under present laws [2]	Percent of original war costs	Total costs to 1973 [3]	Total	Percent of original war costs
World War II	664,000	288,000	290,000	100	96,447	86,000	30
Vietnam conflict [4]	352,000	[5] 128,000	[6] 220,000	[6] 200	7,271	[7] 22,000	[7] 20
Korean conflict	164,000	54,000	99,000	184	16,960	11,000	20
World War I	112,000	26,000	75,000	290	52,411	11,000	42
Civil War (Union only)	12,952	3,200	8,580	260	8,572	1,172	37
Spanish-American War	6,460	400	6,000	1,505	5,526	60	15
American Revolution	190	100	70	70	70	20	20
War of 1812	158	93	49	53	49	16	17
Mexican War	147	73	64	88	65	16	14

[1] Based on expenditures of Departments of the Army and Navy to World War I and major national security expenditures thereafter. Usually the figures begin with the year the war began but in all cases they extend 1 year beyond the end of the actual conflict. See Historical Statistics of the United States, Colonial Times to 1957, series Y 351–352 and Y 358.

[2] To World War I, estimates are based on Veterans' Administration data. For World War I, World War II, and Korean conflict, estimates are those of the 1956 report of the President's Commission on Veterans' Pensions plus 25 percent (the increase in the average value of benefits since the Commission made its report).

[3] Source: U.S. Veterans' Administration, Annual Report of Administrator of Veterans' Affairs.

[4] Estimates based on assumption that war would end by June 30, 1970 (except for original war costs and for veterans benefit costs to 1973).

[5] Estimated Department of Defense expenditure in support of Southeast Asia for fiscal years 1965–72.

[6] Medium-level estimate of 200 percent (high, 300; low, 100) based on figures expressing relationship of veterans benefits payments to original costs of other major U.S. wars.

[7] Medium-level estimate of 20 percent (high, 30; low, 10) based on figures showing interest payments on war loans as percentage of original costs of other major U.S. wars.

Source: Except as noted, U.S. Congress, Joint Economic Committee. The Military Budget and National Economic Priorities, pt. 1, 91st Cong., 1st sess. (Statement of James L. Clayton, University of Utah.)

Mr. KENNEDY. Mr. President, for many years, the United States has been vitally interested in ending the nuclear arms race, in the interests of preserving its own security and peace in the world.

To this end, our negotiators spent 2½ years at the strategic arms limitation talks in Helsinki and Vienna, and finally concluded two agreements with the Soviet Union. The first, in the form of a treaty, provided for limits on missile defenses; the second, in the form of a 5-year interim agreement, placed limits on offensive weapons systems.

Since then, we have sought to go beyond these initial agreements, both to a permanent treaty on offensive missiles, and to further steps designed to end the race in nuclear arms once and for all.

We and the Russians have been engaged in the second round of the SALT talks for nearly 2 years, seeking to build upon our past achievements in the interests of security and peace. Today, in the United States we are beginning once again a great national debate about the structure and purpose of our strategic weapons programs, and the proper course for us to follow in negotiations with the Soviet Union. The outcome of this debate will vitally affect our security, the prospects of peace, and the spending of many tens of billions of dollars.

In the process, it is important for the U.S. Senate to express its collective view on the course the SALT talks should take, and on the overall strategic posture of the United States.

In this way, we here in this Chamber can help shape and support the efforts of the administration as it approaches these critical negotiations and decisions.

The resolution I am cosponsoring today, with the distinguished majority leader and the distinguished Senator from Maryland, is designed to lay out such a view, bearing in mind the most basic security needs and interests of the United States. During the past decade, we have realized that key elements of our security hinge upon our ability to survive any nuclear attack on us, and still cause unacceptable damage to any aggressor in return. We have long since provided the nuclear strength needed to achieve that purpose.

But we have also come to realize that deterrence of nuclear attack must be mutual: that we can only be safe from the threat of a nuclear holocaust if the Soviet Union feels that its nuclear deterrent is secure, as well.

There is no doubt that both the United States and the Soviet Union now both have far more nuclear power than either would ever need to deter a nuclear attack. It is in our mutual interest to stop the onward rush of the arms race, whether in quantitative or qualitative terms. And it is in our mutual interest to reduce those weapons that now exist, consistent with the demands of security.

This mutual interest is particularly pressing now that the impetus of the arms race is in qualitative improvements, rather than in increase in the number of missile launchers. With improvements in accuracy, and with increases in the number of nuclear warheads carried by each missile, it becomes progressively more difficult for either side to be sure that its land-based missiles could survive a nuclear attack.

There are two ways of solving this problem. The first is for both sides to increase their arsenals, perhaps having to abandon the interim agreement already reached on offensive weapons. The second is for both sides to reduce these forces, and eventually to agree to eliminate land-based missiles that are increasingly vulnerable, and rely upon airborne bombers and missile submarines hidden at sea. The second approach is clearly preferable, in terms of our own security, preventing nuclear war, and reducing the costs of military defense sensibly and safely. It is the approach favored by the Director of the Arms Control and Disarmament Agency, Dr. Iklé.

This resolution sets the framework for this kind of development. It calls upon the President to seek not just a stabilization of the arms race, but also a negotiated reduction in forces on both sides. It does not spell out what these reductions should be, but rather leaves that to the negotiators. It does contain a particular approach: The agreed mutual reduction of forces in order to achieve overall equality in nuclear arms.

Two years ago, when the salt agreements came before the Congress, considerable sentiment was expressed about the need for equality in United States and Soviet nuclear forces. Some Members of Congress believed that we were behind; others disagreed and asserted that we remained ahead; and the Congress as a whole passed an amendment introduced by the distinguished Senator from Washington, establishing the principle of equality in nuclear forces as an objective at further arms limitation talks.

The resolution we are introducing today includes that principle, but seeks to achieve it, not through costly and destabilizing increases in arms, but through reductions. Furthermore, this resolution seeks to establish the principle of equality in the only terms that make sense: In the overall balance of deterrent forces. The number of missile launchers on each side is one important measure. So is the number of warheads on each missile, and the number of submarines. Each must be taken into account.

But in addition, equality in nuclear forces means taking account of differences in quality. This means the accuracy of nuclear weapons, their reliability, their range, and many other factors. And there are still other factors to be considered, including the different distribution of population and industry in the United States and Soviet Union.

Equality, therefore, must mean an assessment of our total strategic capabilities, and those of the Soviet Union. And when that assessment is made, any overall inequalities that then exist can be dealt with in a calm and rational manner, in order to provide each side with a maximum of confidence in its own security.

"Equality through mutual reductions," therefore, is an approach to arms con-

trol that can lead us toward the end of the arms race, reduce the impact of these weapons on the politics of United States-Soviet relations, and save substantial resources for other purposes.

Mr. President, I believe that this is an historic moment in the history of American foreign policy. The President and Secretary Kissinger have been laboring to create a new structure of peace. Agreements have been reached with both Russia and China. The Middle East may at long last have a chance to move from a situation of repeated *conflicts* to a genuine peace. And a series of negotiations is in progress to build upon efforts made so far in détente.

Whether we will sustain these efforts, or lose today's chance to pass decisively beyond the cold war, will depend in part on what happens during the coming critical phase of the SALT talks. It will depend on whether the Soviet Union now shows restraint in its defense programs. And it will depend on whether we in the United States are prepared to exercise restraint, as well. For that reason, my colleagues and I have tried to fashion a resolution that provides a way forward in controlling the arms race, while calling for restraint in that race as vital efforts are made to halt it.

We look forward to a full and frank debate on this resolution and on the issues it raises. We also expect that this resolution will give the Senate a chance to play a critical role in decisions both about the character of U.S. Strategic Forces, and about the doctrines under which they are deployed.

Mr. President, I urge the Senate to give this resolution its careful consideration.

UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. Mr. President, I have discussed the unanimous-consent agreement which the Senate has entered into with the distinguished Republican senior member of the committee, and with his assent I would like to make an addition to it.

With respect to the agreement on the conference report, I ask unanimous consent to add the words "with or without instructions" after the reference to "motion to recommit."

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana? The Chair hears none, and it is so ordered.

The agreement, as modified, is as follows:

Ordered, that on Tuesday, February 19, 1974, at 4 p.m., a vote occur on the motion to recommit the conference report on S. 2589.

That on Tuesday, February 19, 1974, the Senate convene at 10 a.m., and that after the recognition of the two leaders under the standing order, the conference report be laid before the Senate, and that the time until 12:30 p.m. be equally divided between and controlled by the Senator from Washington (Mr. JACKSON) and the Senator from Arizona (Mr. FANNIN), and the time from 2 p.m. to 4 p.m. on that day be similarly divided and controlled.

That if the conference report is not recommitted, a vote on the adoption of the conference report on S. 2589 follow immediately the vote on the motion to recommit, with or without instructions.

That all points of order be excluded, so that the votes will occur on a motion to recommit and a motion to approve or disapprove the conference report.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may reserve the remainder of my time

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

Under the previous order, the Senator from Massachusetts (Mr. KENNEDY) is recognized for not to exceed 15 minutes.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the distinguished Senator from Virginia (Mr. HARRY F. BYRD, JR.,) may be recognized at this time without prejudice to the Senator from Massachusetts.

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

Under the previous order, the Senator from Virginia (Mr. HARRY F. BYRD, JR.) is recognized for not to exceed 15 minutes.

CUBA

Mr. HARRY F. BYRD, JR. Mr. President, I was much interested in the rally which took place in Havana, Cuba, a few days ago. The guest of honor was Chairman Brezhnev of the Soviet Union.

News reports say that a million Cubans turned out in Revolutionary Square to hear the Russian leader and to hear the Cuban leader Fidel Castro and other Cuban officials. News accounts say that Premier Castro omitted his usual anti-American harangue and confined his remarks to 1 hour.

This rally brings to mind an anti-American rally I attended in Havana in 1959, almost 15 years ago. Fidel Castro took over Cuba January 1, 1959, and during that year I was in Cuba several times as a newspaper correspondent.

The anti-American rally, which likewise was attended by an estimated million persons, was a very lengthy one. It lasted most of the day and into the night. Fidel Castro himself spoke for 3½ hours. The crowd was brought from throughout Cuba; the cane cutters, the peasants, the farmers from throughout Cuba were brought by busloads to the square at the Presidential Palace.

It is interesting to note that the rally the other day did not have the same anti-American tone that all of the previous rallies have had. But I suspect this is quite temporary.

Mr. President, I think it is rather tragic what Castro has done to that wonderful little island of Cuba. After he took over, I went there whenever I could because I am very partial to the Cuban people. I think they are a wonderful people, and I think it is a wonderful island.

Yet, under Castro, it is one of the few places I have been to where I have actually found fear on the part of the people, real fear of the dictatorship of the Castro regime. I have seen fear on the part of the people in Czechoslovakia; I have seen it to a lesser extent in Poland and Yugoslavia. But I saw more fear in Castro's Cuba than in any other country to which I have been.

I note that there has been some discussion that there should be a change in the relationship between Cuba and the United States. Perhaps it is something that should be considered, but I think that there are a lot of problems to be worked out before anything along that line should be attempted.

I would think the first step would be for this Nation to encourage Castro to admit newsmen and newswomen from this country and give them free access to Cuba. I have been informed that it is the policy of the American State Department to authorize bona fide newsmen and newswomen to go to Cuba.

But, of course, a visa must be obtained from the Cuban Government. I have been informed that the Cuban Government does not grant many visas to news persons and grants visas only to selected and supposedly friendly correspondents, correspondents friendly to the Cuban Government.

Before there can be a real change in the relationship between the United States and Cuba it seems to me that the Cuban Government must give free access to American newsmen and newswomen who wish to go to that island and report conditions that exist there freely and impartially to the American people.

I have not been there since 1959. I was there several times that year, but all the information I can get is that Castro has virtually destroyed the economy of that fine little country. This is tragic. In dispatches which I wrote from Cuba in 1959 I tried to indicate to the United States that Castro was more left-leaning and would develop into more of a dictator than many of the influential newspapers in the United States made him out to be.

If this rally which took place in Havana a few days ago could be followed up by Cuba permitting American newspersons free access to that nation it would be a very desirable situation.

ORDER OF BUSINESS

Mr. HARRY F. BYRD, JR. Mr. President, how much time do I have remaining?

The ACTING PRESIDENT pro tempore. The Senator's time has expired.

Mr. ROBERT C. BYRD. Mr. President, how much additional time does the Senator need?

Mr. HARRY F. BYRD, JR. Three minutes.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may yield 4 minutes to the distinguished Senator from Virginia.

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

The Senator from Virginia is recognized.

SECRETARY KISSINGER HAS CONFIDENCE IN ADMIRAL MOORER

Mr. HARRY F. BYRD, JR. Mr. President, the Armed Services Committee, the day before yesterday, had before it Admiral Moorer, Chairman of the Joint Chiefs of Staff, and Dr. Henry A. Kissinger, Secretary of State. They testified before the committee at separate times, but each of these top leaders of our Government expressed confidence in the other.

The purpose of the meeting was to

probe allegations which had been made in the press that there had been friction between the Chairman of the Joint Chiefs of Staff and the Secretary of State.

As one Senator, I felt reassured by that meeting Wednesday because each expressed great confidence in the other.

Since the charges were made in the press against Admiral Moorer, for the most part, I asked the Secretary of State this question:

Am I correct in my belief, judging from your testimony today, that you have complete confidence in Admiral Moorer?

Secretary Kissinger's reply was:

Yes, that is correct.

QUORUM CALL

Mr. HARRY F. BYRD, JR. Mr. President, I suggest the absence of a quorum.

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

The legislative clerk proceeded to call the roll.

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

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

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may reserve the remainder of my time and that the period for the transaction of routine morning business ensue at this time without prejudice to the distinguished Senator from Massachusetts (Mr. KENNEDY) who has an order.

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

TRANSACTION OF ROUTINE MORNING BUSINESS

The PRESIDING OFFICER (Mr. ALLEN). At this time, there will be a period for the transaction of routine morning business for not to exceed 15 minutes, with statements therein limited to 3 minutes.

AN EMERGING GLOBAL ECONOMY

Mr. MATHIAS. Mr. President, from time to time statements are made that demand frequent repetition in the intent of educating the Nation so that it may intelligently determine the course of its future. Today, I bring such a statement to the Senate and ask that it be printed in the RECORD so that it can have the widest possible dissemination throughout the Congress and the country.

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

THE NEW POLITICS OF THE EMERGING GLOBAL ECONOMY

(By Peter G. Peterson)

It was once said that when economics gets important enough it becomes political. Today, I could choose from a gourmet menu of such political/economic problems. But, if both you and I are to avoid indigestion, I shall need to restrict my intellectual appetite.

Could I suggest, as a starting point, that we reject an *obsessive preoccupation with last year's problems*. I was reminded how bad things had gotten in August of 1971 when my six-year old daughter Holly eagerly demonstrated her newly acquired reading competence by reading from my eye glass case, "Made in England". She had a perplexed look on her face, and I said, "Darling, what's bothering you?", and she said, "Why, Daddy, I thought everything we bought was made in Japan."

But as I went around the world earlier this year on behalf of the President, I realized what an enormous transition has been taking place since August of 1971. We are still in that transition period. This suggests this business of transition periods requires definition; a professor at the University of Chicago named Jacob Viner once defined a transition period as simply a period between two other transition periods.

But this is obviously something much more. We are witnessing a profound and constructive change. If in 1971 we were all true to our chauvinist traditions and *blamed* each other *more* than each deserved, let us *not* now give each other *less* credit than we deserve.

Who would have thought in 1971, that a German automaker would say to me—as one recently did—"Mr. Peterson, how can we compete anymore?" I suddenly thought back to 1971, when Detroit automakers voiced a common complaint—how can the U.S. ever compete again?

Who would have thought in 1971 that U.S. exports for the first eight months of 1973 would be up 27% in value?

And who would have thought in 1971 that the United States, of all countries, would be worried about how, of all things, an under-valued dollar had actually stimulated domestic inflation by making American commodities the greatest bargains in the world? Who, for example, would have thought in 1971 that a benign little product few of us could identify, soybeans, could cause major foreign policy problems?

Who would have thought that we would be attracting a large and growing number of foreign visitors to our country—as tourists—and that they would be going home to Tokyo and Paris and saying to their friends, "You should go to New York and Washington—that's the kind of cheap living we used to have in the good old days." I am sure that those of you who have been in Japan or Europe this year know the other half of that particular story.

In past meetings such as these, security issues dominated; someone with my background and interests would have had difficulty even getting invited. Economics and resources were not in vogue and certainly not part of the vocabulary of the elite—whom everybody knew would only focus their "superior" intellects on strategic, doctrinal issues. It amuses me, and perhaps even pleases me now to watch people, and I particularly have in mind a certain favorite full professor friend of mine who used to teach at Harvard but is now even more prominent, if that is possible, moving from his familiar, metaphysical terrain of the MIRV and forced to discover the megatonnage of the soybean.

But I hope that as economic matters become more and more important we do not move into an era in which resources are used as weapons.

THE NEW INTERRELATEDNESS OF THINGS

Today, we are talking a great deal here about interdependence. The word has been around long enough now—since at least 1963, when President Kennedy made his famous Declaration of Interdependence—so much so I regard it as a cliche. The root is "dependence", and that, in fact, is the condition that we and the rest of the world find ourselves in. It means, according to Mr. Webster, "unable to exist, sustain oneself, or act normally without the assistance of others."

Now, until recently, we were not dependent on anyone, in the dictionary sense of the word, while in various ways most of the world depended on other nations for their security or economic well-being—many of them on us.

Those conditions of dependence still exist. But now there has been a change. We Americans also are moving into an era where we are going to be dependent on the outside world not in the security area, where we will remain sufficiently strong to be one of The Superpowers, but in other important economic sectors where we can not go it alone. American self-sufficiency is over. The concept of The Superpower, or The Superpowers is obsolete.

Stated simply, in a growing world, we face the cruel problem of compound arithmetic where infinite appetites compete for finite resources. But if we face problems and shortages in the future, we must remember that these are problems caused by our very success. Living in a world of cheap energy, we built energy-guzzling engines and wasteful machines. We presumed inexhaustible reserves of many natural resources.

All that had, inevitably, to end. One should not lament the change, especially if one believes that we are all better off if other parts of the world begin to get a more equitable share of things, if one concedes that it is an unnatural, and perhaps even unhealthy, thing for 6% of the world's population to use almost one-third of its resources. As a result of our newly discovered vulnerability, we must now learn, as Paul Tillich said, to live with the problem of 20th century man—how to be comfortable with ambiguity.

There is also a *new interrelatedness of things* in the world—that none of us fully perceives whether we be Harvard professors, international bankers, or even journalists.

So I suggest that a conference of this kind—if it is to exercise its comparative advantage—should focus not on the problems of 1971, not even on the tortuous problems of 1973 in which the monetary, and trade, and defense bureaucracies are so busily negotiating, but on inventing the questions of the post-1973 era—the era that is likely to precede Pacem in Terris IV.

But first, we must invent the right questions. It is imperative that we learn how to identify problems before they become crises, that we develop what might be called distant early warning economic intelligence systems to alert us to the stresses in the *emerging global economic system*. We must do this as a matter of global—please note that I did not say "national" but "global"—urgency. We must prevent *problems* from becoming *panics*. Global economics will, I believe, profoundly change global politics.

ENERGY AS AN URGENT AND SPECIAL CASE

Let me illustrate what I mean by reference to specific problems. One has in recent months become a recurring front-page newspaper story. I refer, of course, to the "energy crisis".

Another, the world food problem, has not yet attracted equivalent public attention, but it may in the long run pose even greater difficulties for much of the world.

Let me preface my comments on these two issues by a general observation. These are foreign policy questions of the highest significance, not just technical issues, or humanitarian issues, or issues of dwindling resources. Nor are they merely economic matters that can be worked out by energy ministers or agriculture ministers. These are matters on which the future relations between nations will rest—the *new foreign policy issues*.

Of course, energy and food are by no

means the only problems of their kind that will soon dominate international conferences. First, each of these problems create fall-out problems; for example, there is a possible shortage which may be developing in phosphates, which are an essential ingredient of fertilizers. Also, there are potential or actual shortages in other major raw materials, such as in timber, and threats to access to still other key commodities.

But in every case, especially oil and energy right now, the urgency of the evolving situation to make difficult last-minute choices was self-imposed because of earlier failures to foresee what was coming; and—I would want to emphasize this point—that what is happening with oil may be a *prototype* of other major problems we will face in the future.

I am not going to discuss the intricacies of the energy problem today. I want to use this crisis more to illustrate what must be done in *other* fields than to offer any novel solution. Yet a few background comments may be helpful, although the general outlines are no longer news to anyone.

Energy is the big new international issue of the next decade. It is a job issue, a monetary issue, a trade issue, a military-strategic issue, an environmental issue, and a quality-of-life issue. For these reasons, it is therefore a political issue of the highest importance . . . a prime example of the new interrelatedness to things.

In the form of the energy problem, we have discovered our vulnerability—perhaps for the first time—as have others long before us. In my recent economic missions for the President, I found even the trade minister of Japan—who in 1971 would have been preoccupied with a new U.S. Trade Bill—quickly moved to the energy problem. It's now a status symbol to be able to drop such lines as the "posted price of crude in the Gulf". I think we can rephrase Clemenceau and say not only that war is too important to be left to the generals but also say that trade is too important to be left to trade ministers and money is too important to be left to money ministers and energy is certainly too important to be left to energy ministers.

I shall spare you from all but a few of the melancholy statistics. In 1970, we imported 21% of our oil, far less than any other major country. Europe imported 98% of its oil, Japan 100%. But by 1980, our estimate is that 45–60% of our oil will have to come from other countries, and over half of that from the Mideast and North Africa. In short, our dependence on foreign oil, particularly Mideastern oil, is going up sharply.

Yet, we did little to prepare for this developing situation. We should have seen these trends and acted on them years ago. There were a few experts who warned of what was happening, but they were not heeded. Our political leaders, who are the only people who can act on such vast and interrelated problems, were not listening, not acting early enough or decisively enough. We were not sitting down with the Japanese and the Europeans to develop common research programs for alternative energy sources. We were not sitting down with our friends to work out emergency stockpile arrangements. We were not working out import-sharing systems. We were not looking for ways to conserve energy. We were not thinking hard enough about how to develop the Middle East, where so many billions of dollars would obviously be accumulating now.

In short, we were failing to ask the right questions. We were failing to look ahead and face the political and economic implications of the problem. So a problem, not adequately perceived, became a "crisis", a panic, a cover story for Time and Newsweek, a stream of stranded cars out of gas on a holiday weekend, a major issue between nations, a vital part of the fourth Mideast war.

It is late, but not too late for rational action. We need first of all to accept the fact that not only is the era of cheap energy over for America, but that the era of adequately *available* supplies of energy may—at least temporarily—be coming to an end.

More specifically, we must work out international understandings to prepare for a possible emergency. We must make sound contingency plans for stockpiling, for sharing during emergencies, for conservation during shortages, and for an adequate response should we face production cutbacks or refusals to ship on the part of some producing countries.

We must get a major international effort going in energy research. Here the burden can, and must, be shared more equitably between nations. Now, I am aware of the conventional wisdom that says that we couldn't spend additional energy research dollars "wisely" and that current expenditure levels are as high as is "prudent" at this time.

I disagree. In my observation, scientists tend to be pathologically optimistic about the short-term results of their work, but pathologically pessimistic about the long-term results. I would therefore continue to call for the creation of an *international* counterpart of an Apollo or Manhattan Project on new energy sources—particularly at the basic research level.

The Japanese must—and I believe will—play a large role in this international research effort as well as the Europeans. The United States Government must give it full backing, and participation in such research should be open to all countries.

We *must* also find ways to conserve energy. Obviously, our huge gas-eating cars are not helpful. If the U.S. had the same mix of automobiles as Europe has, we would reduce our need for oil imports by about 20%. Also, new insulation standards, perhaps worked out on a worldwide basis, would result in enormous reductions in the use of heating fuel. Some studies have spoken of savings here of up to 40%.

I know there are those who say that we only need the discipline of price, that the cold logic of the marketplace can operate to change our value systems—and, so reduce our standard of living. To be sure, we need that discipline. I would hope there is also some room for something more. I would hope our leaders—business and political—could persuade all of us—and themselves be persuaded—of the enduring value of machines and products that use less energy instead of more, less materials instead of more.

We have long lived wastefully in America. We could pay the bills, and no one else had the power to object. But that day is past. People must come to terms with this fact of fundamental economic and political importance. The question now is whether we have the necessary social and political will and organization to face reality and take decisive action.

FOOD AS ANOTHER CASE

Let me turn to another of the world's most valuable and increasingly precious resources—and the one in which the United States is most dominant.

I refer, of course, to food. Here, the situation is ironically reversed, with some danger signs, but also with what seems to me to be an opportunity to give real meaning to the word "interdependence".

Over the past generation the United States has achieved a unique position as a supplier of food to the rest of the world. We are the great breadbasket, and for our economy it is absolutely vital. Last year our farm exports totalled nearly $13 billion, by far our largest foreign exchange/earner. In the world grain market, we and Canada are more dominant than the Mideast is in oil. In the case of those political soybeans, our position is even stronger, with about 90% of the world"s exports coming from the U.S. But our increase in productivity in growing soybeans is distressingly low—only about 1 percent per year.

So food is the resource in which we are dominant and on which the rest of the world depends. This is an undeniable political and economic fact of vast significance.

But growing world dependence on the United States also carries risks, somewhat similar, in reverse, to those I discussed earlier. World per capita consumption levels are rising steadily, particularly in countries with growing affluence. Just as affluence brings greater urban concentrations, greater pollution, greater energy needs, so too does it bring a qualitative change in the diets of people. These changes in turn raise the per capita requirement for food. Thus, it is not just the growing quantity of people but the improving quality of life and the quality of eating that goes with it that greatly accentuates the food supply problems, in particular, high quality protein.

One thing we have all known for a long time is that Americans eat more meat—much more meat—than other people. Between 1960 and 1972 the U.S. population grew 16%—meat consumption grew over three times faster. We consume about 275 pounds of meat per year, while other developed countries, such as Japan, to take a specific case, consumes less than a third of that. But by 1980, Japan's per capita GNP shall probably equal ours which could easily spell an algebraic increase in demand for meat. Worldwide, we may well be described as the protein generation.

Thus, what we are learning now has vast significance. As income rises, so too does the quality and type of food consumed. Indeed, one of the more "profound, insightful" conclusions of my report to the President was that people like meat.

And is it not significant that the Soviet Union, even with a serious drop in grain production, decided it needed to continue to press ahead with its livestock expansion program?

Meat is, of course, a major source of protein. Agricultural scientists have so far failed to increase the simple equation: you can only get on calf per cow per year. Thus, an adult cow must be maintained for a full year. Some of the research is encouraging—and like energy research—deserves worldwide support. Another important factor limiting beef production is that the grazing capacity of much of the world's pastureland is now almost fully utilized. So, many of the countries in which beef consumption is rapidly expanding, including the Soviet Union, Japan, and so on, can no longer meet the demand from indigenous sources.

Something we might call the protein multiplier is at work here. To produce a pound of beef requires about 6 to 8 pounds of grain. Thus, the increased demand for meat has a multiplier effect on an already serious grain problem. And, if we need further, if sobering evidence of the interrelatedness of things, it is perhaps ironic that a principal ingredient of desperately needed fertilizers is natural gas.

Consumed directly, grain provides 52 percent of man's food energy supply. Consumed indirectly in the form of livestock products it provides a large share of the remainder.

As Les Brown points out, the annual availability of grain per person in the poorer countries of the world, averages only about 400 pounds per year. Nearly all of this is consumed directly. However, in the United States and Canada, per capita grain consumption is now almost *one ton* per year. Of this only about 150 pounds are consumed directly, as bread, pastries, breakfast cereals, and the like. The rest comes to us indirectly through meat, milk and eggs. Thus, it takes nearly five times as much agricultural resources—land, water, fertilizer—to support an American as it does to support a Nigerian, or an Indian.

And per capita grain consumption is rising with income; qualitative needs add to quanitative needs. So the demand will zoom. Just to keep pace with population growth for the next generation, while feeding people around the world at their present—and often

highly inadequate levels—will require a doubling of food production in the next generation.

I have already said land availability will become a growing problem. Les Brown reminds us the availability of water will determine how much arid land can be used for farming. Yet most of the rivers that can be dammed and used for irrigation have already been developed. Now we must look to new techniques, such as the Russian efforts to divert rivers, and such other possibilities as desalting sea water, and manipulating rainfall patterns. And speaking of sea waters, let us not look to our overfished waters for big increases in fish catches—our global fish catch is *down* in the last two years.

In all these areas, my earlier remarks about the need for internationally shared research efforts and global reserves and sharing programs, apply with the greatest of force. Here is another problem which we must solve on an international basis.

THE GROWING PROBLEM OF FINITE RESOURCES

I said that energy and food are only illustrative of the world predicament we are now confronting.

What worries me, at least in my darker moments, is a sense that there are similar Malthusian resource problems lying out there in the dark, just beyond the reach of our perception, which we have not yet identified and what could once again become apparent to us too late.

I do not want to sound like an unsalvageable pessimist. On the contrary, I believe that we can work out solutions to our problems; my Mid-western rural upbringing makes me an optimist. But I do not think that the way we have been performing recently—and I refer here not just to our own country—is going to be adequate to the problem. That distant early warning system I talked about before is an essential. International organizations, either those already existing or new, perhaps some stronger ones, must define what the right questions are, and then how to work out *shared* solutions. In particular, we must bring to bear the full power of international research and development to create substitute materials and to create machines and ways of life that use less of these precious resources.

Thus, it is perfectly obvious to anyone who wants to invent the problems of the 1980's that many of them are going to relate to raw material resources. Ironically one of our great problems will turn out to be our success. In the year 2000, almost every material will be three to five times more in demand than it is today. In fact, in the last 20 years we have used up more raw materials than in all of history up to 1950. If these trends continue, the President's Materials Policy Commission estimates we will need to import—in 1971 dollars—about $100 billion of minerals annually by 2000. Only half of that will be oil.

And other countries where per capita consumption is approaching ever more closely to ours, will face similar problems.

But if one looks at where the exportable raw materials must come from, Fred Bergsten has made the important point that in almost every case, the pattern of oil is repeated—sometimes with even more dramatic concentrations. Four or five countries, sometimes less, typically account for the bulk of each resource—whether we are talking about copper, rubber, Bauxite, coffee. Thus, we will once again see a few countries dominating these supplies—countries like South Africa, Brazil, Malagasy, Nigeria, Jamaica, Thailand, and Malaysia and the Bahamas.

So we are going to have a whole host of problems like the energy problem. And we may reasonably anticipate the possibility of dealing with a growing number of organizations in the pattern of OPEC, the Organization of Petroleum Exporting Countries, which has been so effective in raising the price demanded for their oil. There could be in short, many OPECs, and in each case—as you could see if you read the speeches given at the Conference of Non-Aligned Nations held in Algiers last month—in every case the target will be the richer countries.

Thus, the world is no longer divided merely between the rich and the poor nations. There are really three categories now. The richer industrialized nations remain fairly easy to define and identify. But among the Third World countries we can clearly see two different classes—which we might call the *rich-poor* and the *poor-poor*.

The rich-poor are those countries which may look poor, have low educational levels, poor standards of health, and so on, but which have a natural resource that will give them big revenues over time. Some countries already have these revenues and are using them, like Saudi Arabia and Iran. They can create an economic base with them, if they are skillful.

The poor-poor countries are those which do not have adequate natural resources. Unless they develop the ability to produce their food as well as goods at competitive prices, as Korea has done in textiles, they will be in grave trouble, perhaps permanently. Ironically, many of these poor-poor countries who can least afford it will be hardest hit by these escalating and inflationary pressures in the world's resources prices.

As we get more dependent on other nations for raw materials, they will of course become stronger and less dependent on us.

Seeing their new leverage, these countries may not be willing simply to settle for the conventional market rewards, i.e.: higher prices, although those higher costs are certainly inevitable. They will also seek to extract prices in other areas, depending on their perception of what really matters. Some may seek major, if unacceptable, changes in our foreign policy. Some may seek longer term economic development of their own societies by using their new leverage to force development of a more advanced economic system and society. Some may in addition seek broadened long term access to world markets and more overseas investment as part of their political/economic bargaining.

This is all the inevitable result of the new global economy we are rapidly moving toward. It is, furthermore, a legitimate objective to use one's own resources to try to improve one's own economic standards. We should not only be sympathetic to this desire, but should show our understanding through tangible cooperation. And while the subject of my talk is not third-world development—I leave that to my colleague, Mr. Thompson—allow me to say we will need each other too much to tolerate the tone of moral and cultural superiority which has so often surrounded our efforts in this area in the past.

THE NEW WORLD OF GLOBAL INVESTMENTS

Furthermore, developing these raw material resources will require enormous amounts of capital. Single projects could cost a half a billion dollars to develop. These projects will be so enormous that even the largest multinational company will not be able to afford the risks, either politically or economically. Thus, we're going to have to move to "multinational-multinational" projects—in which consortia of multinational enterprises join together. I find the political arguments for *multilateralizing* of foreign investments particularly persuasive.

These vast investments will simply be part of an investment revolution that will eventually be part of the post Pacem Terris III agenda. For 20 years or so prior to August 15, 1971, we had a monetary system that was export-biased in favor of most of the countries of the world and investment-biased in favor of the United States.

Partly as a result of this, the U.S. directly invested about $100 billion around the world—and indirectly invested a great deal more. The rest of the countries of the world invested much less than their size would have suggested. For example, Japan in 1970 had *$3* billion only of direct investment abroad. By 1980 Japan plans to have *$30* billion of investment abroad.

Now, it seems to me that if we're going to reap the benefits of this kind of investment, we're going to have to decide whether we're going to give up our instinctive chauvinism and move from what we might call adolescence to maturity.

There are times I feel I am a unique father—in that I have a son who is 16 years old. I'm sure none of you have ever had sons who are 16 years old. Therefore, I can speak as a genuine expert on the subject of adolescence. It's that marvelous era in our lives in which we can demand total independence when it suits us, while relying on parental support when it suits us. In short, it is that rare period when we can enjoy an infinite measure of irresponsibility.

Thus, I think one of the critical emerging post Pacem in Terris III issues is our willingness to think seriously about international charters and investment and accounting principles for our multinational corporations—in which we think not simply in terms of freedom and autonomy, but in terms of responsibilities and justice, in which we think to be sure of what the developing world can do for us, which would include fair treatment of these burgeoning investments, but also what we can do for them—in which we not only think through the appropriate relationships between host countries and multinational corporations but also between the "parent" country and "their" multinational corporations. The need for such a set of principles will become increasingly urgent not simply in the less developed countries and the sea beds, but in the developed countries as well.

As we contemplate this world resource and investment problem, I find myself reminded of what a University of Chicago professor once taught me—"If you have no alternative," he said, "you have no problem" A sobering thought it is.

We do have alternatives. I suppose, to put it in its more pejorative sense, we could be have like international cannibals, each scrambling in his own behalf, sometimes with economic life or death consequences for his fellow citizens.

There are, however, other alternatives—alternatives to the short-sighted narrow-focused approach that we see all too often today in this capital and around the world. In the matter of food, for example, we hold a major card—the rest of the world must continue to depend on us for grains and soybeans, and the world markets are a function of the American situation. At the same time, we have seen here today, we are equally—or almost equally—dependent on other countries for commodities that are almost as critical to us as food is to them.

But perhaps this extraordinary confluence of events—the dual and interlocking shortages which cut both ways—provides us with a chance to talk with our friends, with our suppliers, with our markets, about a genuine sharing of both problems and solutions. We should start thinking of ways to merge our food advantage with other nations' resource advantage. It may sound unlikely, and as a businessman and former government official I am well aware of the infinite number of political and bureaucratic obstacles in our path. But the costs of continuing the prevailing view of the world as segmented into special interest groups of all sorts is prohibitive.

This, I would suggest, must be the focus of our leaders in the next generation. Not just the specific and already visible energy, mineral and food problems—but the whole range of new resource questions which we must learn first how to ask; and second, how to organize ourselves, and our attitudes, to solve.

I am trying to say that economic interde-

pendence and the new interrelatedness, however platitudinous it sounds, is a far more complex and difficult concept than is frequently realized, for the web of interdependence is woven with many different kinds of thread. There is interdependence among monetary, trade and investment practices and policies; there is another kind of interdependence among geographic areas.

THE INTERRELATEDNESS OF ECONOMICS AND SECURITY

Then there is still another kind of interrelatedness that is not always fully factored into equation of international policy—the interrelation of security and economics.

Security, of course, expresses itself in terms of economic security—the need of a nation and its people to preserve and develop their well-being within the new constraints of a global economy. But there is also physical security—which imposes unequal burdens on the economies of nation-states.

Today, the United States devotes an important part of its resources to maintain not only its own security but that of other nations allied to it. As a result, it commands a power of destruction unprecedented in history. Historically, this power was equated with freedom of action, of decision, of maneuver; yet in this nuclear age America's vast destructive power operates as a major constraint on its freedom. For the possession of vast nuclear power creates the obligation to move cautiously.

Ironically, then, nuclear power diminishes the capacity of the nation possessing it to influence the actions of other nations, while the inordinate burden it imposes on national resources saddles that nation with a heavy weight—a serious handicap in the fierce economic competition that characterizes today's world. That competition requires a constant flow of capital into plant and machinery and technology if a nation is to maintain the level of productivity necessary to hold its place in world markets and provide for its domestic needs. Yet resources are finite and when the United States spends 6%-7%-8% or 9% of its GNP on defense, while another industrial nation spends less than 1%, the long-term disadvantages may reflect themselves not only in economic terms, but in this "eco-political" world, in that country's ability to influence the rest of the world.

Consider, for example, the comparative situations of Japan and the United States. Today Japan's defense spending amounts to less than 1% of its Gross National Product. Partly as a result of this, roughly 20% of its GNP is going into new plant and equipment whereas the comparable U.S. number is only 10%. By the end of the decade, if the Japanese continue, as they plan, to accelerate their commercial research and development at 23% a year—three times our rate of increase—their R and D investment in relative terms will be 70% greater than ours, and equivalent to ours, even in absolute terms and with half the population and GNP. No one should be surprised by Japan's growth in productivity and economic power and there is clearly something more at work here than the Japanese version of the work ethic.

Today we hear a great deal of confused talk about *detente*, the preservation of America's so-called national interests. These are vague concepts which mean many things to many people and I applaud the efforts of this conference to give these interests some clearer meaning. Some equate our national interests with the public welfare, others with the power to influence other nations. But, however one defines the term in this time of nuclear stalemate, the United States and the Soviet Union would seem to have a common national interest in trying to translate stalemate into mutual benefit and, by agreement, to *reduce significantly* the burden of armaments on *both* sides.

For, if America and Russia cannot do this, they will clearly be disadvantaged in the competitive race with other nations less heavily weighted down.

So, if we and the Soviet Union *really mean* what I hope we mean by *detente*, let us apply a practical test. Should we not be able, sitting down together, to find the ways and means to reduce substantially a burden which is disabling both our countries? And if we cannot, can we honestly say that detente has sufficient meaning to justify not only its enthusiastic rhetoric but the decisive steps that are being taken in the name of detente?

May I sum up in this way.

The global economy we are moving into has made economics so important, economics has become political. This interrelated world politicizes issues sooner and harder—not simply because we need each other more but because we can shock, and hurt each other easier and more deeply.

It will be both a cause and a measure of the ambivalence, the tension and the irony of foreign policy creation that as more countries grow more "powerful" they will want to assert their primacy and be more self-sufficient, or as it were, more unilateral and nationalistic. Yet, as the countries of the world move toward a single global economy, they will confront on an unprecedented scale the problems of mutual dependence, which will require common or internationalized management and solutions—and for our own government, and for our international institutions, this will pose a new challenge. Can our vast and unwieldy machines, which seem often to be intent on consuming themselves with narrow interests, internal standoffs, stalemates, and non-aggression treaties—can the huge bureaucracries preoccupied as they are with their constituencies and their specialties, respond to the challenge of the new inter-related world?

Thirty months of observing the American bureaucracy first hand has convinced me that if we don't watch out we will become victims of what a medical friend of mine calls "iatrogenic" diseases. The iatrogenic disease, for the benefit of those of you who are not in medicine, is a disease caused by the doctor, a disease in which the specialist is so intent on applying his treatment that the treatment result in further disease.

Bureaucrats and politicians, when they aren't pushing narrow "iatrogenic" views, are also apt to think in short term time frames. In our democratic system there has been unfortunately little incentive for the politician to invent the long term question or even ask for the long-range solution since the voter has judged him by the old standard, "What have you done for me lately?" It brings into sharp focus our need for longer range and broader thinking. We must know about our problems early enough to prevent them from becoming panics.

Before we invent new underemployed international institutions to solve these problems let us discover whether we have the *political will* to use them—for there can be little question that the apparent domestic political costs at least in the short term will sometimes be high. Are we really ready to share? Under what condtions?

Thus, our first task is not to invent new international institutions but to define what America's global political/economic strategy is in what is clearly an emerging global economy.

And, finally, because after all, man is the measure, we need men and women who can deal with the unique situation which we are heading into. We need a new breed of public official and corporation executive, one who can relate his own specialty to the large whole, one who can switch from one area to another, and not be a narrow special interest pleader. If a government or business bureaucrat begins life as a specialist in some narrow field, like energy, or food, it seems that by the time he has reached the level where he is making important decisions about policy two things have happened to him: First, he has become deeply involved and committed to a special and usually narrow point of view; and second, his information has become obsolete just when he needs to apply it at the policy level.

We must have men and women—and international institutions—that can move from one field to another, and can at all times see the *new interrelatedness of things*. It may sound like what Adlai Stevenson would call a new cliche, but I mean it and want to emphasize it with every ounce of conviction I can. In the new world, moves in one field will inevitably cause repercussions in another field.

That is why we must develop sophisticated and comprehensive economic intelligence *systems*, the distant early warnings systems I spoke of. When you consider the vast treasure we spend on security and defense intelligence, ostensibly for our security, it becomes grotesque to consider how little we spend for economic intelligence, although obviously our long-term security, our economic health, is increasingly dependent on these other things.

And in the final analysis, it will be our leaders who must lead us. That we need new leaders with a new sense of this global economic process and its requirement for a global economic/political strategy is clear. As always, they must be good politicians. But is will be a far harder test of their leadership ability to try to mobilize the people against a challenge without a face, against the problems of scarcity at a time of affluence, against an enemy which is not a person or a nation, than it ever was to lead a nation into war. For these are problems without enemies, and this poses special new challenges to politicians, and their voters, who find it easier to cry out against easy targets.

Jean Monnet put it to me last spring far more eloquently than I ever could . . . "We must," he said, "attack our problems instead of each other."

And in attacking these problems, we must, as it were, decide whether we shall only modify the old politics of our self-sufficient or bilateral economic world—by adding to old weapons of war the new weapons of oil, of food, of resources—by exploiting the asymetrics, and unilaterally using one's leverage . . .

Or, we must decide whether we shall practice the new politics of the emerging single, inter-related *global* economy and engage in genuine cooperation, sharing in an earlier understanding of our mutual vulnerabilities, sharing in the resources, the research, sharing in short, in the common management of a solution.

Earlier, I said if we have no alternative, we have no problem. Could it be, alas, we have no problem?

And on what better note could I sit down? Thank you very much.

Mr. MATHIAS. Mr. President, in this case, I am moved to urge Senators to study the speech delivered by the Honorable Peter G. Peterson to the Pacem in Terris III Conference in Washington because of two considerations. One is

the distinction of the author, the other is the importance of the subject.

Secretary Peterson is one of the most thoughtful and creative men who have worked on the Washington scene in many years. After a spectacular career in business, he came to Government and very early demonstrated his grasp of the real essentials of the problems of commerce and trade.

He was a great Secretary of Commerce. His talents in Government are very much missed, although he continues to make a contribution to the Nation as chairman of Lehman Bros., the New York banking firm.

But the subject about which he spoke is of such vital importance, I believe we all need to know a great deal more about it; namely, the problem involved in an emerging global economy—the oil crisis, from which we all suffer today. That is only one aspect of the natural resources crisis which is rapidly overcoming us.

It is to this broader question of how to marshal the natural resources of the whole globe that Secretary Peterson addresses himself. The thoughtful suggestions he makes are so compelling that I am sure other Members of the Senate, and everyone who reads the CONGRESSIONAL RECORD, will find it of great value and great interest.

THE 25TH ANNIVERSARY OF UNIVERSITY OF MARYLAND'S COLLEGE OF PHYSICAL EDUCATION, RECREATION, AND HEALTH

Mr. MATHIAS. Mr. President, we in Maryland are extremely proud of the University of Maryland.

In particular, we are proud of what has been done in the 25 years in which the University of Maryland has had its college of physical education, recreation and health.

This year, that college, which is a vital and important part of the university, is celebrating its 25th year.

I know that all Members of the Senate who have the opportunity, because of the proximity of the University of Maryland to the National Capital, will want to join me in extending congratulations to the college of physical education, recreation, and health on its 25th anniversary—as they often want to join me in seeking to get tickets and otherwise gain admission to the various athletic events which feature the University of Maryland's annual programs.

Mr. President, I ask unanimous consent to have printed in the RECORD a short statement describing the history of the college.

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

The College of Physical Education, Recreation and Health has achieved national and international renown during the last quarter of a century directly attributable to its outstanding faculty and graduates who have authored leading textbooks, produced significant and important research, been elected to high office, and honored by their professional associates.

In 25 years the College has awarded 1,933 Bachelor of Science degrees, 404 Master of Arts degrees, 10 Doctor of Education degrees and 56 Doctor of Philosophy degrees. The faculty has grown from 23 and three graduate assistants to its present faculty of 69 and 51 assistants teaching a course load of 50,000 credit hours. The College presently has 677 undergraduate majors and 250 graduate students and, in addition, serves 8,562 non-major students in elective courses and 15,000 in intramural and Women's Recreation Association activities.

Five of its distinguished faculty have been elected as Fellows in the American Academy of Physical Education, a group of national professional leaders limited to 125 members.

The College is made up of three major departments which include numerous laboratories, clinics, and programs.

The College's Department of Physical Education has had a dramatic development since it offered the first organized course in 1893. It now gives students the opportunity to elect courses which prepare them for teaching physical education, for coaching and for leadership in youth and adult groups which offer a program of physical activity.

The increased amount of leisure time has made society cognizant of the need for trained recreation leaders. The College's Department of Recreation has responded by developing programs to meet the needs of students who desire to provide guidance in the wise use of leisure time. These students are given intern assignments in local, state, and federal recreation programs, in social and group agencies, and in various programs of the Armed Forces, American Red Cross, and hospitals.

The Department of Health Education is making an outstanding contribution in expanding our knowledge of mental health, drug behavior, sexuality, nutritional patterns, and attitudes toward death.

The Children's Health and Developmental Clinic of this Department, in operation since 1957, has grown from a program in which twelve senior physical education volunteers assisted twenty-four diagnosed brain injured, hyperactive children in 1957 to the present program in which 180 referred children were assisted by some 100 volunteers last year. In 1972, an Adult Health and Developmental Center was established. College students in this clinic work with clients to achieve therapeutic goals involving varied problems including terminal cancer, suicidal depression, poor body image, arthritis, and poor neuromotor coordination.

The College has established a laboratory concerned with training the automatic nervous system, utilizing audio and visual feedback of electrical impulses emitted from the nervous system. Other laboratories conduct research in bio-assay, cardiovascular and pulmonary problems.

Since 1955, the College's Safety Education Center has played a leadership role in Maryland in preparation of safety specialists. Illustrative of these efforts are staff involvement at the state and national level in the development of programs such as driver training, bus and truck driver training, safety education, alcohol education, emergency medical services and accident countermeasures.

PHILIP RHYS ADAMS

Mr. TAFT. Mr. President, for almost 30 years now, a very distinguished American, Ohioan, and Cincinnatian, Philip Rhys Adams, has been director of the Cincinnati Art Museum and the Art Academy of Cincinnati. During that period the museum has grown tremendously and he has contributed in expanding, in a great way, the services to his entire community, State, and Nation.

Under his leadership, there has been a growing recognition of the value of this collection and a growing recognition of its real place in the life of the community which it serves.

In addition to his service to the community, Mr. Adams has become known as an international authority on museums and many fields of art, and he has now retired as of the end of this last year, from the Cincinnati Art Museum to devote his attention to other endeavors.

He has already been commissioned, I understand, to do several important writing projects, and he is also going to be involved in consultation on many matters relating to museums.

I have received from the Cincinnati Art Museum a resolution of the board of trustees of the Cincinnati Museum Association, adopted unanimously on December 18, 1973, in recognition of the services of Mr. Adams, and also a résumé of the long distinguished career of Mr. Adams.

I ask unanimous consent to have them inserted in the RECORD.

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

RESOLUTION OF BOARD OF TRUSTEES OF CINCINNATI MUSEUM ASSOCIATION, ADOPTED UNANIMOUSLY ON DECEMBER 18, 1973

Few world art museums are blessed with a Director who possesses both the vision to recognize instinctively those true masterpieces of art, regardless of medium, period and place of origin, and the glorious imagination so to exhibit them that their excellences are communicated to all viewers. These are among the rare talents which Philip Rhys Adams has given in abundance to Cincinnati's Art Museum over the years. The now world-famous permanent collections he has amassed have resulted not from limitless funds at his disposal, but rather from limitless connoisseurship, superb taste and the cooperation of a Board of Trustees willing to follow his recommendation. He has combined with these matchless capacities an encyclopedic knowledge, sound scholarship, enviable gifts as a writer and lecturer, and a total devotion to the visual arts."

"In accepting his decision to retire at the end of this year, the Board of Trustees does so sadly and with the gratitude of the entire art world and this community for the priceless cultural resource his twenty-eight years of leadership has created here for all times.

RÉSUMÉ FOR PHILLIP RHYS ADAMS—JANUARY 28, 1974

Philip Rhys Adams, Director of the Cincinnati Art Museum and the Art Academy of Cincinnati from October, 1945 through December, 1973, was born in Fargo, North Dakota on November 19, 1908. He spent his early years in central Illinois and in Springfield, Ohio where his father served as a Presbyterian minister. After graduation from the Ohio State University in 1929, he studied on a graduate fellowship at the Institute of Fine Arts, New York University and earned his Master's Degree there in 1931. Further

study followed on a Carnegie fellowship at Princeton University.

Beginning his professional career in New Orleans, where he taught the history of the arts at Newcomb College, the women's division of Tulane University, Mr. Adams returned to Ohio in 1934 to become Assistant Director of the Columbus Gallery of Fine Arts, and was named Director in 1936. He left Columbus in 1945 to assume his duties as director of the Cincinnati Art Museum, one of Cincinnati's oldest cultural institutions founded in 1881. Mr. Adams retired as Director of the Cincinnati Art Museum on December 31, 1973, following a brilliant 28-year administration there, and was named Director Emeritus of the Musuem by the Museum Association's Board of Trustees on his retirement.

At the Cincinnati Art Museum Mr. Adams' strategy of presentation over the years managed to tie together with clarity and continuity, making for a purposeful and educative whole, what no less than four generations' differing notions of what a Museum should be (notions that were bodied forth in a variety of architectural styles and equally varied but comprehensive arrays of collections). During his almost three decades of directorship the Museum assembled through purchase and gift its internationally renowned collection of Near Eastern Art, outstanding Medieval arts, Far Eastern arts and almost the entire collections of sculpture from ancient through modern periods which is owned today. Decorative arts galleries and period rooms from Europe, the Near East and America were added, along with a costume collection, and the collections of paintings and prints reflecting world civilizations up to modern times were more than doubled.

Mr. Adams has been a lecturer with the Bureau of University Travel; Executive Secretary to the Art Committee of the Office of the Coordinator of Inter-American Affairs, generally known as the "Rockefeller Committee" to encourage cultural relations with the other American republics, in 1941; lecturer, Salzburg Seminar in American Studies, 1960. He is a member of the Association of Art Museum Directors; trustee of the American Federation of Arts; writer for professional art journals and national magazines; lecturer.

Honors and Honorary Degrees: Litt. D., Miami University, Oxford, Ohio, 1949; D.F.A., Wittenberg University, Springfield, Ohio, 1956; Doctor of Letters, College-Conservatory of Music, Cincinnati, 1958; L. H. D. University of Cincinnati, 1964; L. H. D. Hebrew Union College—Jewish Institute of Religion, 1966. In 1970 he was given an Achievement Award by the Ohio State University in its Centennial Year for notable and distinguished service to that University. A special honor came from the Cincinnati Art Museum in 1965 on his completion of twenty years as Director, when a new wing of the Museum building was named the Adams-Emery Wing, to honor him and his administrative partner and Board President (now Board Chairman) John J. Emery.

Mr. Adams will continue to make his home in Cincinnati, at 3003 Observatory Avenue, and already has been commissioned to do several important writing projects and consultations. He has plans to complete at least two major books of his own, relating to Museum practices and his installation theories which have been internationally admired and copied over the past two decades. He will continue to be in touch with the art world for future consultations and writing assignments.

THE ENERGY EMERGENCY ACT

Mr. WILLIAMS. Mr. President, as we meet today, our country is facing a time of very severe trial. The shortage of petroleum products nationwide grows more acute by the hour, and in some places it has already become critical.

In my own State of New Jersey, the gasoline shortage is now a gasoline crisis. I cannot emphasize too strongly the severity of the situation in my State. Elsewhere in the Nation, the fuel shortage may be no more than a story in the newspaper, or a minor inconvenience for Sunday drivers. In New Jersey it is, at this moment, an emergency. It is endangering the physical health of our more than 7 million citizens; it is undermining the structure of our State's economy, and it is threatening to erode the very fabric of law and order.

Mr. President, I want to leave no doubt in the minds of my colleagues about the dimensions of this crisis. I have seen it for myself; I have heard the details from our Governor, and I have read the urgent appeals for help that flood my office with every mail delivery. Let me share with you some of the thousands of letters and telegrams that explain, simply but eloquently, the situation that the people of New Jersey face at this moment.

A couple from New Milford telegraphed:

> New Jersey citizens are at the point of desperation. It makes no difference whether our representatives are Democrats or Republicans, they must have responsibility for the current state of affairs. We are looking for some leadership.

A telegram from a lady in Orange:

> I am almost 80 years old. Yesterday I was in the line at 6:45 a.m. and eight degree weather for two hours. I finally was given two gallons at two dollars.

A letter from a woman in Metuchen:

> We appeal to you for relief from the disastrous fuel situation in Central New Jersey.

The manager of a manufacturing plant in New Brunswick wired:

> Our employees can't get enough gas to get to work even with car pools . . . this crisis will cause a slowdown in our operations.

And the president of another company, in Millburn, said:

> Our employees had trouble getting into work and some do not have enough gas to get home.

Mr. President, I could fill page after page of the RECORD with stories like these. There are doctors who cannot make their rounds, employees at institutions for the handicapped who cannot get to work, teachers who cannot get to class, schools without buses for the students, and hundreds of thousands of ordinary people who are enduring very great hardships. Two-mile-long lines at gasoline pumps are commonplace, and 5-mile lines have been reported. Fist fights, and even more serious violence, is not unusual. And words like "uprising" and "riot" are being used more and more frequently by telephone callers who are simply at the end of their patience.

I have been trying to do everything in my power to help these people whom I represent. More than a fourth of my office staff is doing virtually nothing else than trying to help alleviate individual, emergency fuel shortages. I have been in constant communication with Federal Energy Office officials. And I have given my strongest support to every piece of energy-related legislation to come before this Senate.

Yesterday, I met in my office with New Jersey Governor Brendan Byrne, the distinguished senior Senator from my State, and Director William Simon of the FEO. We impressed upon Mr. Simon in the strongest possible terms the critical nature of the situation in New Jersey. He, in turn, promised to do all he could to alleviate our crisis, and I hope we will see some results soon. But Mr. Simon also made it clear that he needs additional authority from Congress to deal with a situation that is bad and bound to get worse. It is that additional authority that occupies the attention of the Senate today.

I have been proud of the leadership which Congress has shown in responding to the challenge of the petroleum shortage. Under the farsighted leadership of Senator JACKSON, and others, we have literally been years ahead of the administration in recognizing the storm clouds gathering on the horizon. So it is particularly disheartening that now, with the tempest upon us, the Congress seems unable to act.

Mr. President, for more than 6 weeks, the Senate has had before it strong legislation responding to the immediate fuel crisis. Mr. Simon told me yesterday that the conference report on S. 2589 contains all of the legislative authority which the executive branch needs to deal with this situation.

This is, in my judgment, a solid bill shaped by the tireless efforts of some of the most able Members of Congress. It would establish the necessary administrative framework to deal with the crisis; it provides the specific legislative authority to effect maximum conservation of fuel supplies; it authorizes whatever steps may prove necessary to equitably and effectively distribute those resources we do have; and it provides additional assistance for the victims of the shortage.

This bill also provides for some measure of relief for the consumer from the skyrocketing price of petroleum products. It is not a long section of the bill, nor is it perhaps the most important section of the bill. But it is the section that has involved this Chamber in a protracted debate that has blocked passage of this vital legislation.

I am appalled that this bill has now been delayed even further. The prohibition on inequitable petroleum prices contained in this legislation has been recommended by the conference committee because it is needed. While all of us recognize the necessity for petroleum producers to receive a fair return on their investment, we cannot allow unrestrained profiteering. We must prevent this energy shortage from draining the consumer's bank account the same way it is draining his gas tank. And while we want to make it profitable for producers to expand their production, I think the windfall profits recently reported by every major oil company make it clear we are going well beyond that point.

The conference report concerning this section of the bill tells us that—

The committee intends, in adopting this section, to strike a just balance between the need for equity and the need for adequate incentives to assure a sufficient long-run supply of domestic fuels.

Mr. President, I believe the committee has drafted legislation which would do exactly that. It is inexcusable that the Senate has again been prevented from ratifying that action. Those who have blocked approval of this legislation because of the excess profits provision are treading a dangerous path. They are ignoring the most urgent calls for help from the American people. And the court of public opinion may well hold them guilty of placing the narrowest of special interests ahead of the most broad and compelling public need.

I will predict that those who today have prevented this Senate from voting on this legislation will find cause to regret their action. Perhaps at this moment their own States are not yet feeling the full effects of the fuel shortage. Perhaps they do not yet fully require the relief promised by this act. But I believe they will. And as one who knows already the urgency of the situation, I can assure them they will regret having thwarted this Senate's attempt to respond to the needs of our people.

Mr. JACKSON. Mr. President, there has been much discussion in the last few days about the danger of rolling back prices to a level which would diminish needed petroleum supplies. It is clear that, at some level, prices could be set so low as to discourage future exploration and development. It is also clear that there is a point at which crude oil prices become excessive, unreasonable and serve no rational economic purpose. Incentives are needed for exploration and development of future energy resources. The clear majority of expert opinion in Government, industry and the universities agree that present prices of uncontrolled oil are far in excess of levels which are necessary for the further exploration and development of additional domestic energy resources.

In the past few months, the industry has presented a number of estimates of the price needed to elicit an adequate long-term supply of energy resources: these estimates range from $3 to somewhat under $7. Industry's own figures prove that a meaningful price rollback can be affected without diminishing supply. According to the highest studies and estimates that I have received, a price ceiling of about $7 would be more than adequate to encourage a sufficient long-term domestic supply of energy resources. As recently as February 4, 1974, the representatives of the Federal Energy Office testified that:

It is reasonable to assume that after about three to five years, and allowing for some inflation, if the price of oil increases by about 50 percent from mid-1973, supplies should flow to satisfy about 85–90 percent of our demands. Accordingly, we have for planning purposes estimated that the "long-term supply price" is about $7.00 per barrel.

A number of other recent studies have focused on determining the long-run supply price of crude oil needed to elicit adequate domestic supplies of oil. A summary of the findings of these studies follows:

Federal Energy Office (January 1974): ". . . The long term supply price of bringing in the alternate sources of energy in this country, as well as drilling the Outer Continental Shelf and the North Slope . . . is $7 a barrel, current 1973 dollars."

Department of the Treasury (December, 1973): "No one knows exactly what the long-term supply price is, as no one can predict the future that clearly. Our best estimate is that it would be in the neighborhood of $7 per barrel within the next few years."

Independent Petroleum Association of America (1973 projections): "In terms of constant 1973 dollars . . . an average price of about $6.65 per barrel for crude oil . . . would be required over the long run to achieve 85% self-sufficiency in oil and gas by 1980."

National Petroleum Council Oil and Gas Availability (Dec. 1973): For maximum attainable self sufficiency by 1980, average revenue required per barrel of crude is shown on the following table for different rates of return.

TABLE 653.—AVERAGE UNIT REVENUE REQUIRED PER BARREL OF CRUDE OIL[1]

[Dollars per barrel][2]

	10 percent rate of return	12.5 percent rate of return	15 percent rate of return	17.5 percent rate of return	20 percent rate of return[3]
1971	2.739	2.981	3.223	3.465	3.706
1972	2.819	3.066	3.315	3.563	3.812
1973	2.855	3.112	3.370	3.628	3.836
1974	2.941	3.214	3.486	3.759	4.031
1975	3.168	3.359	3.650	3.941	4.232
1976	3.216	3.530	3.844	4.158	4.472
1977	3.398	3.738	4.078	4.413	4.758
1978	3.812	3.978	4.344	4.711	5.077
1979	3.815	4.208	4.601	4.995	5.339
1980	4.056	4.476	4.896	5.317	5.737
1981	4.288	4.738	5.183	5.639	6.087
1982	4.553	5.037	5.520	6.004	6.487
1983	4.864	5.381	5.899	6.417	6.935
1984	5.151	5.707	6.262	6.818	7.374
1985	5.500	6.093	6.687	7.280	7.873

[1] Based on economics for lower 48 States and South Alaska.
[2] Constant 1970 dollars.
[3] All rates of return are annual book return on average net fixed assets.

Source: National Petroleum Council, U.S. Energy Outlook: Oil and Gas Availability (1973).

Oil and Gas Journal (September 17, 1973): "The price outlook for domestic crude thus has to be rated promising . . . The new prices make investment attractive in the new equipment and services to rejuvenate marginal wells . . . Risks are becoming worth taking."

Petroleum Independent (November 1973): "There's no doubt that prospects are for increased drilling. Everybody I know is planning on it. With new oil priced from $5.30 to $6.00 per barrel, there's incentive now to go looking for oil."

The conference report provides for a rollback of all oil prices—new oil, released oil, stripper well oil, and State royalty oil—to a maximum of $5.25 a barrel on a national average. The conference report also provides that these are ceiling prices and the President may establish lower prices "if he determines that lower ceiling prices will permit the attainment of the objectives" of the Emergency Act and the Petroleum Allocation Act.

The conference report provides a procedure whereby the President may specify a higher price for reasonable classifications of crude oil, such as oil from stripper wells, if he finds that a higher price is necessary to permit the attainment of the objectives of the act. The procedure for specifying a higher price requires a detailed analysis justifying the need for a higher price. This analysis must deal with the impact of price on supply, demand, the economy, consumers, employment, and competition. This analysis must be transmitted to the Congress, and no proposed price increase may take effect during the first 30 days after date of enactment until Congress has received the analysis and had 15 days to review the stated justification.

Finally, the conference report provides that the price for domestic crude oil may, under no circumstances, exceed 35 percent of the rollback price of $5.25—which means a national average price of $7.09 a barrel.

Any price in excess of this would require an act of Congress to amend the rollback provision of the conference report.

The pricing procedure established by the report is subject to administrative review and a requirement for hearings. It is also subject to judicial review on a standard of substantial evidence.

Mr. President, price increases in the oil industry have far exceeded average increases in all other commodities in the economy in 1973. From January to October 1973, percent changes in the Wholesale Price Index included increases of 79.6 percent for fuel oil, 53.8 percent for gasoline, 22.2 percent for crude products and 55.8 percent for all refined petroleum products. In contrast, the WPI increase for all commodities during this period was 16.4 percent. By December, fuel price increases accounted for 40 percent of the increase in the Wholesale Price Index. A year ago, crude oil was selling for $3.40 a barrel. Today, prices in excess of $10 a barrel are common for new oil and oil produced from stripper wells; old oil sells for a ceiling of $5.25 a barrel.

By the time these costs are passed on to the consumer in the form of increased rates for electricity and for gasoline, heating oil and other products, the impact is even greater. The Federal Energy Office estimates that every-dollar cost increase for a barrel of crude translates into 2.5 cents increase in a gallon of gasoline or heating oil. In 1974, the Consumer Price Index is expected to rise by about 8.5 percent. The cost of living is projected to increase about 5.5 percent. Oil-related cost increases alone will account for 3 percent of the increase in the cost of living.

It is difficult to justify today's soaring fuel prices, despite the current worldwide petroleum shortage. Long term benefits may accrue to consumers in the future if price-related profits are used to develop new sources of energy, but there are indications the current price levels are far greater than those needed to promote domestic energy self-sufficiency. Clearly, a balance must be struck between the need for new energy sources and the present health of the economy. Reason must prevail in the petroleum pricing system.

Mr. President, the rollback provision in the report is different in a number of

respects from the one I had proposed. It represents a compromise of strongly divergent views. The compromise is, however, a reasonable solution. It is a solution that will undoubtedly benefit the American consumer without diminishing future supply.

Mr. President, I ask unanimous consent to have the following materials printed at this point in the RECORD:

One. A letter I wrote to the Administrator of the Federal Energy Office on February 2, which raises the question as to whether there is any authority under the Petroleum Allocation Act to deregulate or to permit uncontrolled petroleum prices;

Two. A letter of February 1, from the executive director of the National Petroleum Council; and

Three. A memorandum by the Interior Committee's chief economist commenting on the NPC February 1 letter.

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

FEBRUARY 2, 1974.

Hon. WILLIAM E. SIMON,
Administrator, Federal Energy Office, Washington, D.C.

DEAR MR. SIMON: At the conclusion of the testimony of Administration witnesses at the Committee's hearings on Friday, February 1, 1974, on S. 2885, a bill I introduced to roll back and establish price ceilings for crude oil and refined petroleum products, questions were raised concerning the Administration's authority to exempt new oil, released oil, and State royalty oil from the regulations implementing the price ceiling provisions of the Emergency Petroleum Allocation Act.

Legal Counsel to the Committee has advised me that the Administration is in apparent violation of the pricing requirements of Section 4 of the Allocation Act. Section 4(a) of the Act provides that "the President *shall* promulgate a regulation providing for the mandatory allocation" of crude oil and petroleum products "in amounts . . . and at prices specified in (or determined in a manner prescribed by) such regulation" (emphasis added).

Section 4(b) (1) (F) provides that the regulation "*shall* provide for" . . . "equitable distribution of crude oil, residual fuel oil, and refined petroleum products at *equitable prices* among all regions and areas of the United States and sectors of the petroleum industry . . ." (emphasis added).

Section 4(e) provides one exception to this requirement that all oil prices be placed under price ceilings. Section 4(e) (2) provides that the regulation promulgated under Section 4(a) on allocations and on prices "shall not apply to the first sale of crude oil . . ." from stripper wells.

Section 4(e) (1) provides a procedure for suspending allocation authority if the President makes and transmits to the Congress a finding that mandatory allocation is no longer needed to achieve the purposes of the Act. This procedure does not permit suspension of the Act's requirement that oil prices be "specified in (or determined in a manner prescribed by)" the regulation required under section 4(a) of the Act.

I would appreciate it if you would furnish me with a report and a legal memorandum on this matter. I am specifically interested in your views as to the legal authority for exempting new oil, released oil, and State royalty oil from the price requirements of the Emergency Petroleum Allocation Act.

As I understand it, the Administration's position on allowing major exemptions to price ceilings may be based in part upon an interpretation of the Conference Report on the Allocation Act which was contained in a letter of November 13, 1973, to me from Dr. John T. Dunlop, Director of the Cost of Living Council. Dr. Dunlop's letter dealt with his understanding of provisions of the Report dealing with stripper wells, pricing and personnel. In connection with the adoption of the Conference Report, I had Dr. Dunlop's letter together with other materials printed in the Congressional Record and indicated general concurrence in Dr. Dunlop's interpretation.

On further review of the clear meaning of the Act and Dr. Dunlop's November 13 interpretation it is my view that the Act does not permit these exceptions to the price requirements of the Act. To the extent I expressed concurrence in Dr. Dunlop's interpretation of the pricing authority and directive in the Act I was in error. In any event, the concurrence of any single member of Congress in an interpretation of the law does not change the meaning or requirements of the law.

I do concur in Dr. Dunlop's statement in his letter that ". . . the administering agency which has been delegated price control authority under both statutes would be obligated to comply with the provisions of both."

I appreciate your assistance in this matter and I assure you of my cooperation and assistance in achieving a new level of stability and reasonableness in petroleum prices. As you know, the Conference Committee will meet on Monday on S. 2589, the Energy Emergency Act, to work out a resolution of the controversy over the windfall profit provisions of the Conference Report. As you know, I and other members of the Conference Committee will be proposing language to mandate a price ceiling for oil which has been exempted from price controls. I have directed the Committee staff to meet with representatives of your office to discuss how this can best be achieved. Meetings were held last night and a further meeting is scheduled at noon today.

With best regards,
Sincerely yours,

HENRY M. JACKSON,
Chairman.

NATIONAL PETROLEUM COUNCIL,
Washington, D.C., February 1, 1974.

Hon. HENRY M. JACKSON,
U.S. Senator,
Washington, D.C.

DEAR SENATOR JACKSON: I have read your remarks which appear in the January 24, 1974, Congressional Record on Page 727 in which you introduced for yourself and others Senate Bill No. 2885 to amend Section 4 of the Emergency Petroleum Allocation Act of 1973 to direct the President to establish ceiling prices on petroleum and related goods. The bill was referred to the Committee on Interior and Insular Affairs. I would appreciate your insertion of this letter in the record of testimony or hearings held in connection with this proposed piece of legislation.

Your use of the domestic crude oil "price" in 1975 of $3.65 per barrel, as it appears in the study, is completely out of context. In addition, your citation of the NPC report to support your conclusion that "these were the prices domestic industry said it needed only a little over a year ago to achieve the maximum level of domestic self-sufficiency" is patently incorrect. The report contains no such finding or conclusion. As a matter of fact it stated, "Even in Case I (the most optimistic supply case), oil imports more than double between 1970 and 1975" and that even by 1985, there would be a necessity to import 18 percent of our total oil supply under the Case I conditions.

As clearly and urgently stated in the NPC report, "Price increases alone will not assure substantial increases in the exploration for and development of oil and gas supplies. They must be accompanied by *reasonable, consistent* and *stable* governmental policies specifically designed to encourage the development of additional domestic oil and gas production. Policy issues of particular importance include leasing of government lands, environmental conservation, taxation, natural gas price regulation and oil import quotas."

The National Petroleum Council's U.S. Energy Outlook study was an extremely technical study utilizing the judgment, experience and training of approximately 1,000 highly qualified professional people from both government and industry, including energy experts from outside the oil and gas industries. Throughout the two years of the study, careful and objective analysis was applied to all phases of the work to provide the best possible projection of energy alternatives available to this country. This same attitude toward accuracy and thoroughness is also apparent in the numerous reports which these same professionals prepared on each facet of this study. Of particular significance are definitions and descriptions of terms and methods provided by the authors to assure clarity and proper use of the results reported. It is unfortunate when these are ignored.

In December 1972, the NPC released a Summary Report of the U.S. Energy Outlook study, summarizing massive supply calculations that were developed for each of the primary fuels. The approach was to construct four principal cases to cover the range of reasonable supply projections. In designing the four cases, a number of assumptions were made regarding physical, economic and government policy factors. For example:

Case 1—This is the high end of the calculated supply range for each fuel and would be difficult to attain. It would require vigorous effort fostered by early resolution of controversy about environmental issues; ready availability of government land for energy resource development; adequate economic incentives; and a higher degree of success in locating current undiscovered resources than has been the actual case in recent years.

Case 4—This is the low end of the range of supply availability and represents a likely outcome if disputes of environmental issues continue to constrain growth and output of all fuels; if government policies prove to be inhibited; and if oil and gas exploratory successes do not improve over recent levels.

Cases 2 and 3—Represent two intermediate appraisals, with Case 2 postulating greater improvements in finding rates for oil and gas, and quicker solutions to problems of fabricating and installing nuclear powerplants than does Case 3.

Many variables influence the supplies of domestic oil and gas that can be developed and the revenues required to yield acceptable returns on investment. Two of the most significant are the finding rate (volume of oil and gas found per unit of exploratory effort) and the drilling rate (three different ones were assumed in the study). The three drilling activity projections, when combined with the two finding rate assumptions, result in a set of four principal cases—each with projected reserve additions, production rates, costs and required average wellhead revenues to achieve specified rates of return. None of these projections, because of the future uncertainties in the variable factors, can be treated as forecasts.

Page 1 of the report states this clearly as follows:

"As a starting point, this procedure required the development of *assumed* ranges of activity levels and, where relevant, success ratios. These were translated into production volumes, costs and 'prices' needed to provide reasonable returns on investment. The methodology was not designed to

develop activity levels or resulting supplies based on assumed prices or to quantify the incentives needed to realize the assumed levels of activity. These incentives, which are not measurable within calculated prices, include such important motivational factors to an investor as the anticipated future economic and political climate."

May I emphasize, as also stated on Page 1 of the NPC report, that as used in this study, "price" does not mean a specific selling price as between producer and purchaser and does not represent a future market value. The term "price" refers generally to economic levels which would, on the basis of the four cases analyzed, support given levels of activity for the particular fuel.

With respect to economic incentive, the report states:

"The most effective economic incentive would be to allow prices to increase to the level at which the industry can attract and internally generate the risk capital needed to expand activity to its maximum capability. This requires both a fair return on total investment (e.g., return on net fixed assets), as well as the anticipation of attractive returns on current and future investments."

The method of computing the required oil "price" in the four cases results in an *average* value for both the "old" oil discovered before 1971 and the "new" oil found during 1971–1985 period.

The table below shows the average required prices for the Lower 48 States for oil (in 1970 constant dollars) for all four supply cases to result in a 15 percent rate of return on *total* investment, not just the new investment. For your information, I have added a column showing the "prices" if an inflation factor of 4 percent per annum is added.

SUMMARY OF AVERAGE REQUIRED PRICES PER BARREL OF OIL, LOWER 48 STATES, 1970 ACTUAL—$3.18

[Current dollar with 4-percent-per-year inflation]

	Case I (dollars)		Case II (dollars)		Case III (dollars)		Case IV (dollars)	
	1970	Current	1970	Current	1970	Current	1970	Current
1975	3.65	4.45	3.63	4.43	3.67	4.48	3.57	4.35
1980	4.90	7.25	4.73	7.00	4.95	7.33	4.39	6.50
1985	6.69	12.00	6.18	11.12	6.60	11.88	5.28	9.50

Thus, average "prices" in 1985 range from $5.28 to $6.69 per barrel up from $3.18 in 1970 (or with inflation added, the average prices in 1985 for oil would range from $9.50 to $12.00 per barrel). I note you cited only the 1975 price for Case I. Since the lead times inherent in finding and developing new oil and gas supplies range from 3 to 8 years, only by 1985 were significant increments in domestic oil supplies attained.

Under the most optimistic supply conditions (Case I) and given a demand growth rate of 4.2 percent per year, domestic oil might provide 28 percent of total energy requirements in 1985, which would still represent a decline from 31 percent in 1970. If present trends continue (as in Case IV), domestic oil would only provide 17 percent of total requirements in 1985.

The NPC study is a long-range fuel supply study, and 1975 by itself, was not considered significant for purposes of drawing major conclusions. If conclusions are to be drawn, they should be for the whole period 1971–1985, with particular focus on 1985.

In none of the cases for any year would domestic self-sufficiency in oil be attained, and only by 1985 could a reasonable or feasible level of domestic self-sufficiency in energy be achieved.

Energy imports in 1970 were about 12 percent of the U.S. energy supply. In all cases, energy imports increase sharply between 1970 and 1975. Imports as a percent of total energy supply are:

	1970	1975	1980	1985
Case I	12	20	16	11
Case II	12	20	19	20
Case III	12	23	26	28
Case IV	12	26	38	38

Even in Case I, oil imports more than doubled between 1970 and 1975. Required imports in 1985 range from 19.2 MMB/D in Case IV to 3.6 MMB/D in Case I.

OIL IMPORTS AS A PERCENT OF TOTAL OIL SUPPLY

	1970	1975	1980	1985
Case I	26	42	30	18
Case II	26	43	37	38
Case III	26	51	66	65
Case IV	26	51	66	65

It is my desire herein to clarify for the record what the NPC study on U.S. Energy Outlook actually concluded. I understand that copies of all our energy reports and supporting documents have been made available to the members of the Senate Committee on Interior and Insular Affairs and its staff.

Sincerely yours,

VINCENT M. BROWN,
Executive Director.

OIL IMPORTS

[In millions of barrels per day]

	1970	1975	1980	1985
Case I	3.4	7.2	5.8	3.6
Case II	3.4	7.4	7.5	8.7
Case III	3.4	8.5	10.6	13.5
Case IV	3.4	9.7	16.4	19.2

U.S. SENATE COMMITTEE ON
INTERIOR AND INSULAR AFFAIRS,
Washington, D.C., February 4, 1974.

To: Members of the Committee on Interior and Insular Affairs and of the House-Senate Conference Committee on the Energy Emergency Act.

From: Arlon R. Tussing, Chief Economist, Committee on Interior and Insular Affairs.

Re: National Petroleum Council's "Required Prices for Crude Oil".

Senator Jackson and other Senators have recently cited the December 1972 study by the National Petroleum Council (NPC) (*U.S. Energy Outlook*) as evidence that, only a year ago, the producing industry regarded crude oil prices in the range of $3.50 to $4.50 per barrel as adequate to support the maximum practical level of exploration and development. The members have singled out particularly the attached Table 15 of the NPC report, *U.S. Energy Outlook*, which indicates a "required" price of $3.65 in 1975, to support the NPC's most optimistic scenario (Case I). Because the latter figure was given in 1970 dollars, the equivalent price today would be about $4.35, which was very close to the average price of "old" oil before the December increase authorized by FEO.

TABLE 15.—AVERAGE REQUIRED "PRICES" FOR OIL AND GAS—1970 CONSTANT DOLLARS

	Actual *		Projected at 15 percent return on net fixed assets		
	1965	1970	1975	1980	1985
HIGH FINDING RATES					
Crude oil "price" (dollars per barrel):					
Case I	3.26	3.18	3.65	4.90	6.69
Case II	3.26	3.18	3.63	4.73	6.18
Gas field "price" (cents per M ft.³):					
Case I	17.8	17.1	26.7	33.7	43.6
Case II	17.8	17.1	26.2	31.8	39.8
LOW FINDING RATES					
Crude oil "price" (dollars per barrel):					
Case III	3.26	3.18	3.67	4.95	6.60
Case IV	3.26	3.18	3.57	4.39	5.28
Gas field "price" (cents per M ft.³):					
Case III	17.8	17.1	27.9	37.8	53.0
Case IV	17.8	17.1	26.6	31.6	38.7

*Bureau of Mines actual data, unadjusted for rate of returnt

Vincent M. Brown, Executive Director of the NPC, has submitted a letter for the record, a copy of which is attached, protesting this use of the NPC study. He wrote Senator Jackson:

"Your use of the domestic crude oil 'price' in 1975 of $3.65 per barrel, as it appears in the study, is completely out of context. In addition, your citation of the NPC report to support your conclusion that 'these were the prices domestic industry said it needed only a little over a year ago to achieve the maximum level of domestic self-sufficiency' is patently incorrect. The report contains no such finding or conclusion."

Mr. Brown's criticism rests mainly upon the structure of the NPC's economic model.

In simple terms, the NPC's methodology was as follows for each of four "Cases" (and a number of sub-cases):

(1) A specific drilling rate was assumed;

(2) The cost of this drilling program gave the investment required;

(3) A specific "success rate" in drilling was assumed;

(4) The rate of production in future years was inferred from the success rate;

(5) The average crude oil prices were calculated for each year, that would give revenues equal to a given "return" (e.g., 15 percent) on the industry's invested capital as derived from the investment figures in (2).

The measure which the NPC used for rate of "return on net fixed assets" bears little resemblance to the discounted cash flow (DCF) rate of return concepts sophisticated managements use in evaluating investment opportunities.

Mr. Brown's protest is correct to this extent: the NPC's naive economic model was not explicitly "designed to develop activity

levels [drilling rates, etc.] or resulting supplies based on assumed prices or to quantify the incentives needed to realize the assumed levels of activity (p. 1)." In other words, the NPC's method's formal results were not, from the beginning, very useful in evaluating such factors as price controls, taxes, the rate of OCS leasing, or other policies that might affect either the drilling rate or the success rate. This is because these rates were already given as assumptions of the study.

An economic model designed to estimate the effectiveness of various policies toward the oil industry would have to differ from the NPC model in at least two respects: (1) it would have to recognize that the success rate depends upon the drilling rate (because of the tendency to explore and develop the best available prospects first), and (2) it would use a discounted cash flow rate of return concept rather than the balance sheet concept used in the table.

Notwithstanding the inappropriateness of the NPC's methodology to evaluating many important public policy questions, the NPC report, U.S. Energy Outlook, did not hesitate to draw quantitative conclusions about prices, taxes and leasing rates as if these were logical inferences from the study. The table which Senator Jackson cited was labeled "Average Required 'Prices'". The attached supporting table (no. 660) from the background report to U.S. Energy Outlook, "Oil and Gas Availability," is labeled "Average Unit Revenue Required Per Barrel of Crude Oil (Dollars Per Barrel)."

TABLE 660.—AVERAGE UNIT REVENUE REQUIRED PER BARREL OF CRUDE OIL [1]

[Dollars per barrel] [2]

Case II	10 percent rate of return	12.5 percent rate of return	15 percent rate of return	17.5 percent rate of return	20 percent rate of return [3]
1971	2.739	2.981	3.223	3.465	3.706
1972	2.819	3.066	3.314	3.563	3.811
1973	2.852	3.109	3.366	3.623	3.880
1974	2.934	3.205	3.476	3.747	4.018
1975	3.053	3.341	3.629	3.917	4.205
1976	3.189	3.497	3.806	4.115	4.424
1977	3.354	3.686	4.018	4.350	4.682
1978	3.545	3.900	4.255	4.611	4.965
1979	3.719	4.097	4.476	4.855	5.234
1980	3.922	4.323	4.725	5.126	5.526
1981	4.109	4.535	4.961	5.387	5.813
1982	4.325	4.779	5.234	5.688	6.142
1983	4.576	5.058	5.541	6.023	6.507
1984	4.805	5.319	5.832	6.345	6.858
1985	5.088	5.631	6.175	6.719	7.262

[1] Based on economics for lower 48 States and South Alaska.
[2] Constant 1970 dollars.
[3] All rates of return are annual book return on average net fixed assets.

The text of the report, even more explicitly than its tables, tries to lead the reader to make policy conclusions purportedly based upon the Council's "extremely technical study utilizing the judgment, experience and training of approximately 1,000 highly qualified professional people from both government and industry, including energy experts from outside the oil and gas industry."

"For each fuel, the four principal supply cases estimated the average unit revenues or 'prices' required to support assumed ranges of activity levels, given an assumed range of investment returns. These analyses indicate that real energy 'prices' of domestic fuels at the wellhead or mine must rise significantly by 1985. Since the 'prices' cited for the fuels do not consider differences in quality, distribution costs or use characteristics, the 'prices' calculated in this study cannot be meaningfully compared with each other. The projected range of percentage increases in average 'prices' required to 1985 (in terms of 1970 dollars) over 1970 for individual fuels is indicated below:

Oil at the wellhead: up 60 to 125 percent.
Gas at the wellhead: up 80 to 250 percent.
Coal at the mine: up about 30 percent.
U_3O_8: up about 30 percent.

"The above ranges would imply an average annual increase in fuel 'prices' of 2 to 9 percent, though the rate of increase would not necessarily be uniform throughout the period to 1985 and would not be the same for each fuel. These are increases in real costs over and above inflation.

"The required 'prices' calculated indicate a need for a sharp reversal of the declining real price trends that have been experienced for the last several years. Declining prices have reduced the attractiveness of this high-risk industry as is evidenced by the decline in both drilling effort and in reserve additions resulting from new exploration."

The NPC model's validity, or lack of validity, for measuring the effects of changes in tax policy depends on exactly the same factors as its validity for price analysis. Yet, the report's narrative did not shrink from quantitative judgments about the impact of tax reform:

"Long-established tax provisions for the extractive industries have historically promoted the development of energy supplies. These tax features deal with percentage depletion applicable to coal, uranium, oil, gas, oil shale and geothermal steam, and those permitting current deductions of intangible costs for oil and gas. Adverse changes in such tax provisions would prove expensive for the Nation because they would reduce supplies and lead to higher costs and prices. For instance, complete removal of the statutory depletion allowance would necessitate an immediate 'price' increase on the order of $0.50 per barrel for all oil and $0.03 per thousand cubic feet (MCF) for gas; by 1985 it would necessitate increases of $0.90 to $1.00 per barrel and $0.05 to $0.07 per MCF in order to maintain a return on investment sufficient to generate and attract the capital needed to provide the supply projected. These 'price' increases are over and above the increased 'prices' indicated for the particular fuel cases in 1985 due to higher investment and operating costs."

As long as the numbers generated by the NPC model could be used to support price increases (rather than rollbacks), the NPC was willing, notwithstanding the many reservations in the text, to have its readers think that the "price" estimates had some meaning for public policy.

"The most effective economic incentive would be to allow prices to increase to the level at which the industry can attract and internally generate the risk capital needed to expand activity to its maximum capability. This requires both a fair return on total investment (e.g., return on net fixed assets), as well as the anticipation of attractive returns on current and future investments.

"During the last 10 to 15 years, real prices of oil and gas at the wellhead have declined while real costs have been increasing. As a result, both drilling activity and addition of new reserves have declined rapidly. Assuming a 15-percent annual rate of return in constant 1970 dollars, 1985 average oil 'prices' may have to range from $5.06 to $7.21 per barrel, and 1985 average gas 'prices' may have to range from $0.31 to $0.59 per MCF to support the activity levels assumed (Cases IA and IVA). If prices for gas found prior to 1971 are prevented from increasing by regulatory or contractual restrictions, the required 'price' in 1985 for gas found after 1970 would be on the order of 30 to 50 percent greater than the average 'prices' calculated.

"Even a continuation of drilling activity along the current declining trend will require 'price' increases of about $2.00 per barrel and $0.15 per MCF by 1985 if the petroleum industry is to realize a 15-percent return on its net fixed assets."

In fairness to the NPC, no model or methodology can answer all questions equally well, and the NPC report is hedged with sufficient disclaimers to deter any careful reader from taking most of its projections, above all its price projections, at face value.

Yet, Senator Jackson did not, in his statement quoted by Mr. Brown, assert that the NPC "price" estimates were accurate or meaningful. He cited them as evidence of the levels industry thought one year ago would be necessary to support a sharp upturn in domestic investment and production. These figures were used by the NPC for exactly that purpose—to propagandize for higher prices.

Taken precisely in the context of the whole report, which was used by the NPC to underpin the industry's defense of higher prices, oil import quotas, tax preferences, and which was endorsed by the Council as a whole, it is entirely proper to say, as Senator Jackson did, that "these were the prices domestic industry said it needed only a little over a year ago . . ."

Mr. HANSEN. Mr. President, I should like to ask a question of the distinguished majority leader.

Last night, as I was listening to Roger Mudd on CBS News, I heard a description of what took place in the Senate yesterday in reference to the debate pertaining to the energy crisis.

Mr. Mudd spoke about the efforts being made by representatives of the oil-producing States to thwart any immediate consideration of the energy bill. He added, after naming a number of Senators who had participated in the debate—and I shall not state the names—the name of the distinguished senior Senator from Arizona (Mr. FANNIN). We all know that Arizona is not an oil-producing State, but I do not make an issue of that.

However, Mr. Mudd stated that the distinguished majority leader was unable even to get a unanimous-consent agreement to vote at a time certain—Tuesday, February 19. It was to that statement that I took exception. I pointed out to Mr. Mudd that, so far as I knew, all of the Senate conferees who were available had discussed with the distinguished majority leader, the distinguished majority whip, and the distinguished minority leader the details of an agreement that was proposed by the distinguished majority leader, when he asked whether we might enter into that agreement and vote at a time certain. I said that not one single oil State representative objected to that.

Then Mr. Mudd pointed out that he thought he had heard the Senator from Arizona (Mr. FANNIN) make an objection. I said that Senator FANNIN's objection was misinterpreted; that Senator FANNIN meant to say that he would object to a proposal that was implied by the distinguished Senator from Rhode Island (Mr. PASTORE) if he were to ask that there be immediate consideration of the energy bill as of that moment yesterday, or, I should say, if he were to ask for a vote on recommittal.

My question to the distinguished majority leader is: Did I relate the facts essentially and accurately to Mr. Mudd?

Mr. MANSFIELD. Yes. The consent agreement was advanced by the distinguished Senator from Arizona, who does not come from an oil-producing State, and was agreed to by the Senator from Montana, now speaking, who does come from an oil State. We thought we had agreed all the way around—at least, among all those most heavily involved who are members of the conference.

There was opposition, I must say in all candor, from both sides. But the result was that I felt impelled, because of the developing temper, to withdraw the unanimous consent request which had been offered. But no opposition was raised today when the consent agreement was proposed, so the result has been achieved; and there has been no delay in achieving it.

But the distinguished Senator from Arizona, I should like to emphasize, was the initiator of the unanimous-consent request and certainly would not be one to oppose that for which he was responsible. I believe that what he was opposed to was the possibility that there might be a motion to recommit the bill yesterday and that, of course, would have been a debatable motion. That, in my opinion, is what he had reference to at that time.

Mr. HANSEN. I thank the distinguished majority leader.

Mr. FANNIN. Mr. President, I wish to extend my thanks to the distinguished Senator from Wyoming and to our very capable majority leader, who is always so gracious and considerate of what is being proposed. He always gives consideration to every Senator.

I was very appreciative yesterday that the majority leader did transact the complete procedure as he has outlined, and I was very sure that everyone received consideration. I am sure it was the opinion of the distinguished majority leader, that this would perhaps result in an earlier vote on the recommital or the acceptance or rejection of the conference report, and I felt the same way. I feel a great deal was accomplished.

I feel that we will accomplish the objective. There was no delay. The House did not get a rule. They are coming back on Wednesday after the recess. There is no assurance they could act until the Senate has taken action.

I wish to express my great appreciation to the majority leader for the way he handled this particular matter. I know he and I feel we will have a definite vote and perhaps time will be saved, rather than lost.

Mr. MANSFIELD. It is my understanding from reading the ticker on yesterday that it seems almost impossible to get the bill up in the House before Wednesday, February 20, based on the attitude of the Rules Committee here. I say this most respectfully. Therefore, this is the best possible solution.

May I say in all fairness to Mr. Mudd, who needs no defense from me, that he did have something to latch onto because the motion pending at that time was the Fannin motion.

Mr. FANNIN. That is correct.

Mr. MANSFIELD. Which I was offering for the Members most interested. But if he had followed it as closely as he might have, he would have seen the Senator from Arizona looking over in this direction and being interested in not allowing a motion to recommit yesterday.

So I think there is some fairness to Mr. Mudd's position, and it should be on the RECORD.

Mr. FANNIN. I agree with the distinguished majority leader that it could have been very easily misinterpreted.

Mr. MANSFIELD. Not at all, because if the Senator from Arizona had not personally initiated the unanimous-consent agreement there might be some reason to think otherwise, but you would not go back on your own baby.

Mr. FANNIN. I am not protecting Roger Mudd. I have great admiration for him. But as I have said, I would like to correct this matter. I wish we did have oil in the State of Arizona. If this would produce oil in the State of Arizona, I would be very pleased.

DEFICITS IN FEDERAL FUNDS AND INTEREST ON THE NATIONAL DEBT, 1956–75, INCLUSIVE

Mr. HARRY F. BYRD, JR. Mr. President, on Monday of this week, the administration submitted the budget for fiscal 1975. The budget has a built-in Federal funds deficit of $18 billion.

During the period of fiscal years 1970 through 1975 the total accumulated Federal funds deficit will be $133 billion.

I have prepared a table showing the deficits in Federal funds and interest on the national debt for the 20-year period 1956 through 1975, inclusive. I ask unanimous consent that the table be printed in the RECORD.

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

DEFICITS IN FEDERAL FUNDS AND INTEREST ON THE NATIONAL DEBT, 1956 TO 1975, INCLUSIVE

[Prepared by Senator Harry F. Byrd, Jr. of Virginia]

[In billions of dollars]

	Receipts	Outlays	Surplus (+) or deficit(−)	Debt interest
1956	65.4	63.8	+1.6	6.8
1957	68.8	67.1	+1.7	7.3
1958	66.6	69.7	−3.1	7.8
1959	65.8	77.0	−11.2	7.8
1960	75.7	74.9	+0.8	9.5
1961	75.2	79.3	−4.1	9.3
1962	79.7	86.6	−6.9	9.5
1963	83.6	90.1	−6.5	10.3
1964	87.2	95.8	−8.6	11.0
1965	90.9	94.8	−3.9	11.8
1966	101.4	106.5	−5.1	12.6
1967	111.8	126.8	−15.0	14.2
1968	114.7	143.1	−28.4	15.6
1969	143.3	148.8	−5.5	17.7
1970	143.2	156.3	−13.1	20.0
1971	133.7	163.7	−30.0	21.6
1972	148.8	178.0	−29.2	22.5
1973	161.4	186.4	−25.0	24.2
1974[1]	185.6	203.7	−18.1	27.8
1975[1]	202.8	220.6	−17.9	29.1
Total (20 years)	2,205.6	2,433.0	227.5	296.4

[1] Estimated figures.

Source: Office of Management and Budget and Treasury Department.

INDIAN SELF-DETERMINATION AND EDUCATIONAL REFORM ACT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of S. 1017 Calendar No. 658.

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

The legislative clerk read as follows:

A bill (S. 1017) to promote maximum Indian participation in the Government and education of the Indian people; to provide for the full participation of Indian tribes in certain programs and services conducted by the Federal Government for Indians and to encourage the development of the human resources of the Indian people; to establish and carry out a national Indian education program; to encourage the establishment of local Indian school control; to train professionals in Indian education; to establish an Indian youth intern program; and for other purposes.

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

There was no objection, and the Senate proceeded to consider the bill which had been reported from the Committee on Interior and Insular Affairs with an amendment to strike out all after the enacting clause and insert:

That this Act may be cited as the "Indian Self-Determination and Educational Reform Act".

CONGRESSIONAL FINDINGS

SEC. 2. (a) The Congress, after careful review of the Federal Government's historical and special legal relationship with, and resulting responsibilities to, American Indian people, finds that—

(1) the prolonged Federal domination of Indian service programs has served to retard rather tran enhance the progress of Indian people and their communities by depriving Indians of the full opportunity to develop leadership skills crucial to the realization of self-government, and has denied to the Indian pecple an effective voice in the planning and implementation of programs for the benefit of Indians which are responsive to the true needs of Indian communities; and

(2) The Indian people will never surrender their desire to control their relationships both among themselves and with non-Indian governments, organizations, and persons.

(b) The Congress further finds that—

(1) true self-determination in any society of people is dependent upon an educational process which will insure the development of qualified people to fulfill meaningful leadership roles;

(2) the Federal responsibility for and assistance to education of Indian children, Indian adult education, and Indian skills training has not effected the desired level of educational achievement or created the diverse opportunities and personal satisfaction which education can and should provide; and

(3) parental and community control of the educational process is of crucial importance to the Indian people.

DECLARATION OF POLICY

SEC. 3. (a) The Congress hereby recognizes the obligation of the United States to respond to the strong expression of the Indian people for self-determination by assuring maximum Indian participation in the direction of educational as well as other Federal services to Indian communities so as to ren-

der such services more responsive to the needs and desires of those communities.

(b) The Congress declares its commitment to the maintenance of the Federal Government's unique and continuing relationship with and responsibility to the Indian people through the establishment of a meaningful Indian self-determination policy which will permit an orderly transition from Federal domination of programs for and services to Indians to effective and meaningful participation by the Indian people in the planning, conduct, and administration of those programs and services.

(c) The Congress declares that a major national goal of the United States is to provide the quantity and quality of educational services and opportunities which will permit Indian children and adults to compete and excel in the life areas of their choice, and to achieve the measure of self-determination essential to their social and economic well-being.

DEFINITIONS

SEC. 4. For the purposes of this Act, the term—

(a) "Indian" means a person who is a member of an Indian tribe;

(b) "Indian tribe" means any Indian tribe, band, nation, or other organized group or community, including any Alaska Native community as defined in the Alaska Native Claims Settlement Act, which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

(c) "tribal organization" means the elected governing body of any Indian tribe or any legally established organization of Indians which is controlled by one or more such bodies or by a board of directors elected or selectd by one or more such bodies (or elected by the Indian population to be served by such organization) and which includes the maximum participation of Indians in all phases of its activities;

(d) "Secretary", unless otherwise designated, means the Secretary of the Interior;

(e) "school district" means any political subdivision of a State which is responsible for the provision, administration, and control of public education through grade 12 as defined by the law of such State;

(f) "comparable school district" means that school district in the same State the size of enrollment of which is most nearly equal to that of the district seeking eligibility under this Act; and

(g) "State education agency" means the State board of education or other agency or officer primarily responsible for supervision by the State of public elementary and secondary schools, or, if there is no such officer or agency, an officer or agency designated by the Governor or by State law.

TITLE I—THE INDIAN SELF-DETERMINATION ACT

SEC. 101. This title may be cited as the "Indian Self-Determination Act".

CONTRACTS BY THE SECRETARY OF THE INTERIOR

SEC. 102. (a) The Secretary of the Interior is directed, upon the request of any Indian tribe, to enter into a contract or contracts with any tribal organization of any such Indian tribe to plan, conduct, and administer programs, or portions thereof, provided for in the Act of April 16, 1934 (48 Stat. 596), as amended, parts A, B, and D of title II of this Act, any other program or portion thereof which the Secretary of the Interior is authorized to administer for the benefit of Indians under the Act of November 2, 1921 (42 Stat. 208), and any Act subsequent thereto: *Provided, however,* That the Secretary may initially decline to enter into any contract requested by an Indian tribe if he finds that: (1) the service to be rendered to the Indian beneficiaries of the particular program or function to be contracted will not be satisfactory, (2) adequate protection of trust resources is not assured, or (3) the proposed project or function to be contracted for cannot be properly completed or maintained by the proposed contract: *Provided further,* That in arriving at his finding, the Secretary shall consider whether the tribe or tribal organization is deficient with respect to (1) equipment, (2) bookkeeping and accounting procedures, (3) substantive knowledge of the program to be contracted for, (4) community support for the contract, (5) adequately trained personnel, or (6) other necessary components of contract performance.

(b) Whenever the Secretary declines to enter into a contract or contracts pursuant to subsection (a) of this section he shall (1) state his objections in writing to the tribe within sixty days, (2) provide, to the extent practicable, assistance to the tribe or tribal organization to overcome his stated objections, and (3) provide the tribe with a hearing, under such rules and regulations as he may promulgate, and the opportunity for appeal on the objections raised.

(c) The Secretary is authorized to require any tribe requesting that he enter into a contract pursuant to the provisions of this title to obtain adequate liability insurance: *Provided, however,* That each such policy of insurance shall contain a provision that the insurance carrier shall waive any right it may have from suit, but that such waiver shall extend only to claims the amount and nature of which are within the coverage and limits of the policy and shall not authorize or empower such insurance carrier to waive or otherwise limit the tribe's sovereign immunity outside or beyond the coverage and limits of the policy insurance.

CONTRACTS BY THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE

SEC. 103. (a) The Secretary of Health, Education, and Welfare is directed, upon the request of any Indian tribe, to enter into a contract or contracts with any tribal organization of any such Indian tribe to carry out any or all of his functions, authorities, and responsibilities under the Act of August 5, 1954 (68 Stat. 674), as amended: *Provided, however,* That the Secretary may initially decline to enter into any contract requested by an Indian tribe if he finds that: (1) the service to be rendered to the Indian beneficiaries of the particular program or function to be contracted will not be satisfactory, (2) adequate protection of trust resources is not assured, or (3) the proposed project or function to be contracted for cannot be properly completed or maintained by the proposed contract: *Provided further,* That the Secretary of Health, Education, and Welfare, in arriving at his finding shall consider whether the tribe or tribal organization will be deficient with respect to (1) equipment, (2) bookkeeping and accounting procedures, (3) substantive knowledge of the program to be contracted for, (4) community support for the contract, (5) adequately trained personnel, or (6) other necessary components of contract performance.

(b) Whenever the Secretary of Health, Education, and Welfare declines to enter into a contract or contracts pursuant to subsection (a) of this section he shall (1) state his objections in writing to the tribe within sixty days, (2) provide, to the extent practicable, assistance to the tribe or tribal organization to overcome his stated objections, and (3) provide the tribe with a hearing, under such rules and regulations as he shall promulgate, and the opportunity for appeal on the objections raised.

(c) The Secretary of Health, Education, and Welfare is authorized to require any tribe requesting that he enter into a contract pursuant to the provisions of this title to obtain adequate liability insurance: *Provided, however,* That each such policy of insurance shall contain a provision that the insurance carrier shall waive any right it may have to raise the defense of tribal immunity from suit, but that such waiver shall extend only to claims the amount and nature of which are within the coverage and limits of the policy and shall not authorize or empower such insurance carrier to waive or otherwise limit the tribe's sovereign immunity outside or beyond the coverage and limits of the policy of insurance.

GRANTS TO INDIAN TRIBAL ORGANIZATIONS

SEC. 104. The Secretaries of the Interior and of Health, Education, and Welfare are each authorized, upon the request of any Indian tribe, to make a grant or grants to any tribal organization of such Indian tribe for planning, training, evaluation, and other activities specifically designed to make it possible for such tribal organization to enter into contract or contracts pursuant to sections 102 and 103 of this Act.

DETAIL OF PERSONNEL

SEC. 105. (a) Section 3371(2) of chapter 33 of title 5, United States Code, is amended (1) by deleting the word "and" immediately after the semicolon in clause (A); (2) by deleting the period at the end of clause (B) and inserting in lieu thereof a semicolon and the word "and"; and (3) by adding at the end thereof the following new clause:

"(C) any Indian tribe, band, or other organized group or community, including any Alaska Native community as defined in the Alaska Native Claims Settlement Act, which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians."

(b) The Act of August 5, 1954 (68 Stat. 674), as amended, is further amended by adding a new section 8 after section 7 of the Act, as follows:

"SEC. 8. In accordance with subsection (d) of section 214 of the Public Health Service Act (58 Stat. 690), as amended, upon the request of any Indian tribe, band, group, or community, commissioned officers of the Service may be assigned by the Secretary for the purpose of assisting such Indian tribe, group, band, or community in carrying out the provisions of contracts with, or grants to, tribal organizations pursuant to section 102, 103, or 104 of the Indian Self-Determination and Educational Reform Act".

(c) Paragraph (2) of subsection (a) of section 6 of the Military Selective Service Act of 1967 (81 Stat. 100), as amended, is amended by inserting after the words "Environmental Science Services Administration" the words "or who are assigned to assist Indian tribes, groups, bands, or communities pursuant to the Act of August 5, 1954 (68 Stat 674), as amended,".

ADMINISTRATIVE PROVISIONS

SEC. 106. (a) Contracts with tribal organizations pursuant to sections 102 and 103 of this Act shall be in accordance with all Federal contracting laws and regulations except that, in the discretion of the appropriate Secretary, such contracts may be negotiated without advertising and need not conform with the provisions of the Act of August 24, 1935 (49 Stat. 793), as amended.

(b) Payments of any grants or under any contracts pursuant to section 102, 103, or 104 of this Act may be made in advance or by way of reimbursement and in such installments and on such conditions as the appropriate Secretary deems necessary to carry out the purposes of this title.

(c) Any contract requested by a tribe pursuant to sections 102 and 103 of this title shall be for a term not to exceed one year unless the appropriate Secretary determines that a longer term would be advisable: *Provided,* That such term may not exceed three years and shall be subject to the availability of appropriations: *Provided further,* That the amount of such contracts may be rene-

gotiated annually to reflect factors including but not limited to cost increases beyond the control of a tribal organization.

(d) Notwithstanding any provision of law to the contrary, the appropriate Secretary may, at the request or consent of a tribal organization, revise or amend any contract or grant made by him pursuant to section 102, 103, or 104 of this Act with such organization as necessary to carry out the purposes of this title: *Provided, however*, That whenever an Indian tribe requests retrocession of the appropriate Secretary for any contract entered into pursuant to this Act, such retrocession shall become effective upon a date specified by the appropriate Secretary not more than one hundred and twenty days from the date of the request by the tribe or at such later date as may be mutually agreed to by the appropriate Secretary and the tribe.

(e) In connection with any contract or grant made pursuant to section 102, 103, or 104 of this Act, the appropriate Secretary or agency head may permit a tribal organization to utilize, in carrying out such contract or grant, existing school buildings, hospitals, and other facilities and all equipment therein or appertaining thereto and other personal property owned by the Government within his jurisdiction under such terms and conditions as may be agreed upon for their use and maintenance.

(f) The contracts authorized under section 102 and 103 of this Act and grants pursuant to section 104 of this Act may include provisions for the performance of personal services which would otherwise be performed by Federal employees: *Provided*, That the Secretary shall not make any contract which would impair his ability to discharge his trust responsibilities to any Indian tribe or individuals.

(g) Contracts with tribal organizations and regulations adopted pursuant to this Act shall include provisions to assure the fair and uniform provision by such organizations of services and assistance to Indians in the conduct and administration of programs or activities under such contracts.

SEC. 107. (a) The Secretaries of the Interior and of Health, Education, and Welfare are each authorized to perform any and all acts and to make such rules and regulations as may be necessary and proper for the purpose of carrying out the provisions of this title, (1) within six months from the date of enactment of this Act, the Secretary of the Interior and the Secretary of Health, Education, and Welfare shall consult with national and regional Indian organizations, to the extent practicable, to consider and formulate appropriate rules and regulations to implement the provisions of this title, (2) within seven months from the date of enactment of this Act, the Secretary of the Interior and the Secretary of Health, Education, and Welfare shall present the proposed rules and regulations to the Interior and Insular Affairs Committees of the Senate and House of Representatives, (3) within eight months from the date of enactment of this Act, the Secretary of the Interior and the Secretary of Health, Education, and Welfare shall publish proposed rules and regulations in the Federal Register for the purpose of receiving comments from interested parties, and (4) within ten months from the date of enactment of this Act, the Secretary of the Interior and the Secretary of Health, Education, and Welfare shall promulgate rules and regulations to implement the provisions of this title.

(b) The Secretary of the Interior and the Secretary of Health, Education, and Welfare are authorized to revise and amend any rules or regulations promulgated pursuant to subsection (a) of this section: *Provided*, That prior to any revision or amendment to such rules or regulations the respective Secretary or Secretaries shall consult with appropriate national or regional Indian organizations, to the extent practicable, and shall publish any proposed revisions in the Federal Register not less than sixty days prior to the effective date of such rules and regulations in order to provide adequate notice to, and receive comments from, other interested parties.

SEC. 108. For each fiscal year during which an Indian tribal organization receives or expends funds pursuant to a contract or grant under this title, the Indian tribe which requested such contract or grant shall submit to the appropriate Secretary a report including, but not limited to, an accounting of the amounts and purposes for which Federal funds were expended, information on conduct of the program or service involved, and such other information as the appropriate Secretary may request. The reports and records of the Indian tribal organization with respect to such contract or grant shall be subject to audit by the appropriate Secretary and the Comptroller General of the United States.

SEC. 109. There are hereby authorized to be appropriated for the purposes of section 104 of this title the amount of $3,000,000 to the Department of the Interior and $2,000,000 to the Department of Health, Education, and Welfare for each of three succeeding fiscal years following the date of enactment of this Act.

SEC. 110. Nothing in this Act shall be construed as affecting, modifying, diminishing, or otherwise impairing the sovereign immunity from suit enjoyed by any Indian tribe.

SEC. 111. Nothing in this title shall be construed as authorizing or requiring the termination of any existing trust responsibility of the United States with respect to the Indian people.

TITLE II—THE INDIAN EDUCATIONAL REFORM ACT

SEC. 201. This title may be cited as the "Indian Educational Reform Act".

PART A—EDUCATION OF INDIANS IN PUBLIC SCHOOLS

SEC. 202. For the purpose of providing education to Indians enrolled in the public schools of any State, the Secretary is authorized to enter into contracts with any such State or political subdivision thereof, or with any Indian tribe or tribal organization residing in any such State (such State, political subdivision, Indian tribe, or tribal organization to be hereinafter referred to as "contractor"): *Provided*, That in the event the contractor is an Indian tribe or tribal organization which resides in more than one State and the Secretary wishes to contract with such tribe or tribal organization to provide education to Indians enrolled in the public schools of more than one State, separate contracts shall be negotiated with such tribe or tribal organization for each such affected State.

SEC. 203. (a) In administering the various provisions of this Act, the Secretary shall not enter into any contract unless the prospective contractor has submitted to and has had approved by the Secretary an education plan which assures that—

(1) all taxable property within each school district affected by any such proposed contract is taxed at a rate no less than the average property tax rate in the five most comparable school districts in such State which are not eligible for assistance under part A of this title;

(2) all funds which any such affected school district receives under the provisions of title I of the Act of September 30, 1950 (64 Stat. 1100), as amended, shall be considered local tax income for the purposes of clause (1) of this subsection;

(3) per pupil payments of State and local education funds to any such affected school district are not less than the average of such payments made to such five comparable school districts referred to in clause (1) of this subsection;

(4) Any contract pursuant to section 202 shall provide sufficient funds, when added to funds generated by clauses (1) and (3), to provide operational per pupil expenditures equal to the average operational per pupil expenditures from State and local funds, exclusive of Federal funds other than those referred to in (2), of the five comparable districts referred to in clause (1), and, additional funds in an amount not less than 20 per centum of the total per Indian pupil expenditures in such affected district which funds shall be used by the contractor to provide Indians enrolled in any school of such affected district with programs to meet the special education requirements of Indian students such as;

(A) guidance and counseling services for Indian students in grades five through twelve which, wherever feasible, should be provided at a ratio of not less than one counselor for every fifty Indian students;

(B) curriculum development programs, including production of special bilingual and bicultural materials, to meet the needs of Indian students;

(C) teacher aides (bilingual where appropriate) at a ratio, wherever feasible, of one per twenty Indian students in grades kindergarten through six, and one per thirty Indian students in grades seven through twelve;

(D) supplemental school lunch and school breakfast funds for Indians as needed, such funds to be in addition to any assistance otherwise provided by law;

(E) school nursing services for Indians, which services shall be coordinated with the Indian Health Service of the Public Health Service;

(F) summer school programs for Indians, including academic as well as recreational, remedial and cultural and academic enrichment components, as desired by the Indian community;

(G) payment of students' fees and other costs incidental to school programs which are not included within the budget of the affected school district;

(H) vocational technical career education; and

(I) such other educational programs as may be mutually agreed upon by the Secretary and the contractor;

(5) funds provided to the contractor under any contract pursuant to part A of this title shall be available to the contractor for administrative and consultative costs in carrying out such contract, including necessary expenses pursuant to subsection 203(a) of this Act, where appropriate in such amounts as the Secretary may authorize;

(6) in the event that the local public school board of a school district directly affected by any such contract pursuant to this part A is not composed of a majority of Indians, a community education committee shall be established, which shall be composed of members elected by the parents of Indian students attending the school or schools under the jurisdiction of such board, and which shall fully participate in the development and approval of programs authorized by this part A, and shall be so structured, and carry out such other duties, as the Secretary shall by regulation provide, subject to the laws of the affected State: *Provided*, That in the event that a local Indian committee exists pursuant to section 411 of the Act of June 23, 1972 (86 Stat. 235), or the Act of April 16, 1934 (48 Stat. 596) as amended, such committee may be utilized for the purposes of this clause; and

(7) any school district educating Indian students who are members of Indian tribes which do not normally reside in the affected State and who are residing in Federal board-

ing facilities for the purposes of attending public schools within such district shall be reimbursed for the full amount of the per capita costs to such school district for educating students in comparable grades: *Provided,* That where the family place of residence of any such Indian student is within the affected State the Federal payment pursuant to part A of this title shall be reduced by the equivalent of the affected State's share of the per pupil cost as defined in clause (3) of this subsection for each such Indian student.

(b) Whenever a prospective contractor is a State education agency, prior to entering into a contract with such prospective contractor, the Secretary shall be assured that—

(1) an Indian Advisory Council on Education to advise the State education agency has been established, which Council shall be composed of educators which, insofar as practicable, is proportionally representative of all tribes within such State and which has been elected by the local Indian committees designated pursuant to clause 203(a)(6) of this Act or by an Indian-controlled school board;

(2) such Advisory Council has had the opportunity to fully advise and make recommendations to the chief State school officer in the preparation of the education plan pursuant to subsection (a) of this section;

(3) such Advisory Council shall have the opportunity to advise and make recommendations on the development of other programs provided for in this title; and

(4) on or before July 1 of each year, such Advisory Council shall submit to the Secretary, in such form and manner as he shall prescribe, a report evaluating the progress achieved in education of Indians in such State under programs provided for in this title. Such report shall be submitted by the Secretary to the relevant State agency for comment.

(c) The Secretary shall enter into a contract with the State education agency of any State the public education system of which is affected by a contract or contracts pursuant to section 202, regardless of who the contractor or contractors may be, to provide the professional and support staff and administrative services necessary to assist local school districts affected by such contract or contracts in implementing the purposes of this title.

(d) The Secretary is authorized and directed to provide funds, either pursuant to the authority provided in this Act or pursuant to any other authority granted to him to expend funds for the educational support of Indian children to any tribe or tribal organization which controls and manages any previously private school.

SEC. 204. (a) There are hereby authorized to be appropriated for each of the seven fiscal years following the first fiscal year after the date of enactment of this Act $60,000,000.

(b) For the purpose of affording potential contractors adequate notice of available Federal financial assistance under this part A, appropriations for contracts pursuant to section 202 are authorized to be included in the appropriation Act for the fiscal year preceding the fiscal year for which they are available for obligation. In order to effect a transition to this method of timing appropriation action, the preceding sentence shall apply notwithstanding that its initial application will result in the enactment in the same year (whether in the same appropriation Act or otherwise) of two separate appropriations, one for the then current fiscal year and one for the succeeding fiscal year.

SEC. 205. Whenever the sums appropriated for any fiscal year for payments pursuant to this part A are not sufficient to pay in full the total amounts which all contractors are eligible to receive pursuant to this part A for such fiscal year, the maximum amounts which each such contractor is eligible to receive pursuant to this part A for such fiscal year shall be ratably reduced. Whenever additional funds become available for making such payments for any such fiscal year, such reduced amounts shall be increased on the same basis as they were reduced.

SEC. 206. The Secretary shall proceed expeditiously to negotiate the contracts authorized by section 202. Such contracts and the authortiy provided by this part A shall replace existing education programs for Indians conducted pursuant to, and the authority to conduct and administer such programs provided by, the Act of April 16, 1934 (48 Stat. 596), as amended. Upon June 30, 1975, all authority to conduct and administer education programs for Indians pursuant to the Act of April 16, 1934 (48 Stat. 596), as amended, shall be rescinded and that Act shall be further amended by deleting the word "education," whenever it appears.

PART B—DEVELOPMENT OF PROFESSIONALS IN INDIAN EDUCATION

SEC. 207. (a) The Secretary is authorized to establish and carry out a program of making grants, to, and contracts with, institutions of higher education and other public, private nonprofit organizations or agencies, or Indian tribes or tribal organizations with relevant experience and expertise in order to provide fellowships and carry out programs and projects to—

(1) prepare persons to serve Indians in public, private, or totally federally funded schools as educational administrators, teachers, teacher aides, and ancillary educational personnel, including, but not limited to, school social workers guidance counselors, school nurses, and librarians; and

(2) improve the qualifications of persons who are serving Indians in such capacities.

(b) In selecting participants in or recipients for fellowships to programs and projects under this section preference shall be given to Indians.

(c) The Secretary is authorized and directed to determine criteria pursuant to which he shall evaluate all grants and contracts authorized under this section.

SEC. 208. For the purpose of making grants or contracts pursuant to this part B there is authorized to be appropriated $10,000,000 for the fiscal year after the enactment of this Act, and $15,000,000 for each of the next two succeeding fiscal years.

PART C—SCHOOL CONSTRUCTION

SEC. 209. (a) The Secretary is authorized to enter into a contract or contracts with any State education agency or school district for the purpose of assisting such agency or district in the acquisition of sites for, or the construction, acquisition, or renovation of facilities (including all necessary equipment) in school districts on or adjacent to or in close proximity to any Indian reservation or other lands held in trust by the United States for Indians, if such facilities are necessary for the education of Indians residing on any such reservation or lands.

(b) The Secretary of the Interior may expend not less than 75 per centum of such funds as are authorized and appropriated pursuant to this part C on those projects which meet the eligibility requirements under subsections (a) and (b) of section 14 of the Act of September 23, 1950 (72 Stat. 548), as amended. Such funds shall be allocated on the basis of existing funding priorities, if any, as established by the United States Commissioner of Education under subsections (a) and (b) of section 14 of the Act of September 23, 1950. The United States Commissioner of Education is directed to submit to the Secretary, at the beginning of each fiscal year, commencing with the first full fiscal year after the date of enactment of this Act, a list of those projects eligible for funding under subsections (a) and (b) of section 14 of the Act of September 23, 1950.

(c) The Secretary may expend not more than 25 per centum of such funds as may be authorized and appropriated pursuant to part C on any school eligible to receive funds under subsection 203(d) of this Act.

(d) Any contract entered into by the Secretary pursuant to this section shall contain provisions requiring such State educational agency to—

(1) provide Indian students attending any such facilities constructed, acquired, or renovated, in whole or in part, from funds made available pursuant to this section with standards of education not less than those provided non-Indian students in the school district in which the facilities are situated; and

(2) meet, with respect to such facilities, the requirements of the State and local building codes, and other building standards set by the State educational agency or school district for other public school facilities under its jurisdiction or control or by the local government in the jurisdiction within which the facilities are situated.

(e) The Secretary of the Interior shall consult with the entity designated pursuant to section 203(a)(6) and with the governing body of any Indian tribe or tribes the educational opportunity for the members of which will be significantly affected by any contract entered into pursuant to this section. Such consultation shall be advisory only, but shall occur prior to the entering into of any such contract. The foregoing provisions of this subsection shall not be applicable where the application for a contract pursuant to this section is submitted by an elected school board of which a majority of its members are Indians.

(f) For the purpose of implementing the provisions of this section, the Secretary shall assure that the rates of pay for personnel engaged in the construction or renovation of facilities constructed or carried out in whole or in part by funds made available pursuant to this section are not less than the prevailing local wage rates for similar work as determined in accordance with the Act of March 3, 1921 (46 Stat. 1491), as amended.

(g) Within ninety days following the expiration of the three year period following the date of the enactment of this section, the Secretary of the Interior shall evaluate the effectiveness of the program pursuant to this section and transmit a report of such evaluation to the Congress. Such report shall include—

(1) an analysis of construction costs and the impact on such costs of the provisions of subsection (f) of this section and the Act of March 3, 1921 (46 Stat. 1491), as amended:

(2) a description of the working relationship between the Department of the Interior and the Department of Health, Education, and Welfare including any memorandum of understanding in connection with the acquisition of data pursuant to subsection (b) of this section:

(3) projections of the Secretary of the Interior for future construction needs of the public schools serving reservation Indian children, residing on or adjacent to Indian reservations.

(4) a description of the working relationship of the Department of the Interior with local or State educational agencies in connection with the contracting for construction, acquisition, or renovation of school facilities pursuant to this section, and

(5) his recommendations with respect to the transfer of the responsibility for administering subsections (a) and (b) of section 14 of the Act of September 23, 1950 (72 Stat. 548), as amended, from the Department of

Health, Education, and Welfare to the Department of the Interior.

(h) For the purpose of carrying out the provisions of this section, there is authorized to be appropriated the sum of $35,000,000 for the fiscal year ending June 30, 1974; $35,000,000 for each of the four succeeding fiscal years; and thereafter, such sums as may be necessary, all of such sums to remain available until expended.

PART D—YOUTH INTERN PROGRAM

SEC. 210. In order to provide meaningful and career-related work opportunities for Indian youth who are not enrolled in educational programs during the summer months, the Secretary is authorized to establish and carry out an Indian youth intern program for any Indian sixteen years of age or older who is regularly enrolled in secondary school, vocational school, or higher education program during usual school terms.

SEC. 211. (a) In establishing and administering the Indian youth intern program, the Secretary shall designate or recognize community service fields including those related to education, child development, recreation, law, health services, engineering, research, science, government, agriculture and forestry, business and commerce, and other appropriate pursuits, which can provide useful experience to Indian youth in exploring and participating in activities related to their future choices of possible careers.

(b) The Secretary shall determine the number of Indian youth in the community or reservation who are interested in employment during the summer months in the fields designated in subsection (a) of this section.

(c) The Secretary shall require negotiations with employers for the employment of each Indian youth participating in the Indian youth intern program, such negotiations to include a job description outlining specific duties, evaluation of the progress of the Indian youth intern, and consultation by the employer with the Indian youth intern periodically.

SEC. 212. In establishing and carrying out the Indian youth intern program, the Secretary shall take such action as may be necessary to assure that—

(1) each Indian youth intern shall be paid not less than the Federal minimum wage;

(2) each Indian youth intern shall engage in activities which are supplemental to those of the regular work force where he is employed and shall not replace any regular adult full-time employee, except as a temporary substitute during any normal vacation or other such leave of any such employee;

(3) the total wages paid each Indian youth intern employed by a nonprofit agency shall be paid out of funds provided in this part D;

(4) one-half the wages paid each Indian youth intern employed by other than a nonprofit agency shall be paid out of funds provided in this part D, and one-half by the employer;

(5) each Indian youth intern shall be covered by appropriate workmen's compensation laws;

(6) no Indian youth intern shall be entitled, by reason of his employment as an intern, to participate in any pension, retirement, or unemployment compensation programs;

(7) there shall be one supervisor for each twenty Indian youth interns during their period of employment; that such supervisor shall be compensated at a rate not in excess of the minimum rate for GS–9 of the General Schedule under section 5332 of title 5, United States Code; and that, with respect to the position of supervisor, preference shall be given to qualified Indians residing in the locality in which the interns are employed.

SEC. 213. For the purpose of carrying out the provisions of this part D, there is hereby authorized to be appropriated $10,000,000 for the first fiscal year after the enactment of this Act, and $15,000,000 for each of the next two succeeding fiscal years.

PART E—EDUCATIONAL RESEARCH AND DEVELOPMENT

SEC. 214. (a) The Secretary is authorized to make grants to and contracts with universities and colleges and other public and private nonprofit agencies, institutions, and organizations, and to and with individuals for research, surveys, and demonstrations in the field of Indian education and for the dissemination of information derived from such research, surveys, and demonstrations.

(b) No grant shall be made or contract entered into pursuant to this section until the Secretary has obtained the advice and recommendations of educational specialists who are competent to evaluate proposals as to the soundness of design, prospects of productive results, and adequacy of the resources of any applicant to conduct research, surveys, or demonstration projects. Wherever possible among the educational specialists consulted shall be Indians who are not employees of the Federal Government.

(c) No grant shall be made or contract entered into pursuant to this section until the Secretary is satisfied that the activities to be funded do not substantially duplicate research, surveys, or demonstrations the results of which are or will be accessible to the public.

SEC. 15. For the purposes of carrying out the provisions of this part E, there is hereby authorized to be appropriated $2,000,000 for the first fiscal year after enactment of this Act, and $3,000,000 for each of the next two succeeding fiscal years.

PART F—ADULT, VOCATIONAL, AND EARLY CHILDHOOD EDUCATION

SEC. 216. After consultation with persons competent in the appropriate field of education of the Federal Government, the Secretary shall present to the Ninty-fourth Congress, within sixty days of the convening thereof—

(1) a proposed program of adult and continuing education designed to meet the needs of Indian people;

(2) a proposed program designed to meet the vocational and technical career education needs of Indian people;

(3) a proposed program designed to meet the early childhood education needs of the Indian people;

(4) a proposed program designed to meet the special education needs of gifted and handicapped Indians aged three to twenty-one years; and

(5) a review and analysis of existing programs in higher education for Indians administered by the Department of the Interior, and a proposed program of higher education designed to meet the needs of the Indian people; and

(6) an assessment of the capability of the Federal Government to measure effectively and accurately the educational progress and achievement of Indian people, such assessment to include a review of the ability of the Department of the Interior to measure the educational achievement and progress of Indian people. The Secretary is further directed in the preparation of such an assessment to consult with the Secretary of the Department of Health, Education, and Welfare, and such other agency heads as he deems appropriate, as the capability of the Office of Education or the National Institute on Education to measure the educational progress and achievement of Indian people, and shall include the result of such consultations in such report.

SEC. 217. For the purpose of carrying out the provisions of this part F, there is hereby, authorized to be appropriated $750,000 for the first fiscal year after the enactment of this Act.

PART G—GENERAL PROVISIONS

SEC. 218. No funds from any grant or contract pursuant to this title shall be made available to any school district unless the Secretary is satisfied that the quality and standard of education, including facilities and auxiliary services, for Indian students enrolled in the school of such district are at least equal to that provided all other students from resources, other than resources provided in this title, available to the local school district.

SEC. 219. No funds from any contract or grant pursuant to this title except as provided in part B shall be made available by any Federal agency directly to other than public agencies and Indian tribes, institutions, and organizations: *Provided*, That school districts, State education agencies, and Indian tribes, institutions, and organizations assisted by this title may use funds provided herein to contract for necessary services with any appropriate individual, organization or corporation.

SEC. 220. In the event that Indian students comprise the majority of any class or school assisted by this title, non-Indian students enrolled in the class or school may participate in programs funded by this title: *Provided*, That such participation is approved by the local public school board if such board is composed of a majority of Indians or the community education committee established pursuant to clause 203(a)(6) of this title and by the parents of the non-Indian children: *And provided further*, That such non-Indian children are not counted for the purposes of section 203 of this title.

SEC. 221. (a)(1) Within six months from the date of enactment of this Act, the Secretary shall consult with national and regional Indian organizations with experience in Indian education, to the extent practicable, to consider and formulate appropriate rules and regulations to implement the provisions of this title, (2) within seven months from the date of enactment of this Act, the Secretary shall present the proposed rules and regulations to the Interior and Insular Affairs Committees of the Senate and House of Representatives, (3) within eight months from the date of enactment of this Act, the Secretary shall publish proposed rules and regulations in the Federal Register for the purpose of receiving comments from interested parties, and (4) within ten months from the date of enactment of this Act, the Secretary shall promulgate rules and regulations to implement the provisions of this title.

(b) The Secretary is authorized to revise and amend any rules or regulations promulgated pursuant to subsection (a) of this section: *Provided*, That prior to any revision or amendment to such rules or regulations the Secretary shall consult with appropriate national or regional Indian organizations, to the extent practicable, and shall publish any proposed revisions in the Federal Register not less than sixty days prior to the effective date of such rules and regulations in order to provide adequate notice to, and receive comments from, other interested parties.

SEC. 222. Prior to expending any funds appropriated pursuant to this title, the Secretary shall be assured that such funds shall add to, and not replace, other funds provided in Federal programs for the benefit of Indians.

The amendment was agreed to.

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

The title was amended so as to read: "A bill to promote maximum Indian participation in the government and education of the Indian people; to provide for the full participation of Indian tribes

in programs and services conducted by the Federal Government for Indians and to encourage the development of the human resources of the Indian people; to establish a program of assistance to upgrade Indian education; to support the right of Indian citizens to control their own educational activities; to train professionals in Indian education; to establish an Indian youth intern program; and for other purposes."

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

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

By Mr. JAVITS (for himself, Mr. NELSON, Mr. BIDEN, Mr. BAYH, Mr. BROOKE, Mr. RANDOLPH, Mr. KENNEDY, Mr. HATHAWAY, Mr. RIBICOFF, and Mr. WILLIAMS):

S. 2993. A bill to amend the Comprehensive Employment and Training Act of 1973 to establish a special program of emergency energy employment, and for other purposes. Referred to the Committee on Labor and Public Welfare.

By Mr. MANSFIELD (for Mr. KENNEDY):

S. 2994. A bill to amend the Public Health Service Act to assure the development of a national health policy and of effective State health regulatory programs and area health planning programs, and for other purposes. Referred to the Committee on Labor and Public Welfare.

By Mr. GRAVEL:

S. 2995. A bill to review the present and prospective uses of the lands of the United States, and to stimulate the production of oil and gas from such lands, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. MANSFIELD (for Mr. KENNEDY, for himself, Mr. JAVITS, Mr. WILLIAMS, and Mr. SCHWEIKER):

S. 2996. A bill to amend the Public Health Service Act to revise the programs of health services research and to extend the program of assistance for medical libraries. Referred to the Committee on Labor and Public Welfare.

By Mr. ABOUREZK:

S. 2997. A bill for the relief of Peter John. Referred to the Committee on the Judiciary.

By Mr. HANSEN (for Mr. COOK):

S. 2998. A bill to amend Public Law 93-159 relative to petrochemicals. Referred to the Committee on Interior and Insular Affairs.

By Mr. STENNIS (for himself and Mr. THURMOND) (by request):

S. 2999. A bill to authorize appropriations during the fiscal year 1974 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, and other weapons and research, development, test and evaluation for the Armed Forces, and to authorize construction at certain installations, and for other purposes. Referred to the Committee on Armed Services.

By Mr. STENNIS (for himself and Mr. THURMOND) (by request):

S. 3000. A bill 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. Referred to the Committee on Armed Services.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. JAVITS (for himself, Mr. NELSON, Mr. BIDEN, Mr. BAYH, Mr. BROOKE, Mr. RANDOLPH, Mr. KENNEDY, Mr. HATHAWAY, Mr. RIBICOFF, and Mr. WILLIAMS):

S. 2993. A bill to amend the Comprehensive Employment and Training Act of 1973 to establish a special program of emergency energy employment, and for other purposes. Referred to the Committee on Labor and Public Welfare.

Mr. JAVITS. Mr. President, my purpose this morning is to introduce for myself, the Senator from Wisconsin (Mr. NELSON), the Senator from New Jersey (Mr. WILLIAMS), and other Senators, including Senator Kennedy, who is also a member of the Labor and Public Welfare Committee, the Emergency Energy Employment Assistance Act of 1974, which I send to the desk for appropriate reference.

Our bill would amend the Comprehensive Employment and Training Act of 1973, which Senator NELSON and I coauthored and which the President signed into law on December 28, 1973, to add a new title, "Special Emergency Energy Employment Assistance Program."

Under this new title, there are authorized to be appropriated for this fiscal year, 1974, and the succeeding fiscal year, such sums as may be necessary, not to exceed $4 billion over the 2-year period.

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, for unemployed and underemployed persons.

These funds would become available whenever—

First, the President determines, after reviewing forecasts of anticipated levels of economic activity, that specified amounts available in the fund should be obligated in order to diminish expected levels of unemployment, and notifies the Congress and the Secretary of such determination; or

Second, the Congress, by concurrent resolution, determines after reviewing forecasts of anticipated levels of economic activity, that specified amounts available in the fund should be obligated in order to diminish expected levels of unemployment, and notifies the President and the Secretary of such determination; or

Third, the Secretary determines that the rate of national unemployment (seasonally adjusted) exceeds 6 percent for 3 consecutive months.

Funds would be made available under (1) and (2) above in amounts specified in any determinations; in the case of a determination under (3), however, the funds would be made available by the Secretary to the full extent available from the Fund.

If the full amount authorized were appropriated and the rate of national unemployment did exceed 6 percent for 3 consecutive months, then the $4 billion could provide at least 500,000 jobs or enough to meet the needs of approximately one-tenth of the total number of unemployed persons at the 6 percent level. Another way of looking at this is to point out that 500,000 would cover the major share of newly laid off workers in the event unemployment rose to 7 percent. This calculation is based on an average cost of $8,000 per slot, which is our estimate of the average cost in such circumstances, in terms of the kinds of jobs needed by unemployed persons under projected economic conditions, based also on past experience under the Emergency Employment Act.

Incidentally, with respect to the magnitude of our proposal, under the Emergency Employment Act of 1971, also coauthored by Senator NELSON and myself, cumulatively 300,000 jobs were created utilizing a 4.5 percent national trigger with an aggregate of $2.25 billion over a 2-year period.

The Secretary is required to apportion funds made available pursuant to our new title among prime sponsors designated under title I of the manpower act, and eligible applicants under title II throughout the United States on an equitable basis, taking into account the rate of unemployment in areas served by such prime sponsors and eligible applicants.

Thus, we have sought to interlock with the new manpower system established under the Comprehensive Employment and Training Act, while providing flexibility in terms of meeting the needs of various areas; similarly, the conditions which apply under the present law for public service employment opportunities, in terms of their transitional nature, wages, et cetera, would apply to jobs created under our new title.

Another important feature of our bill is the requirement that the President report to the Congress within 21 days from enactment with respect to implementation of this title, including an analysis of anticipated levels of economic activity and the criteria to be applied in making determinations, as well as comprehensive plans for implementation of the provisions generally upon a Presidential determination that funds are needed, or if funds are automatically triggered.

Reports transmitted to the Congress under the act will be referred to the Labor Committees of the House and Senate. However, the bill specifically allows other committees of the Senate or House to consider these reports.

Mr. President, it is a sobering experience to read through the annual economic report of the Council of Economic Advisers and through President Nixon's budget for fiscal year 1975. Both these documents bring home to us the fact that we are presently in the worst of all possible economic worlds, with unacceptable rates of both inflation and unemployment. The President's "goals" for economic policy are to keep GNP inflation down to 7 percent this year—which means a consumer price inflation of sub-

stantially more than that—and to keep unemployment at an average of a little over 5½ percent during 1974. Inflation rates of less than this amount prompted the President to initiate his wage-price freeze of 1971; and, as I noted unemployment rates of less than this amount, 4.5 percent, were established by Congress under the Emergency Employment Act only a few short years ago to trigger emergency funds for increase in public sector jobs.

Moreover, experience compels us to conclude that these "goals" may just turn out to be as optimistic as other of the administration's goals in years past. The energy crisis, for one, could force this economy into a much lower rate of economic growth than had been anticipated by both private and government economic forecasters.

Now the administration has declared that it will be flexible in the administration of budget policy, and that it is preparing contingency pump-priming programs to put into effect if and when it determines that the level of economic activity is lagging and warrants such programs.

However, I do not believe that Congress can simply leave this job to the administration. We owe it to millions of Americans whose lives are threatened by the loss of job security to see that economic policies generated in Washington do not make these threats a reality.

Accordingly, I am today introducing this legislation to provide a framework related directly to the economic conditions—in which the Congress, together with the Executive, can meet these threats, in the public interest.

Mr. President, in many respects this bill is identical to what the President is proposing. In his economic report, the President stated that he "would be prepared to support economic activity and employment by additional budgetary measures, if necessary."

This bill authorizes an emergency program which can be pulled off the shelf within a very short time after the President determines that additional budgetary measures are needed. Thus, there would be no delay in getting such a program off the ground in the event the economy started to depart from the course presently foreseen by White House economic policy and into a recession.

In some respects, however, our bill is significantly different from what the administration has been talking about. As I noted, for one, it requires the President to report within 21 days from enactment with a detailed analysis of what criteria he would apply before making funds available from the special fund for increased public sector jobs, and with comprehensive plans for implementation of the provisions of the bill. The reason for this provision is that while the President has given us reassurance about the fact that he is flexible, it would be much more assuring if we knew how flexible he was going to be. This is why we need a report detailing exactly what the President's intentions are. What is he going to look at, for example, in determining whether more money is needed for jobs? Will he look at employment levels, at the level of economic activity generally, or what? If we are to prevent unemployment from going above 6 percent in December, we must start seeing improvements in some of our economic indicators—such as housing starts—by April or May of this year. I think Congress shoud pin down the tests as to what the President is looking at, so that we are not left with the fact that the White House is merely thinking about contingency programs.

In addition, my bill would give Congress itself the power to release funds from the Emergency Employment Assistance Fund upon a congressional determination that transitional employment opportunities in public sector jobs are needed. The President, for example, may have his own criteria about the need for jobs, but we should be allowed to have ours, too. We may very well differ from the President, and my bill gives Congress the opportunity to do so and to provide funds, on its own initiative, if we think these are needed.

I would expect that Congress would not take such a decision lightly, but would consider the evidence presented to us by the administration and by such congressional bodies as the Senate Committee on Labor and Public Welfare and the House Committee on Education and Labor, the Joint Economic Committee, and the respective Banking and Currency Committees, as well as Ways and Means and Finance, and Appropriations.

Our bill also contains "fail-safe" provisions, which would release moneys from the Fund automatically in the event that the rate of national unemployment—seasonally adjusted—exceeded 6 percent for any 3 consecutive months. This figure is chosen because such a condition would clearly demonstrate that the economy is veering very sharply from the path foreseen by either the administration or by private forecasters. It is the least we owe to the American people to provide a bill which is immune from congressional or administration delays in the event unemployment clearly exceeds our expectations and the administration's, which are generally that national unemployment will not go above 6 percent.

As I see it, this bill represents the very least that Congress can do in its obligation to protect the American public from severe hardships resulting from continued high unemployment. It gives Congress the opportunity to work with the administration in making emergency funds available on the shortest possible notice. It actually helps implement the administration's desired goal of being flexible in the use of budget policy. It is, hopefully, a provision which will not have to be implemented, if the energy crisis and other factors affecting unemployment do not depress the economy too far, we may be well on the road to economic recovery by the third quarter of this year.

What these provisions mean in effect is that we are defining a new relationship in the domestic economic sphere between the Congress and the administration. The bill gives either the administration or the Congress the authority to activate moneys from the fund, and this is just as it should be. Hopefully it will create a dynamic tension between the administration and the peoples representatives in Congress in sizing up the situation and determining the proper course of economic policy, by activating funds which they together have agreed should be made available and have previously appropriated.

Mr. President, the features which distinguish this bill from the elements of the President's economic policy distinguish it also from the present Comprehensive Employment and Training Act of 1973 which it would amend.

The Comprehensive Employment and Training Act of 1973, which Senator NELSON and I coauthored should in no way be regarded as an inadequate piece of machinery to deal with any unemployment crisis.

But in this imperfect world—with unemployment jumping from 4.8 percent in December when the bill was signed to 5.2 percent in January—events may be even now overtaking it.

The new act's greatest contribution is that it establishes a new system of State and local prime sponsors to conduct manpower training and public service employment programs—replacing the direct Federal funding system we have had to date—an old system that could not possibly effectively absorb substantial funds.

But to get that new system into law—after 4 years of confrontation and disagreement between the Congress and the executive—compromises had to be made on both sides.

We left open the question of a ceiling or goal—depending upon how it is viewed—on funding. For the act, "such sums" were authorized for this fiscal year and for each of the 3 succeeding years; of that amount $250 million in this fiscal year and $350 million in the next—for 40,000 to 50,000 public service jobs respectively—are reserved for public service employment in local areas of substantial unemployment—triggered locally at 6½ percent; also, "such sums" were authorized as "ad-ons" for each of the 4 years—on top of the reservations—specifically for title II.

Now, it is open to us to seek funds under that authority generally to increase the funds overall or to increase the fund for title II—and depending upon the situation—we may well do so.

With respect to specific areas with 6.5 percent unemployment under title II there can be little doubt that funds appropriated for public service employment, will come close to their mark—merely by definition.

But as to other areas—which may suffer particularly although they are below 6.5 percent—or persons particularly hit by the energy crisis—the act may not provide a direct remedy. Funds generally appropriated must be allocated between titles, and then, once under title I, they are distributed among prime sponsors on the basis of a three-part formula including a hold harmless factor. Appropriations language may deal with these aspects.

In any event, as I have noted, our bill has a number of new elements, as follows:

A specific commitment of the Congress to a level of expenditure, and through

that, a commitment to cover a certain percentage of the unemployed of the Nation if we exceed 6 percent nationally.

A new procedure to deal with the use of the money, establishing a new relationship between the Congress and the Executive.

A requirement that the President tell us exactly what he is going to do in economic terms and that a program be "on the shelf." Section 506 of the present law requires the Secretary to report to the Congress by March 31, 1974, on manpower needs resulting from energy shortages including recommendations, but that is much different than a plan ready to be launched, and the energy-related needs may not cover the whole picture.

Mr. President, I do not see this bill as the only obligation for Congress in the economic policy area this year. There are other problems besides unemployment, and additional measures besides public sector jobs could be necessary in the event of continued emergency conditions. I would like to make my views known on three other important measures which must be considered if we are to mount a comprehensive attack on our economic problems this year.

First, in view of the continued exceptionally high rate of inflation, we must continue the President's authority in the wage-price area under a 1-year extension of the Economic Stabilization Act. This does not mean that I am in favor of comprehensive wage and price controls under any conditions. But I do think we cannot let consumer prices rise at the highest rates since 1947 and at the same time remove completely from the President his authority to do anything about the situation. I am well aware of cases where controls has distorted market structures and have led ultimately to higher prices. However, controls do serve the purpose of lengthening the amount of time during which price increases take effect, and at a time when we are witnessing skyrocketing prices for petroleum products, the existence of controls could well blunt the very sharp effect which these crude oil prices would otherwise have on our sophisticated economy.

Another measure which I believe must be considered by the Congress this year is some means of reforming the social security tax so as to make it more equitable. At the present time, this tax falls most heavily on low-income earners. For some, social security taxes are far in excess of what they pay in income taxes. At the very least, we should raise the base for social security taxes, and adjust the rate at the lower end of the scale, so that these low-income wage earners do not have to bear a disproportionate burden of financing the system.

Third, I attach great importance to impressing on our trading partners abroad the intention of the United States to work out a cooperative international solution to the oil crisis. This week I introduced in the Senate a resolution outlining the steps which we believe the United States must follow in the pursuit of this policy. Basically it is the same policy being pursued by the President. However, it is important that both the President and those with whom he negotiates realize that in this extremely important matter the American people stand foursquare behind him. The consequences of failing to act in this area could be a continuation of skyrocketing oil prices and a worsening supply situation. The consequences of skilled and concerted action could be just the opposite.

Mr. President, hopefully, with the measure I introduce today, and these other recommendations, we can face our economic problems with confidence and in a spirit of cooperation, and common concern between the Executive and the Congress.

Mr. President, my colleague, Senator NELSON, joins with me in this matter, and I ask unanimous consent that his statement on the introduction of this bill immediately follow mine.

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

(See exhibit 1.)

Mr. JAVITS. Senator NELSON points out that the alternative to the legislation which we are offering could also come about by the utilization of the act signed in December 1973 by the President, or a bill which had passed the Senate and is awaiting action by the House of Representatives, S. 1560. But it is because we do not know whether the House will act and because we wish to make the link with the energy crisis that we introduce this bill at this particular time.

Mr. President, our reason for introducing the bill stems, of course, from the annual Economic Report of the President based on the report of the Council of Economic Advisers and from the budget message of the President.

We see a highly unacceptable rate of inflation looming up in the way of the energy crisis which introduces a vital and contributing factor in respect of the danger of a recession. We see the prediction of a recession, at least in the early part of the year, which it is expected we will get over by the latter part of the year.

We believe that the record of forecasting by the administration in 1973 certainly was, to say the least, disappointing if not very deplorable.

So rather than run the risk that we will be caught short in this matter and recognizing that the key problem is the problem of unemployment—and this is recognized both by the Congress and by the President, as the President himself, with the cooperation of the Congress set employment as the highest priority in respect to the distribution of our oil and other energy resources—we have introduced this measure which will effectively be a standby measure that can be quickly called upon to take up any impact that inflation might have, which could lead to an even deeper recession than has already been predicted.

Mr. President, there are a few matters that I wish to emphasize further to the Senate which relate to our general economic situation and the urgent need to keep standby authority in the Economic Stabilization Act.

I know that the administration proposes to decontrol everything but food, fuel, and health care. However, with a 9-percent rate of inflation, which is tremendously alarming to this country, I do not believe we can allow our law to remain in a condition where there are no adequate means by which controls can be put into effect if those controls prove to be needed for reapplication as we go along.

My first recommendation is for a 1-year extension of the Economic Stabilization Act.

Second, we need to reform the social security tax to make it more equitable.

It is very interesting that people rarely speak of a social security tax when they speak of taxation. And yet this falls most heavily on the low- and middle-income earners, and especially on the young who are in the low-income group. They are a long way from that magic year when they will be entitled to social security.

So, Mr. President, I propose that the social security tax be graduated, as we do with income tax, and that the rate adjusted at the lower end of the scale for the low-income wage earners who will bear a disproportionate share of the burden. We should raise the ceiling, thereby making it possible to have a graduated social security tax.

Finally, we have an enormous problem of trade cooperation with the major industrialized nations of the world in respect of energy, in respect of international monetary system, and in respect of trade rules that the world will go by.

The world could very easily fall apart right now. The Common Market could be dismantled. These things will happen unless there is a great will to cooperate among the industrialized nations of the world who are meeting this very Monday in Washington, in the Washington Energy Conference.

The Senate has already passed a resolution with respect to the agenda of that council which the Secretary of State feels could be very helpful to him.

There could be dire consequences if we failed to take both skilled and concerted action at this time.

Hopefully the measures I introduce today and the other recommendations will enable us to face our economic problems with a common concern between the Executive and the Congress. Having been one of those who most advocated the recapture of our power in respect of war and appropriations and the economy of the country, I feel it my duty to point this out.

EXHIBIT 1

EMERGENCY ENERGY EMPLOYMENT ASSISTANCE ACT OF 1974

(Statement by Senator NELSON)

I am pleased to join as a cosponsor of Senator Javits' bill, the "Emergency Energy Employment Assistance Act of 1974."

This bill would amend the Comprehensive Employment and Training Act of 1973 to establish a special program under which funds would be made available to State and local governments in all areas of the nation to enable them to provide additional public service jobs to unemployed persons.

The legislation sets up a stand-by program which could provide up to 500,000 public service jobs throughout the nation if fully funded and utilized. Funds would be obligated whenever either the President himself

decides to release funds to diminish the level of unemployment, or the Congress itself so decides by concurrent resolution passed by each House of Congress. In addition, whenever the seasonally adjusted nationwide rate of unemployment exceeds 6 percent for three consecutive months, the Secretary of Labor would be required to obligate funds appropriated for this program.

On last December 28, the President signed the Comprehensive Employment and Training Act of 1973 (Public Law 93-203), the Senate version of which I originally introduced together with Senator Javits last April 12. In reaching a compromise with the Administration last year in order to secure the President's signature on manpower reform legislation, the Congress found it necessary to limit the program of public service employment under title II of that Act to local areas having a rate of unemployment of 6.5 percent or more. Although other areas could use part of their manpower funds for public service employment, the final bill included no specific authorization of separate funds for that purpose in areas other than those having 6.5 percent or more unemployment rates.

However, the Senate last year passed the Emergency Employment Amendments of 1973 (S. 1560) as a separate piece of legislation, by the overwhelming vote of 74 to 21. That Senate-passed bill provides for a full extension of the Emergency Employment Act of 1971 which Senator JAVITS and I drafted and introduced 3 years ago. Over 300,000 previously unemployed persons have been hired in public service jobs under the Emergency Employment Act since it was signed by the President in July of 1971. The Emergency Employment Act provides for a nationwide public service employment program which would continue until such time as the nationwide unemployment rate has receded below 4.5 percent for 3 consecutive months. The Senate-passed Emergency Employment Amendments of 1973, which would extend the public service employment program through fiscal year 1975, is still pending in the House of Representatives. If the House passes similar public service employment legislation, I am confident that a joint Senate-House conference could easily reconcile any such House legislation with the Emergency Employment Amendments of 1973 already passed by the Senate, and a significant public service employment program for all areas of the Nation could then be enacted into law expeditiously.

The proposed Emergency Energy Employment Assistance Act of 1974 introduced today will, together with other proposals in the area of employment and training, be the focus of upcoming hearings on unemployment before the Senate Subcommittee on Employment, Poverty, and Migratory Labor. As chairman of the subcommittee, I always work together closely with Senator JAVITS, who is the ranking Republican on the full Labor and Public Welfare Committee, and a member of the subcommittee in developing proposals under the subcommittee's jurisdiction.

I believe that both the Congress and the administration should give prompt attention to the useful and creative features set forth in this proposed legislation.

Mr. President, I ask unanimous consent that the text of the bill introduced by the Senator from Wisconsin (Mr. NELSON), the Senator from New Jersey (Mr. WILLIAMS), myself, and other cosponsors be printed in the RECORD.

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

S. 2993

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 "Emergency Energy Employment Assistance Act of 1974".

SEC. 2. The Comprehensive Employment and Training Act of 1973 is amended by redesignating title VI, and all references thereto, as title VII and by redesignating sections 601 through 615, and all references thereto, as sections 701 through 715, respectively, and by inserting after title V thereof the following new title:

"TITLE VI—SPECIAL EMERGENCY ENERGY EMPLOYMENT ASSISTANCE PROGRAM

"APPROPRIATIONS AUTHORIZED

"SEC. 601. In addition to the amounts authorized to be appropriated for carrying out this Act under section 4, there are authorized to be appropriated for the fiscal year ending June 30, 1974 and the succeeding fiscal year, such sums, not to exceed $4,000,000,000 in the aggregate for such period, as may be necessary to carry out the provisions of this title.

"EMERGENCY EMPLOYMENT ASSISTANCE FUND

"SEC. 602. There is established in the Treasury a revolving fund to be known as the Emergency Employment Assistance Fund (hereafter in this title referred to as the "Fund"). Amounts appropriated pursuant to section 601 which are not needed for immediate expenditure in accordance with this title shall be deposited in such Fund to be available for obligation without fiscal year limitation in accordance with the provisions of this title. The Secretary is authorized to utilize sums deposited in the Fund to provide assistance under this title.

"FINANCIAL ASSISTANCE AUTHORIZED

"SEC. 603. (a) Whenever—

"(1) the President determines, after reviewing forecasts of anticipated levels of economic activity, that specified amounts available in the Fund should be obligated in order to diminish expected levels of unemployment, and notifies the Congress and the Secretary of such determination; or

"(2) the Congress, by concurrent resolution, determines after reviewing forecasts of anticipated levels of economic activity, that specified amounts available in the Fund should be obligated in order to diminish expected levels of unemployment, and notifies the President and the Secretary of such determination; or

"(3) the Secretary determines that the rate of national unemployment (seasonally adjusted) exceeds 6 percent for three consecutive months; the Secretary shall obligate such amounts to provide unemployed and underemployed persons with transitional employment in jobs providing needed public services, and, wherever feasible, related training and manpower services to enable such persons to move into employment or training not supported under this title. Such assistance shall be provided in accordance with the terms of any determination under paragraph (1) of this subsection or concurrent resolution under paragraph (2) of this subsection and in the case of a determination under paragraph (3) of this subsection to the full extent that funds are available in the Fund.

"(b) Except pursuant to section 3 of this Act, the Secretary shall apportion funds made available pursuant to this title among prime sponsors designated under title I of this Act and eligible applicants under title II of this Act throughout the United States on an equitable basis, taking into account the rate of unemployment in areas served by such prime sponsors and eligible applicants.

"(c) Transitional public service employment opportunities financed under this title shall be subject to the terms and conditions set forth in sections 205, 206, 207, 208, and 209 of this Act.

"SPECIAL REPORT

"SEC. 604. (a) Within 21 days after enactment of this Act, the President, after consultation with the Council of Economic Advisers, the Secretary and the heads of other appropriate departments and agencies, shall submit to the Congress a special report with respect to implementation of this title. The report required under this section shall include—

"(1) a detailed analysis of anticipated levels of economic activity and unemployment and the criteria to be applied in making various determinations under paragraph (1) of section 603(a); and

"(2) comprehensive plans for implementation of provisions of this title under paragraphs (1) and (3) of section 603(a).

"(b) The President and the Secretary may submit to the Congress such other reports as are necessary to the fulfillment of the objectives of this title.

"(c) Reports transmitted under this section, shall, when transmitted to the Congress, be referred to the Committee on Labor and Public Welfare of the Senate and the Committee on Education and Labor of the House of Representatives. Nothing in this subsection shall be construed to prohibit the consideration of the report by any other committee of the Senate or the House of Representatives with respect to any matter within the jurisdiction of any such committee."

By Mr. MANSFIELD (for Mr. KENNEDY):

S. 2994. A bill to amend the Public Health Service Act to assure the development of a national health policy and of effective State health regulatory programs and area health planning programs, and for other purposes. Referred to the Committee on Labor and Public Welfare.

Mr. MANSFIELD. Mr. President, on behalf of the distinguished senior Senator from Massachusetts (Mr. KENNEDY), I introduce on his behalf a bill to amend the Public Health Act to assure the development of a national health policy and for effective State health regulatory programs and area health planning programs, and for other purposes. This act may be cited as the National Health Planning and Development Act of 1974.

Mr. KENNEDY. Mr. President, on June 30, 1974, many existing authorities under the Public Health Service Act will expire. Among the expiring programs are regional medical programs, comprehensive health planning, and the Hill-Burton program which provides aid to hospital construction.

Last year, the administration proposed allowing regional medical programs and the Hill-Burton program to expire. They proposed extending comprehensive health planning authorities with very little change. At that time the Congress authorized a 1-year extension of all expiring Public Health Service Act authorities in order to enable later congressional

examination and consideration of the administration's proposals and, if necessary to develop alternative proposals.

Mr. President, the comprehensive health planning and regional medical programs were intended, at the time of their enactment, to help bring about better organization of our health care delivery system. Both were initially intended to create a mechanism to bring about better organization of health care resources. Neither program has accomplished that goal.

The blame for failure to accomplish their original goal does not lie entirely with those responsible in the execution of those programs. The legislative history of the comprehensive health planning authority is characterized by a lack of focus and a lack of clear delineation of mission, as well as absence of an effective mechanism for carrying out a mission, even if one existed.

Comprehensive health planning agencies, although varying widely in their effectiveness, have in general, been underfunded and understaffed. Moreover, they lack the legislative authority to bring about adequate suasion to implement their proposed plans.

The regional medical programs, initially conceived as a system of university hospital centered regionalization of health services in an area, suffered from serious dilution of the original legislation during its development in the Congress. For that reason, although many worthy projects have been funded through the regional medical programs, the program as a whole has not been able to fulfill its original purpose—which was concerned with better organization of health care services throughout the United States.

Even though these programs can be criticized for the reasons stated above, I believe that to terminate them abruptly as the administration proposed last year would be a serious error and a waste of valuable organization and manpower which has developed as a result of the growth of these programs over the years. It is clear that the existing authorities are inadequate. However, to terminate these programs abruptly, would in my opinion, be to throw the baby out with the bathwater.

A proposal I am about to introduce is intended to replace the existing comprehensive health planning and regional medical program authorities, while retaining their desirable aspects and strengthening them in those areas where it is apparent that strengthening is necessary.

This legislation will replace regional medical programs and comprehensive health planning agencies with new areawide health planning agencies. It will at the same time give those comprehensive health planning agencies and regional medical programs which are capable of doing so an opportunity to contribute to the development of the new regional health agencies. Extension of the Hill-Burton authority will be dealt with in a separate facilities construction bill.

Mr. President, it is clear that a universal, comprehensive national health insurance program will become a reality in the United States within the next several years. Universal entitlement is essential in order to realize the goal of adequate health care for all Americans. However, simply financing health care services is not enough. Legislation which will modify the existing health care system and expand its ability to provide the services to which every American will be entitled upon enactment of a national health insurance program is absolutely essential.

The Health Maintenance Organization Act of 1973, recently enacted into law, is a start down this road. It alone is not sufficient. The legislation which I propose today is intended to create a decisionmaking mechanism throughout the United States, which will assist in solving problems having to do with the allocation of health care resources throughout this country.

This legislation places great authority and responsibility at the local level, where detailed decisions concerning placement of health care facilities and services must be made. It vests States with regulatory authority, heavily predicated upon recommendations of the area health planning agencies.

In addition, it directs the Secretary of Health, Education, and Welfare to establish for the first time a set of national health guidelines and priorities, designed to provide direction to Federal agencies, as well as States and localities in allocating health care resources.

Universal entitlement through a system of federally directed or federally administered health insurance also creates Federal responsibility in assuring that equity in the distribution of resources is achieved. It is hoped that this proposal will create an adequate mechanism for helping to make the very difficult policy decisions which will be required in the near future as a result of universal entitlement.

Mr. President, the entire area of health planning and regulation is extremely complex. It will require redirection of an $85 billion a year health care industry. The problems posed and, therefore, the solutions proposed are not simple. For that reason, I intend to see that all concerned with this important health planning legislation have an adequate opportunity to make their views known, and to make suggestions which will result in an improvement of this bill. Although I believe that the general outlines proposed in this legislation for the health planning apparatus in this country are sound, I am open to suggestions from any interested party for improvement of it. Nobody has all the answers in dealing with this extraordinarily complex field, and I would welcome constructive suggestions from any interested party.

Mr. President, I ask unanimous consent that an explanation of the National Health Planning and Development Act of 1974, a table showing the financial assistance thereunder, and the text of the act itself be printed at this point in the Record.

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

Explanation—Health Planning Act of 1974

HEALTH PLANNING AGENCIES—STRUCTURE AND FUNCTIONS

The National Health Planning Act of 1974 provides for the establishment of health planning agencies throughout the United States. The legislation provides that within 120 days following enactment The Secretary of Health, Education, and Welfare, in consultation with the Governor of each State, shall publish proposed boundaries for health areas throughout the United States. Such health areas will include all of the territory of the United States. Each health planning area is to encompass between 500,000 and 3 million people, except that the population of the health area may contain more than 3 million people if the area includes a standard metropolitan stastical area with a population of more than 3 million, and less than 500,000 people, if the population of a State is less than 500,000.

These areas are not to cross State lines, although States may be subdivided into a number of areas. The areas are intended to be medically self-sufficient. They should include provision for all levels of medical care, and are, if possible to include at least one center for highly specialized care and one academic health center. (The center for specialized care and the academic health center may be the same.) The Secretary is required to consult with existing 314(a) and 314(b) agencies, in establishing the boundaries of health planning areas. Boundaries, once established, may be revised by the Secretary. Decisions concerning boundary revisions may be made in consultation with the appropriate state and local officials and agencies involved.

It is hoped that the Secretary, in establishing health planning area boundaries, will take into account problems associated with the generation and analysis of data describing health services and practices in the area. One example would be the importance of integrating, if only on an Administrative level, existing areas designated under the Professional Standards Review Organization provisions of H.R. 1, with the proposed health areas.

The health area is the keystone of this planning bill. It is intended to be the fundamental geographic basis of the planning process. It is intended that each area be medically self-contained, and that information based upon the location of facilities, manpower, and services be gathered by the agency, analyzed and used as the basis for projecting area needs in order to formulate long-range goals, as reflected in a long-range goal plan. Each area is expected to assess existing resources and to project future needs, both in terms of additional resources, and the redistribution of existing resources within the area.

For example, in many of our urban areas health care resources are concentrated in affluent sections of the community, while less affluent parts of the community, which may be only a few miles away are virtual health care deserts. It is intended that the health planning agency in the area identify such a maldistribution of resources and incorporate recommendations for improving the equity of the situation in their long-range goal plan.

The legislation also requires that the health planning agency formulate a set of short-term strategies designed to bring about the long-range plan.

The structure of the health planning agency is detailed in the proposal. Briefly, it is to be a private nonprofit agency incorporated in the State in which it functions. Its policy-making board is to be composed of representatives, in equal numbers, from consumers of health care services (unrelated to the provision of those services), providers of services (representing health professionals,

health insurers, and health institutions), and officials holding public office.

It is hoped, through this mechanism, to achieve a balance of input and interest into the policy-making process.

The legislation provides adequate financing to attract high quality personnel to staff what will be a sophisticated and demanding operation.

Guidelines are set forth in the legislation describing elements which should be taken into consideration during the development of a health plan. The legislation requires that data concerned, (at a minimum) with the health status of residents in the health area, health care facilities, personnel and services functioning in the area, patterns of utilization of health care personnel, facilities and services in the area, and the effect of the area's health care delivery system on the health of the residents in that area be generated and analyzed. This information must result in the promulgation of a long-range goal plan and a short-term priorities plan.

One of the weaknesses of the existing comprehensive health planning agencies is their inability to exert leverage to bring about compliance with a plan. The absence of adequate leverage has resulted to date not only in an inability to implement plans, but, often, in the development of plans which are of inferior quality, do not come to grips with the real problems of the distribution of health care resources within an area, and are frequently concerned only with facilities construction.

The passage of section 1122 of the Social Security Act last year, giving health planning agencies additional authority in the area of capital expenditures, has somewhat improved the situation. The National Health Planning Act of 1974 takes an additional and important step in the same direction. It provides that each health planning agency shall review and approve or disapprove each proposed use within its health area, of Federal funds appropriated for any program under the Public Health Service Act and the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963. Any funds obligated under those two authorities for the development, expansion, or support of health facilities, manpower, or services must be approved or disapproved by the health planning agency. Of those projects approved, the health planning agency is responsible for establishing priorities among those projects.

If an agency disapproves a proposed use of Federal funds under the authorities cited above, the Secretary may not make Federal funds available for that program until he has made, at the initiative of the entity requesting those funds, a review of the agency decision. In making such a review, the Secretary should give the appropriate State health commission (authorized by this legislation) and any other appropriate State health agency an opportunity to consider the agency decision and to submit to the Secretary its comments on the decision. The Secretary may override the decision of the health planning agency, but in so doing must make a detailed public statement concerning his reasons for overriding that decision.

In addition, the health planning agency shall review and make recommendations to planning agencies designated under section 1122 of the Social Security Act for the approval or disapproval of all capital expenditures in access of $100,000. This requirement is intended to assist the 1122 agencies in those areas in which they exist to perform their functions effectively and in coordination with the health planning agencies authorized under this Title.

The health planning agency is required to review, on a periodic basis, the health services offered or proposed to be offered in a health area and shall make recommendations to each State health commission, authorized by this legislation, for the commission's certification of such health services.

Therefore, this legislation provides that the health planning agency establish criteria, based upon long and short-range plans for the approval or disapproval of the use of Federal funds for the addition or expansion of services, facilities or manpower in that health area.

Control of capital expenditure is one mechanism effecting the distribution of resources in the health area. Patterns and levels of reimbursement for services is another. For that reason, the health planning agency is required to review rates charged by providers in its health area, and make recommendations to the State health commission concerning modification in those rates as an additional tool for implementing its health plan in an area. Criteria which must be taken into account in formulating recommendations are listed in the bill.

The legislation provides for extensive review and due process protection, and list criteria to be taken into account in formulating its recommendations.

HEALTH PLANNING AGENCIES—SUPPORT

The legislation provides for a number of forms of assistance to entities designed to be designated as health planning agencies.

First of all, the Secretary may provide all necessary technical and other nonfinancial assistance to nonprofit private entities which express a desire to be designated as a health planning agency. Only one such entity may be funded in each health area.

In addition, grants are authorized to assist in developing health planning agencies.

The Secretary is required to enter into a designation agreement with one (and only one) entity in each health planning area throughout the United States.

In accepting applications for such designation, the Secretary is directed to give priority to 314(b) agencies and regional medical programs if they are functioning in an area.

The approval of the Governor of each State is required before the Secretary may designate any entity as the health planning agency for a health area.

STATE HEALTH COMMISSIONS—STRUCTURE AND FUNCTIONS

States vary widely in their ability to deal with the problems of equitable distribution of health care resources. This legislation provides the States an opportunity to regulate the health care industry within that State, within Federal guidelines, in order to improve equity in the provision of health services. If, after an adequate trial period, the State does not perform the functions outlined in this legislation to the satisfaction of the Secretary of Health, Education, and Welfare, the Secretary is required to assume responsibility for the performance of those functions.

This legislation requires that the State perform a number of planning and regulatory functions. In addition, it requires that the States vest the responsibility for the performance of those functions in a single agency. However, the selection of a particular agency is left to the discretion of the States, in recognition of the possibility of a variety of satisfactory administrative arrangements fulfilling the requirements of the legislation.

Conditional designation of a State agency as a State health commission may be terminated by either the agency or the Secretary of Health, Education, and Welfare upon 90 days notice from either party.

The agency designated as a State health commission must be the sole agency of the State for the performance of the regulatory functions detailed in the legislation.

The Governor or the legislature of the State involved, (whichever is authorized under the law creating the agency), is required to appoint an advisory council to advise the commission on the performance of its functions. At least ⅔ of the members of such council shall be individuals who are not providers of health care services, shall be representative of the various geographic regions of the State, the health planning agencies within the State, holders of public elective office of the government of the State, and various social, economic and racial populations groups of the State.

In addition, the State is required to have an administrative program capable of carrying out the regulatory functions required by the bill. The administrative program must perform in a manner satisfactory to the Secretary of Health, Education, and Welfare.

STATE REGULATORY FUNCTIONS

Each State health commission for which a designation agreement is in effect shall perform the following regulatory functions:

(a) Annual approval or disapproval of long-range goal plans and short-term priority plans of each health planning agency functioning within that State.

(b) Annual review of the budget of each health planning agency.

(c) Review applications by each health planning agency for planning or development grants, and report its comments on such applications to the Secretary.

(d) Serve as the designated planning agency of the State for purposes of section 1122 of the Social Security Act.

(e) Determine which services, after considering the recommendations of the appropriate health planning agency, will be certified within State.

(f) License health care facilities and health care delivery personnel in the State.

(g) Set standards for health care facilities and review the performance of health services within the State, with respect to quality to the extent authorized by State law.

(h) After considering the recommendations of the appropriate health planning agency determine, on a prospective basis, rates to be used for reimbursement for health services and regulate all reimbursements of health care providers which are either on a charge, cost, negotiator or other basis. Review of such rates shall be made at least once a year.

Guidelines upon which to base rate regulation are detailed in the legislation.

Rate regulation may be performed, at the option of the State, by another agency of the State government under an agreement with the State health commission satisfactory to the Secretary.

In making regulatory decisions under the authority of this legislation, the State health commission must comply with the goals of the applicable long-range goal plan or short-term priority plan to the extent possible. If a deviation from the goals of these plans exist, the Commission must explain the reasons for the inconsistency to the appropriate health service agency.

ASSISTANCE TO STATE HEALTH COMMISSIONS AND HEALTH PLANNING AGENCIES

Authority for grants for the development and operation of State health commissions is provided in this legislation.

A number of forms of assistance are available to State health commissions and local health planning agencies under the provisions of this bill.

Technical assistance is authorized to be provided by the Secretary of Health, Education, and Welfare when necessary.

In addition, a number of forms of financial assistance are authorized intended to facilitate the development of health plans and the regulatory apparatus necessary to implement them.

1. The Secretary is authorized to make grants to nonprofit private entities to assist them in meeting the costs of fulfilling the organizational and operational require-

ments of this legislation, in order to become health planning agencies.

For the purpose of making payments pursuant to grants under this legislation, there are authorized to be appropriated $15 million for the fiscal year ending June 30, 1974; $30 million for the fiscal year ending June 30, 1975; $30 million for the fiscal year ending June 30, 1976; and $30 million for the fiscal year ending June 30, 1977.

2. In addition, the Secretary is authorized to make grants annually to each health planning agency with which a designation agreement exists, for the compensation of agency personnel, collection of data, planning and other activities of the agency required to develop a health plan for that area. The amount of such health planning grant shall be 25 cents for each resident of the health area. However, the Secretary may double that grant if the planning agency is able to contribute an amount equal to the difference between 50 cents per person served by the health area and 25 cents per person served by the health area. Local funding must be from non-Federal public sources.

The amount of any grant for planning may not be less than $150,000. For the purpose of making payments pursuant to the grants for planning, there are authorized to be appropriated $60 million for the fiscal year ending June 30, 1975; $100 million for the fiscal year ending June 30, 1976; and $100 million for the fiscal year ending June 30, 1977.

These entitlements may be ratably reduced if authorizations exceed appropriations.

3. In addition to grants for the development of planning agencies and for the formulation of health plans, the legislation authorizes the creation of an area health service development fund. This fund is intended to provide discretionary money to the health planning agencies in order to enable it to sponsor projects which will facilitate achievement of the goals described by the health plans. It is hoped that many of the worthwhile projects currently being undertaken by the regional medical programs can be funded under this authority, providing they contribute to the achievement of the areawide plan. The amount of any grant under this authority may not exceed $1 per capita, based on the population of the health planning area.

For the purpose of making payments pursuant to grants under this authority, there are authorized to be appropriated $100 million for the fiscal year ending June 30, 1975; $125 million for the fiscal year ending June 30, 1976; and $125 million for the fiscal year ending June 30, 1977.

4. Assistance is authorized under this legislation for the development and operation of State health commissions. The Secretary is authorized to make grants to States to assist in meeting the costs of developing a State health commission. Such grants may not exceed 90 percent of the cost of development for a State health commission. The amount of any grant for costs of operating a State health commission for its first year may not exceed 75 percent of such costs. The amount of any subsequent grant for a commission's cost of operation may not exceed the lesser of $500,000 or 50 percent of its cost of operation for a year subsequent to the first year of operation.

For the costs of State health commission development, there are authorized to be appropriated $2 million for the fiscal year ending June 30, 1974; $3 million for the fiscal year ending June 30, 1975; $3 million for the fiscal year ending June 30, 1976; and $3 million for the fiscal year ending June 30, 1977.

For the cost of operating State health commissions, there are authorized to be appropriated $1 million for the fiscal year ending June 30, 1974; $5 million for the fiscal year ending June 30, 1975; $10 million for the fiscal year ending June 30, 1976; and $10 million for the fiscal year ending June 30, 1977.

5. This bill also contains authority for continued funding for regional medical programs and comprehensive health planning agencies, in order to allow their activities to mesh with the authorities contained in this legislation.

FEDERAL GUIDELINES FOR HEALTH PLANNING AGENCIES AND STATE HEALTH COMMISSIONS

Federal health policy has in the past been characterized by a lack of policy. With increasing centralization of the financing of health care services throughout the United States at the Federal level, it has become the responsibility of the Federal Government to establish and encourage adherence to a Federal health policy. As we move toward a broad, comprehensive national health insurance program, it will become increasingly necessary to identify areas of need, as well as areas of surplus with respect to health services throughout the United States. If the Federal Government is responsible for raising and distributing funds in order to purchase health services on behalf of residents of the United States, it is surely responsible for assuring equity in the distribution of those funds, and in assuring that areas of need receive special attention.

This legislation directs the Secretary of Health, Education, and Welfare to promulgate guidelines within one year after the enactment of this legislation, concerning national health policy.

In developing these guidelines, the Secretary is directed to give special attention to the following considerations:

1. Guidelines with respect to the appropriate supply, distribution and organization of health resources services.

2. A statement of national health goals, developed with emphasis on the following objectives:

(a) Primary care services for medically underserved populations, especially those which are located in a rural or economically depressed area.

(b) Integration of institutional services within an area.

(c) The development of medical group practices.

(d) The training and increased utilization of physician assistants.

(e) Assuring the availability of support services, particularly costly and sophisticated services, on an areawide or regional basis.

(f) Promotion of activities designed to improve the quality of health services, with particular regard to needs identified by Professional Standards Review Organizations.

(g) The development of institutions capable of providing integrated, multi-level services.

(h) The adoption of simplified and uniform cost accounting, reimbursement, utilization reporting systems, and improved management procedures for health care providers.

(i) The adoption of uniform formulae for relating costs of operation or rates used for reimbursement purposes for health care services.

(j) The adoption of a classification system designed to assure uniform identification of various health care providers, as outlined in the legislation.

The Secretary is required, to the maximum extent possible, to issue guidelines in quantitative terms, in order to facilitate their use by State health commissions and area health planning agencies.

In order to facilitate the implementation of and adherence to the guidelines promulgated by the Secretary, the legislation directs the Secretary to take compliance with those guidelines into consideration in determining whether or not the State is adequately fulfilling its responsibilities with respect to its regulatory functions, and authorizes the Secretary to review and approve areawide health agency budgets, in order to determine whether or not they are capable of promulgating a plan falling within his guidelines.

Mr. President, this legislation is extremely complex, and has great potential for influencing the distribution of health care resources and the efficiency with which health care funds are expended throughout the United States. I intend to schedule hearings on this legislation in the near future, and am anxious to hear the comments of all interested parties concerning this proposal. Many of the provisions of this legislation will generate controversy. I believe that this is a logical and potentially effective proposal. I believe it will effectively meet the needs of the American people for health planning as I see them. However, I know I speak for other members of the Health Subcommittee as well as myself when I say I will welcome constructive ideas concerning ways to strengthen this proposal. I look forward to receiving such comments during the course of the development of this legislation.

FINANCIAL ASSISTANCE UNDER THE NATIONAL HEALTH PLANNING ACT OF 1974

[In millions]

	Health planning agency development	Health planning agency planning grants	Area health services development funds	State health commission development	State health commission operation
Fiscal year:					
1974	$15			$2	$1
1975	30	$60	$100	3	5
1976	30	100	125	3	10
1977	30	100	125	3	10
Total	105	260	350	11	26

Note: total authorization, $752,000,000

S. 2994

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Health Planning and Development Act of 1974."

SEC. 2. Title VI of the Public Health Service Act is amended to read as follows:

"TITLE VI—NATIONAL HEALTH PLANNING AND DEVELOPMENT

"PART A—HEALTH SERVICE PLANNING AGENCIES

"HEALTH AREAS

"SEC. 601. (a) The Secretary shall establish throughout the United States health areas with respect to which health planning agencies shall be designated under section 606. Each health area shall meet the following requirements:

"(1) The area shall be a rational region for the proper planning and development of health services which has available the resources necessary to provide all necessary health services for the residents of the area.

"(2) To the extent practicable, the area shall include at least one center for the provision of highly specialized health services and one academic health science center.

"(3) The area shall not cross State boundaries.

"(4) The area, upon its establishment, shall have a population of not less than five hundred thousand or more than three million; except that (A) the population of an area may be more than three million if the area comprises a standard metropolitan statistical area (as determined by the Office of Management and Budget) with a population of more than three million, and (B) the population of an area may be less than five hundred thousand if the area comprises an entire

State which has a population of less than five hundred thousand.

"(b) (1) Within one hundred and twenty days following the date of the enactment of this section, the Secretary shall publish in the Federal Register proposed boundaries for health areas covering the United States. In the development of the proposed boundaries of the health areas, the Secretary shall consult with and solicit the views of the Governor (or other chief executive officer) of each State and the chief executive officer or agency of political subdivisions of States, each State agency which administers or supervises the administration of a State's health planning functions under a State plan approved under section 314(a), and each entity which has developed a comprehensive, regional, metropolitan, or other local area plan or plans referred to in section 314(b). During the thirty-day period beginning on the date of the publication in the Federal Register of the proposed boundaries of the health areas, the Secretary shall consider comments submitted to him by other interested persons respecting the boundaries of such areas and at the expiration of such period he shall publish in the Federal Register the boundaries of the health areas.

"(2) The Secretary shall review on a continuing basis and at the request of any health planning agency the appropriateness of the boundaries of the health areas and may revise the boundaries as he deems necessary. In making any boundary revision, the Secretary shall consult with and solicit the views of the officials and agencies described in paragraph (1) who represent the geographical regions affected by the boundary revision, shall publish in the Federal Register his proposal for the boundary revision, and shall allow thirty days (from the date the proposal is published in the Federal Register) for the submission of comments on the proposal by interested persons and for his review of such comments before putting into effect the proposed boundary revision.

"HEALTH PLANNING AGENCIES

"SEC. 602. (a) For purposes of this title, the term 'health planning agency' means a nonprofit private corporation which is organized and operated in the manner described in subsection (b) and which is capable, as determined by the Secretary, of performing each of the functions described in section 603. The Secretary shall by regulation establish standards and criteria for the requirements of subsection (b) and section 603.

"(b) (1) A health planning agency for a health area shall (A) be incorporated in the State in which it is located and (B) not be a subsidiary of, or otherwise controlled by, any other private corporation or other private legal entity.

"(2) A health planning agency shall have a staff which provides the agency with expertise in at least the following: (A) The gathering and analysis of data, (B) planning, and (C) health manpower, facilities, and services. The size of the professional staff of any agency shall be not less than the greater of 5 or the number obtained by dividing the population (rounded to the next highest one hundred thousand) of the health area which the agency serves by one hundred thousand. The staff of a health planning agency shall be selected, paid, promoted, and discharged in accordance with such system as the agency may establish, except that the rate of pay for any position shall not be less than the rate of pay prevailing in the health area for similar positions in other public or private planning or health service entities.

"(3) (A) Each health planning agency shall have a governing body composed, in accordance with subparagraph (B), of not less than ten members and of not more than thirty members, except that the number of members may exceed thirty if the governing body has established another unit (referred to in this paragraph as an 'executive committee') composed, in accordance with subparagraph (B), of not more than twenty-five members of the governing body and has delegated to that unit the authority to take such action as the governing body is authorized to take. The governing body—

"(i) shall be responsible for the internal affairs of the health planning agency, including matters relating to the staff of the agency, the agency's budget, and procedures and criteria (developed and published pursuant to section 604) for performing its functions under subsections (e), (f), and (g) of section 603;

"(ii) shall be responsible for the approval of the long-range goal plan and the short-term priorities plan required by section 603 (b);

"(iii) shall issue an annual report concerning the activities of the agency, include in that report the long-range goal plan and the short-term priorities plan developed by the agency, and make the report readily available to the residents of the health area and the various communications media serving such area;

"(iv) shall reimburse its members for their reasonable costs incurred in attending meetings of the governing body;

"(v) shall meet at least one in each calendar quarter of a year and shall meet at least two additional times in a year unless its executive committee meets for that number of times in that year; and

"(vi) shall conduct its business meetings in public and shall make its records and data available upon request, to the public.

A quorum for a governing body shall be not less than one-half of the members described in each clause of subparagraph (B). If in the exercise of its functions a governing body appoints a subcommittee of its members or an advisory group, it shall, to the extent practicable, make its appointments to any such subcommittee or group in such a manner as to provide the representation on such subcommittee or group described in subparagraph (B).

"(B) Of the members of the governing body and executive committee (if any) of a health planning agency—

"(i) at least one-third of such members shall be residents of the health area served by such agency who are not providers of health care services and who are broadly representative of the various economic, social, racial, and geographic population groups of such health area;

"(ii) at least one-third of such members shall be residents of such health area who are providers of health services and who are broadly representative of—

"(I) health professionals, public and community health personnel, and allied health personnel;

"(II) the health institutions (including hospitals, extended care facilities, and university academic health science centers) located in such health area and the employees of such institutions not described in subclause (I); and

"(III) persons in such health area who pay for health care services (including direct service and indemnity insurance companies); and

"(iii) at least one-third of such members shall be residents of such health area who hold public elective offices which are broadly representative of the elected governmental authorities in the area. For purposes of clauses (i) and (ii), the term 'provider of health services' means an individual who receives (either directly or through his spouse) more than one-tenth of his gross annual income from fees or other compensation for the provision of health care services or from financial interests in entities engaged in the provision of health services or in producing or supplying drugs or other articles for individuals and entities engaged in the provision of such services, or from both such compensation and such interests.

"(c) A health planning agency may establish subarea advisory councils representing parts of the agencies' health area to advise the governing body of the agency on the performance of its functions. To the extent practicable, the composition of a subarea advisory council shall conform to the requirements of subsection (b) (3) (B).

"FUNCTIONS OF HEALTH PLANNING AGENCIES

"SEC. 603. (a) For the purpose of—

"(1) improving the health of residents of a health area,

"(2) increasing the accessibility, acceptability, continuity, and quality of the health services provided them, and

"(3) restraining increases in the cost of providing them health services,

each health planning agency shall have as its primary responsibilities the provision of effective health planning for its health area and the promotion of the development within the area of health services and facilities which meet identified needs, reduce documented inefficiencies, and implement the health plans of the agency. To meet its primary responsibilities, a health planning agency shall carry out the functions described in subsections (b) through (g) of this section.

"(b) In providing health planning, development, and in making recommendations regarding regulation for its area, a health planning agency shall perform the following functions:

"(1) The agency shall assemble and analyze data concerning—

"(A) the health status of the residents of its health area,

"(B) the area's health resources, including health facilities, manpower, and services,

"(C) the patterns of utilization of the area is health resources, including health manpower, facilities, and services,

"(D) the effect the area's health care delivery system has on the health of the residents of the area, and

"(E) the patterns of utilization of hospital facilities by individual physicians.

"(2) The agency shall, after appropriate consideration of the needs and resources described by paragraph (1), annually establish a long-range goal plan which shall be a detailed statement of goals (A) describing systems in the area which, when developed, will assure that high quality health services will be available and accessible in a manner which assures continuity of care, at reasonable cost, for all residents of the area; (B) which is responsive to the needs and resources of the area; and (C) which takes into account and is consistent with the guidelines issued by the Secretary pursuant to section 607.

"(3) The agency shall annually establish a short-term priorities plan which describes objectives which will achieve the goals of the long range goal plans and priorities among the objectives. In establishing the short-term priorities plan, the agency shall give priority to those objectives which maximally improve the health of the residents of the area, as determined on the basis of the relation of the cost of obtaining the objectives to the benefits to be derived from obtaining such objectives, and which are fitted to the needs of the area.

"(4) The agency shall develop and publish specific plans and projects for achieving the objectives established in the short-term priorities plan.

"(c) In implementing its long range goal plans and short-term priorities plan, a health *planning* agency shall perform the following functions:

"(1) The agency shall seek to implement its plans with the assistance of individuals and public and private entities in its health area.

"(2) The agency shall provide, in accordance with the priorities established in the short-term priorities plan, technical assistance to individuals and public and private entities in the area for the development of projects and programs which the agency determines are necessary to achieve the health system described in the long-range goal plans, including assistance in meeting the requirements of the agency prescribed under section 604.

"(3) The agency shall, in accordance with the priorities established in the short-term priorities plan, make grants to and enter into contracts with individuals and public and private entities in the area to assist them in planning and developing the projects and programs which the agency determines are necessary for the achievement of the health system described in the long-range goal plan. Such grants and contracts shall be made from the Area Health Services Development Fund of the agency established with funds provided under grants made under section 610. No such grant or contract may be used for (A) the support of an established program, (B) to pay the costs incurred by an entity or individual in the delivery of health care services, or (C) for the cost of construction of health facilities.

"(d) Each health planning agency shall coordinate its activities with each professional standards review organization (designated under section 1152 of the Social Security Act), the State Health Commission and any other appropriate regulatory entity in the agency's health area. The agency shall, as appropriate, provide technical assistance to such entities, secure data from them for use in the agency's planning and development activities, and enter into agreements with them which will assure that actions taken by such entities which alter the area's health system will be taken in a manner which is consistent with the approved long-range goal plan and the short-term priorities plan in effect for the area.

"(e) Each health planning agency shall (1) review and recommend for approval or disapproval by the Secretary each proposed use (except capitation grants made pursuant to section 770 of this Act) within its health area of Federal funds appropriated for a program under this Act or the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963, for the development, expansion, or support of health facilities, manpower or services; and (2) establish priorities for the approval of applications under part D of this title among those proposed uses recommended for approval. If an agency recommends for disapproval under clause (1) a proposed use of Federal funds for a program described in that clause, the Secretary may not make Federal funds available for such program until he has made, upon request of the entity making such proposal, a review of the agency decision. In making any such review of any agency decision, the Secretary shall give the appropriate State Health Commission and any other appropriate State health agency an opportunity to consider the agency decision and to submit to the Secretary its comments on the decision. The Secretary after taking into consideration State Health Commission comments may make Federal funds available, notwithstanding the agency decision. Each such decision by the Secretary to make funds available shall be submitted to the appropriate health service planning agency and State Health Commission and shall contain a detailed statement of the reasons for the decision.

"(f) To assist planning agencies, designated under section 1122 of the Social Security Act, in carrying out their functions under such section 1122, health planning agencies for the areas for which such planning agencies are designated shall review and make recommendations to such planning agencies for the approval of all capital expenditures in excess of $100,000 proposed by health service entities in the health areas of such health planning agencies.

"(g) Each health planning agency shall review the health services offered or proposed to be offered in the health area of the agency and shall make recommendations to each State Health Commission, designated under section 625 for the State in which the agency's health area is located, for the Commission's certification of such health services under section 627(a)(5). If the State Health Commission determines that it cannot certify as needed a particular health service, the health planning agency for the health area in which such service is offered or proposed to be offered shall work with the provider or proposed provider of such service, the State Health Commission, and other appropriate individuals and entities for the improvement or elimination (as the Commission and agency determine appropriate) of such service. Each agency shall review the health services offered in the health area of the agency at least every five years, and shall review the health services proposed to be offered in such area prior to the time such services are offered or substantial expenditures are undertaken in preparation for the offering of such services.

"(h) Each health planning agency shall review the rates charged or proposed to be charged by any health care provider subject to the provisions of section 627(a)(8) within the health area of the agency and shall make recommendations to each State Health Commission, designated under section 625, for the State in which the agency's health area is located for the Commission's determination of such rates under section 627(a)(8). Each agency shall review the rates charged on an annual basis and shall review the rates proposed to be charged prior to the time such rates are charged.

"PROCEDURES AND CRITERIA FOR REVIEWS OF PROPOSED HEALTH SYSTEM CHANGES

"SEC. 604. (a) In conducting reviews pursuant to subsections (e), (f), (g), and (h) of section 603 or in conducting any other reviews of proposed or existing health services, each health planning agency shall follow procedures, and apply criteria (appropriate to carry out the purposes of this title), developed and published by the agency in accordance with regulations of the Secretary; and in performing its review functions under section 627, a State Health Commission shall follow procedures, and apply criteria, developed and published by the Commission in accordance with regulations of the Secretary. Procedures and criteria for such reviews may vary according to the purpose for which a particular review is being conducted or the type of health services being reviewed.

"(b) Each health planning agency and State Health Commission shall include in the procedures required by subsection (a) at least the following:

"(1) Written notification to affected persons of the beginning of an agency or Commission review.

"(2) Schedules for reviews which provide that no review shall take longer than one hundred and twenty days from the date the notification described in paragraph (1) is made.

"(3) Provision for persons subject to an agency or Commission review to submit to the agency or Commission (in such form and manner as the agency or Commission shall prescribe and publish) such information as the agency or Commission may require concerning the subject of such review.

"(4) Submission of applications made under other titles of this Act or other provisions of law for Federal financial assistance for health services.

"(5) Submission of periodic reports by providers of health services and other persons subject to agency or Commission review respecting the development of proposals subject to review.

"(6) Written findings which state the basis for any final decision or recommendation made by the agency or Commission.

"(7) Notification of providers of health services and other persons subject to agency or Commission review of the status of the agency or Commission review of the health services or proposals subject to review, findings made in the course of such review, and other appropriate information respecting such review.

"(8) Provision for public hearings in the course of agency or Commission review if requested by persons directly affected by the review; and provision for public hearings, for good cause shown, respecting agency and Commission decisions.

"(9) Regular reports by the agency and Commission of the reviews being conducted (including a statement concerning the status of each such review) and of the reviews completed by the agency and Commission (including a general statement of the findings and decisions made in the course of such reviews) since the publication of the last such report.

"(10) Access by the general public to all applications reviewed by the agency and Commission and to all other written materials pertinent to any agency or Commission review.

"(11) In the case of construction projects, submission to the agency and Commission by the entities proposing the projects of letters of intent in such detail as may be necessary to inform the agency and Commission of the scope and nature of the projects.

"(c) Criteria required by subsection (a) for agency and Commission review shall include consideration of at least the following:

"(1) In the case of reviews of health services, the relationship of the health services reviewed to the applicable long-range goal plan and short-term priorities plan.

"(2) The relationship of services reviewed to the long-range development plan (if any) of the person providing or proposing such services.

"(3) The need that the population served or to be served by such services has for such services.

"(4) The availability of alternative, less costly or more effective methods of providing such services.

"(5) The relationship of services to the existing health care system of the area in which such services are provided or proposed to be provided.

"(6) In the case of health services proposed to be provided, the availability of resources (including health manpower, management personnel, and funds for capital and operating needs) for the provision of such services and the availability of alternative uses of such resources for the provision of other health services.

"(d) In making a review under section 603(e), each health planning agency shall give priority consideration to—

"(1) the relationship to the applicable long-range goal plan and short-term priorities plan of the health services reviewed,

"(2) the availability of resources (including health manpower, management personnel, and funds for capital and operating needs) for any proposed provision of health services, and the availability of alternative uses of such resources for the provision of other health services, and

"(3) The need that the population served or to be served by such services has for them.

"(e) In making a review under section 603 (f), each health planning agency (in addition to applying the criteria required by subsection (c)) shall give consideration to—

"(1) the costs and methods of any proposed construction, and

"(2) the probable impact of the construction project reviewed on the costs of providing health services by the provider or other person proposing such construction project.

"(f) In making a review under section 603(g), each health planning agency shall give priority consideration to—

"(1) the relationship of the health services reviewed to the applicable long-range goal plan and short-term priorities plan,

"(2) the need that the population served or to be served by such services has for them, and

"(3) the availability of alternative, less costly or more effective methods of providing such services.

"ASSISTANCE TO ENTITIES DESIRING TO BE DESIGNATED AS HEALTH PLANNING AGENCIES

"SEC. 605. (a) The Secretary may provide all necessary technical and other nonfinancial assistance (including the preparation of prototype plans of organization and operation) to nonprofit private entities (including entities presently receiving grants under section 314(b) or title IX) which—

"(1) express a desire to be designated as a health planning agency, and

"(2) the Secretary determines have a potential to meet the requirements of a health planning agency specified in sections 602 and 603,

to assist such entities in developing applications to be submitted to the Secretary under section 606 and otherwise in preparing to meet the requirements of this title for designation as a health planning agency.

"(b)(1) The Secretary may make grants to nonprofit private entities to assist them in meeting the costs of meeting the organization and operation requirements of section 602(b), except that the Secretary shall not make concurrent grants to more than one entity in any health area.

"(2) No grant may be made under this subsection unless an application therefor has been submitted to, and approved by, the Secretary. Such an application shall be submitted in such form and contain such information as the Secretary may require. The Secretary may not approve the application of an entity unless he determines that the entity, with the assistance of a grant under this subsection, will, within two years after such grant is made, be able to meet the requirements of section 602(b) and be qualified to perform the activities prescribed for a health planning agency by section 603.

"(3) For the purpose of making payments pursuant to grants under this subsection, there are authorized to be appropriated $15,000,000 for the fiscal year ending June 30, 1974, $30,000,000 for the fiscal year ending June 30, 1975, $30,000,000 for the fiscal year ending June 30, 1976, and $30,000,000 for the fiscal year ending June 30, 1977

"DESIGNATION OF HEALTH PLANNING AGENCIES

"SEC. 606. (a) For each health area established under section 601 the Secretary shall, within one year following the date of enactment of this section, designate a health planning agency. Such designation shall be made under an agreement entered into between the Secretary and the entity to be designated as a health planning agency. Any such agreement under this subsection with an entity shall contain such provisions respecting the requirements of sections 602(b) and 603, and such conditions designed to carry out the purpose of this title, as the Secretary may prescribe and shall be for a term of twelve months; except that, prior to the expiration of such term, such agreement may be terminated—

"(1) by the entity at such time and upon such notice to the Secretary as he may by regulation prescribe, or

"(2) by the Secretary, at such time and upon such notice to the entity as the Secretary may by regulation prescribe, if the Secretary determines that the entity is not complying with or effectively carrying out the provisions of such agreement.

"(b) The Secretary may not enter into an agreement under subsection (a) with any entity unless the entity has submitted an application to the Secretary for designation as a health planning agency. Such an application shall contain assurances satisfactory to the Secretary that the applicant meets the requirements of section 602(b) and is qualified to perform or is performing the activities prescribed by section 603. In considering such applications, the Secretary shall give priority to an application which has been recommended for approval by (1) each entity which has developed a plan referred to in section 314(b) for all or part of the health area with respect to which the application was submitted, and (2) each regional medical program established in such area under title IX. The Secretary may not enter into an agreement for the initial designation of an entity as the health planning agency for a health area unless the Governor (or other chief executive officer) of each State in which such area is located approves such designation of such entity.

"(c) Prior to the designation by the Secretary of a health planning agency for any health area, pursuant to subsection (a), the Secretary is authorized to make grants to entities presently receiving grants under section 314(b) or under title IX to support their temporary operation and facilitate the transfer of functions to the appropriate health planning agency. For the purposes of carrying out this subsection, there are hereby authorized to be appropriated such sums as may be necessary.

"GUIDELINES FOR HEALTH PLANNING AGENCIES AND STATE HEALTH COMMISSIONS

"SEC. 607. (a) The Secretary shall, within one year after the date of enactment of this title, issue guidelines concerning national health policy.

"(b) The Secretary shall include in the guidelines issued under subsection (a) the following:

"(1) Requirements respecting the appropriate supply, distribution, and organization of health resources and services; and

"(2) A statement of national health goals developed after consideration of the objectives set forth in subsection (c).

"(c) In developing a statement of national health goals. The Secretary shall give priority consideration to the following objectives:

"(1) The provision of primary care services for medically underserved populations, especially those which are located in rural or economically depressed areas.

"(2) The development of multi-institutional systems for coordination or consolidation of institutional health services (including obstetric, pediatric, emergency medical, intensive and coronary care, and radiation therapy services).

"(3) The development of medical group practices, especially those whose services are appropriately coordinated or integrated with institutional health services.

"(4) The training and increased utilization of physician assistants.

"(5) The development of multi-institutional arrangements for the sharing of support services necessary to all health service institutions.

"(6) The promotion of activities to achieve needed improvements in the quality of health services, including needs identified by the review activities of Professional Standards Review Organizations under part B of title XI of the Social Security Act.

"(7) The development by health service institutions of the capacity to provide various levels of care (including intensive care, acute general care, and extended care) on a geographically integrated basis.

"(8) The adoption of uniform cost accounting, reimbursement, and utilization reporting procedures for health care providers (as defined in section 627(a)(8)) which (A) shall include identification of the various categories of costs and appropriate service utilization factors, (B) shall be designed to provide summary information concerning costs and service utilization, and (C) may vary among different classes of health care providers.

"(9) The adoption of a uniform formula for relating costs of operation to rates used for reimbursement purposes for health services of health care providers (as defined in section 627(a)(8)) which formula may vary among different classes of such providers.

"(10) The adoption of a classification system designed to assure uniform identification of various classes of health care providers (as defined in section 627(a)(8)) which takes account of factors which differentiate such providers, including average length of stay per patient, types of services offered, and staffing patterns.

"(11) The development of effective procedures for management of health care providers (as defined in section 627(a)(8)).

"(12) The adoption of a uniform criteria for licensing of health care delivery personnel.

"(d) In carrying out his responsibilities under this section the Secretary shall consult with and solicit comments from health planning agencies designated under part A and State Health Commissions designated under part B.

"(e) The Secretary shall, to the maximum extent practical, express the guidelines issued under this section in quantitative terms.

"(f) The Secretary shall publish the guidelines developed under this section as regulations, allowing an appropriate period of time for comment by interested parties.

"TECHNICAL ASSISTANCE FOR HEALTH PLANNING AGENCIES AND STATE HEALTH COMMISSIONS

"SEC. 608. (a) The Secretary shall provide health planning agencies and State Health Commissions (1) model health plans and planning processes, (2) technical materials and standards for use in health planning, and (3) such other technical assistance as they may require to perform their functions.

"(b) The Secretary shall include in the materials provided under subsection (a) the following:

"(1)(A) Requirements for the data needed to describe the health status of the residents of a health area, including requirements for data which describe mortality and morbidity by age, sex, race, residence, economic status, and occupation and data which describe the etiologies of mortality and morbidity.

"(B) Requirements for the data needed to describe the status of the health resources of a health area, including requirements for data which describe health facilities in the area by size, types of services provided, location, and operating costs, data which describe health manpower in the area by type, specialty, supply, location, income, and mode of practice and data which describes health services by type and location.

"(C) Requirements for the data needed to describe the utilization of health resources within a health area, including requirements for data which describe the utilization of health resources by various specific population groups, including groups based on age, sex, race, residence, economic status, and occupations.

"(2) Models, consistent with the objectives described in section 607(c), for appropriate planning and development by health planning agencies and regulation by State Health Commissions of health resources and services. Such models shall cover the following:

"(A) The provision of primary care services for medically underserved populations, especially those which are located in rural or economically depressed areas.

"(B) The development of multi-institutional systems for coordination or consolidation of institutional health services (including obstetric, emergency medical, intensive and coronary care, and radiation therapy services).

"(C) The development of medical group practices whose services are appropriately coordinated or integrated with institutional health services.

"(D) The training and increased utilization of physician assistants.

"(E) The development of multi-institutional arrangements for the sharing of support services necessary to all health service institutions (including laundry and dietetic services and the purchasing of supplies).

"(F) The promotion of activities to achieve needed improvements in the quality of health services, including needs identified by the review activities of Professional Standards Review Organizations under part B of title XI of the Social Security Act.

"(G) The development by health service institutions of the capacity to provide various levels of care (including intensive care, acute general care, and extended care) on a geographically integrated basis.

"(H) The adoption of uniform accounting, reimbursement and utilization reporting procedures for health care providers (as defined in section 627(a)(8)) which (i) shall include identification of the various categories of costs and appropriate service utilization factors, (ii) shall be designed to provide summary information concerning costs and service utilization, and (iii) may vary among different classes of health care providers.

"(I) The adoption of a uniform formula for relating costs of operation to rates used for reimbursement purposes for health services of health care providers (as defined in section 627(a)(8)) which formula may vary among different classes of such providers.

"(J) The adoption of a classification system designed to assure uniform identification of various classes of health care providers (as defined in section 627(a)(8)) which takes account of factors which differentiate such providers, including average length of stay per patient, types of services offered, and staffing patterns.

"(K) The development of effective procedures for management of health care providers (as defined in section 627(a)(8)).

"(L) The adoption of uniform criteria for licensing of health care delivery personnel.

"(3) Guidelines for the organization and operation of health planning agencies and State Health Commissions, including guidelines for—

"(A) the structure of a health planning agency, consistent with section 602(b), and of a State Health Commission, consistent with section 625(d);

"(B) the conduct of the planning, development, and regulation processes;

"(C) the performance of health planning agency functions in accordance with sections 603 and 604; and

"(D) the performance of State Health Commission functions in accordance with sections 604 and 627.

"PLANNING GRANTS

"SEC. 609. (a) The Secretary shall make in each fiscal year a grant to each health planning agency with which there is in effect at the beginning of the fiscal year a designation agreement under section 606. A grant under this subsection shall be made on such conditions as the Secretary determines is appropriate and shall be used by a health planning agency for compensation of agency personnel, collection of data, planning, and other activities of the agency. A health planning agency shall not use a grant under this subsection to make payments under a grant or contract with another entity for the construction of health facilities or the development of health services.

"(b) (1) The amount of any grant under subsection (a) to any health planning agency for any fiscal year shall be the product of $0.25 and the population of the heatlh area for which the agency is designated unless the agency would receive a greater amount under paragraph (2) or (3).

"(2) (A) The amount of such a grant for any fiscal year shall be the product of $0.50 and the population of such area if the application of the agency for such grant contains assurances satisfactory to the Secretary that the agency will expend or obligate in that fiscal year from non-Federal funds meeting the requirements of subparagraph (B) and for the activities of the agency for which such grant is made an amount not less than the amount by which the grant amount for such agency resulting from the application of the formula prescribed by this paragraph exceeds the grant amount for such agency resulting from the application of the formula prescribed by paragraph (1).

"(B) The non-Federal funds which an agency may use for the purpose of obtaining a grant under subsection (a) which is computed on the basis of the formula prescribed by subparagraph (A) shall be funds no part of which are constituted by private constitutors.

"(3) The amount of a grant under subsection (a) to a health planning agency for any fiscal year may not be less than $150,000.

"(c) (1) For the purpose of making payments pursuant to grants made under subsection (a), there are authorized to be appropriated $60,000,000 for the fiscal year ending June 30, 1975, and $100,000,000 for the fiscal year ending June 30, 1976, and $100,000,000 for the fiscal year ending June 30, 1977.

"(2) Notwithstanding subsection (b), if the total of the grants to be made under this section to health planning agencies for any fiscal year exceeds the total of the amounts appropriated under paragraph (1) for that fiscal year, the amount of the grant for that fiscal year to each health planning agency shall be an amount which bears the same ratio to the amount determined for that agency for that fiscal year under subsection (b) as the total of the amounts appropriated under paragraph (1) for that fiscal year bears to the amount required to make grants to each health planning agency in accordance with the applicable provision of subsection (b).

"DEVELOPMENT GRANTS FOR AREA HEALTH SERVICES DEVELOPMENT FUNDS

"SEC. 610. (a) The Secretary shall make in each fiscal year a grant to each health planning agency—

"(1) with which there is in effect at the beginning of the fiscal year a designation agreement under section 606,

"(2) which has in effect a long-range goal plan and short-term priorities plan approved under section 627, and

"(3) which, as determined under the review made under section 611, is organized and operated in the manner prescribed by section 602(b) and is carrying out its planning and other responsibilities under section 603 in a manner satisfactory to the Secretary, to enable the agency to establish an Area Health Services Development Fund from which it may make grants and enter into contracts in accordance with section 603(c)(3).

"(b) (1) Except as provided in paragraph (2), the amount of any grant under subsection (a) shall be determined by the Secretary after taking into consideration the population of the health area for which the health planning agency is designated, the average family income of the area, and the supply of health services in the area.

"(2) The amount of any grant under subsection (a) to a health planning agency for any fiscal year may not exceed the product of $1 and the population in the health area for which such agency is designated.

"(c) Grants under subsection (a) shall be made on such conditions as the Secretary determines appropriate.

"(d) For the purpose of making payments pursuant to grants under subsection (a), there are authorized to be appropriated $100,000,000 for the fiscal year ending June 30, 1975, and $125,000,000 for the fiscal year ending June 30, 1976, and $125,000,000 for the fiscal year ending June 30, 1977.

"REVIEW

"SEC. 611. (a) The Secretary shall review and approve the annual budget of each health planning agency with which there is in effect a designation agreement under section 606. Such review shall take into consideration the comments of each State Health Commission designated under section 625 for each State in which the agency's health area is located.

"(b) The Secretary shall review in detail at least every three years the structure, operation, and activities of each health planning agency with which there is in effect a designation agreement under section 606 to determine—

"(1) (A) the extent to which the agency's governing body (and executive committee (if any)) represents the residents of the health area for which the agency is designated;

"(B) the professional credentials and competence of the staff of the agency;

"(2) the adequacy of the long-range goal plan of the agency in meeting the needs of the residents of the area for accessible, acceptable and continuous high quality health care at reasonable costs and the effectiveness of the short-term priorities plan in achieving the system described in the long-range goal plan;

"(3) the extent to which the long-range goal plan, short-term priorities plan, plans, and projects of the agency take account of and pre consistent with the guidelines issued by the Secretary pursuant to section 607;

"(4) the appropriateness of the data assembled pursuant to section 603(b) and the quality of the analysis of such data;

"(5) the extent to which technical and financial assistance from the agency are utilized in an effective manner to achieve the goals and objectives of the long-range goal plan and the short-term priorities plan; and

"(6) the extent to which it may be quantifiably demonstrated that—

"(A) the health of the area's residents has actually been improved;

"(B) the accessibility, acceptability, continuity, and quality of health care in the area has actually been improved; and

"(C) increases in costs of the provision of health care have actually been restrained.

"PART B—STATE HEALTH COMMISSIONS

"DESIGNATION OF STATE HEALTH COMMISSIONS

"SEC. 625. (a) For the purposes of the performance within each State of the regulatory functions described in section 627, the Secretary shall enter into an agreement with a qualified agency of each State whereby such agency shall be conditionally designated as the State Health Commission for such State. If—

"(1) on the basis of its performance during a trial period (not to exceed 24 months) of such conditional designation, the Secretary determines that such agency is capable

of performing, in a satisfactory manner, the regulatory functions of a State Health Commission prescribed by section 627, and

"(2) a State administrative program for the performance of such functions by the State Health Commission has been approved under section 626,

he shall enter into an agreement with such agency designating it as the State Health Commission for such State.

"(b) (1) The Secretary shall initially designate a qualified agency as a State Health Commission on a conditional basis with a view to determining the capacity of such agency to perform the functions prescribed by section 627 for such Commissions. Such designation may not be made prior to receipt from such agency, and approval by the Secretary, of an administrative program under section 626 for the orderly assumption and implementation of the functions of a State Health Commission.

"(2) During any such trial period, the Secretary may require as a condition of designation that a State Health Commission perform only such of the functions prescribed by section 627 as he determines such Commission to be capable of performing. The number and type of such functions shall, during the trial period, be progressively increased as the Commission becomes capable of performing responsibilities so that, by the end of such period, such Commission may be considered for designation but only if the Secretary finds that it is substantially carrying out in a satisfactory manner the functions prescribed by section 627.

"(3) Any agreement under which any agency is conditionally designated as the State Health Commission may be terminated by such agency upon ninety days notice to the Secretary or by the Secretary upon ninety days notice to such agency.

"(c) Any designation agreement under this section with a State Health Commission (other than an agreement under subsection (b)) shall be for a term of twelve months; except that, prior to the expiration of such term, such agreement may be terminated—

"(1) by the Commission at such time and upon such notice to the Secretary as may be prescribed in regulations (except that notice of more than three months may not be required); or

"(2) by the Secretary at such time and upon such reasonable notice to the Commission as may be prescribed in regulations, but only after the Secretary has determined (after providing such Commission with an opportunity for a formal hearing on the matter) that such Commission is not complying with or effectively carrying out the provisions of such agreement.

A designation agreement (other than an agreement under subsection (b)) shall contain such provisions as the Secretary may prescribe to assure that the requirements of this part respecting State Health Commissions are complied with.

"(d) For purposes of this section, a 'qualified agency' of a State is an agency which is organized and operated as follows:

"(1) The agency shall—

"(A) be the sole agency of the State for (i) the performance of the regulatory functions prescribed by section 627 (except as authorized under subsection (b) of such section), and (ii) administering or supervising the administration of (I) the health planning activities of the State, (II) coordination of the plans of the health planning agencies in the State, and (III) implementation of those parts of such plans which relate to the government of the State;

"(B) conduct its activities in accordance with procedures and criteria established and published by it, which procedures and criteria shall, to the extent practicable, conform to the requirements of section 604; and

"(2) The State's Governor (or other chief executive officer) or legislature (whichever is authorized under the law creating the agency) shall appoint an advisory council for the agency to advise it on its budget and the performance of its functions. At least two-thirds of the members of such a council shall be individuals who are not providers of health care services (as defined in section 627(a)(8)) and shall be representative of the various geographic regions of the State, the health planning agencies within the State, the holders of public elective offices in the government of the State and of its political subdivisions, and the various economic, social, and racial population groups of the State. Such a council shall meet periodically, not less than two times in a year, and shall conduct its meetings in public.

"STATE ADMINISTRATIVE PROGRAM

"SEC. 626. (a) A State administrative program for the performance within the State by its State Health Commission of the regulatory functions prescribed by section 627 is not approvable for any year unless it—

"(1) meets the requirements of subsection (b);

"(2) has been submitted to the Secretary by the State Health Commission (designated for the State under section 625) at such time and in such detail, and contains or is accompanied by such information, as the Secretary deems necessary;

"(3) has been prepared in consultation with, and be approved by, the advisory council to the State Health Commission; and

"(4) has been submitted to the Secretary only after the State Health Commission has afforded to the general public of the State a reasonable opportunity for presentation of views on the administrative program.

"(b) The State administrative program must—

"(1) provide for the performance within the State of the regulatory functions prescribed by section 627 in a manner satisfactory to the Secretary and in a manner consistent with the guidelines issued by the Secretary pursuant to section 607 and designate the State Health Commission for the submitting State as the sole agency for the performance of such functions (except as provided in subsection (b) of such section) and for the administration of the administrative program;

"(2) contain or be supported by satisfactory evidence that the Commission has the authority to effectively carry out such functions and the administrative program in accordance with this part and has authority to enforce its decisions under section 627;

"(3) provide for adequate consultation with the Commission's advisory council in carrying out such functions and the administrative program;

"(4) set forth in such detail as the Secretary may prescribe the qualifications for personnel having responsibilities in the administration of such functions and the administrative program;

"(5) provide for such methods of administration as *are* necessary for the proper and efficient administration of such functions and the administrative program, including (A) methods relating to the establishment and maintenance of personnel standards and (B) provision for utilization of qualified professional medical personnel (particularly in connection with the development or administration of standards of quality and utilization of health care) and of allied health professionals and other qualified professional staff; but the Secretary shall exercise no authority with respect to the selection, tenure of office, and compensation of any individual employed in accordance with the methods relating to personnel standards on a merit basis established and maintained in conformity with this paragraph;

"(6) *set forth the manner by which* the State's part of the permanent costs of operating the State Health Commission *will* be provided by the State;

"(7)(A) provide that the State Health Commission shall, in cooperation with the Secretary and in accordance with such methods as may be recommended for the design and implementation of a nationwide cooperative system for producing comparable and uniform health-related information and statistics, function as a center for the State for the collection (from health care providers subject to the jurisdiction of the State Health Commission), retrieval, analysis, reporting, and publication of statistical and other information related to health and health care, including data on the health services and the fiscal operations of such providers, and including data of the kinds enumerated in section 603, and (B) require such providers doing business in the State to make statistical and other reports of such information and data to the Commission;

"(8) provide for the evaluation, at least annually, of the regulatory functions of the State Health Commission and of their economic effectiveness; and

"(9) provide that the State Health Commission will from time to time, and in any event not less often than annually, review the administrative program and submit to the Secretary any modification thereof which he considers necessary.

"(c) The Secretary shall approve any State administrative program and any modification thereof which complies with subsections (a) and (b). The Secretary shall review for compliance with the requirements of this part the specifications of and operations under each administrative program approved by him. Such review shall be conducted not less often than once each year.

"STATE HEALTH COMMISSION REGULATORY FUNCTIONS

"SEC. 627. (a) Each State Health Commission for which a designation agreement is in effect under section 625 shall, except as authorized under subsection (b), perform within the State for which the Commission is designated the following regulatory functions:

"(1) Review annually and approve or disapprove the long-range goal plan and short-term priorities plan of each health planning agency, the health area of which is located (in whole or in part) within the State for which the Commission is designated.

"(2) Review annually the budget of each such health planning agency and report to the Secretary, for purposes of his review under section 611, its comments on such budget.

"(3) Review applications submitted by such health planning agencies for grants under sections 609 and 610 and report to the Secretary its comments on such applications.

"(4) Serve as the designated planning agency of the State for the purposes of section 1122 of the Social Security Act.

"(5) After obtaining and considering the recommendations of the appropriate health planning agency made pursuant to section 603(g) respecting each health service offered or proposed to be offered within the State, determine which of the services it will certify as needed. Review to determine certification of need shall be conducted on a periodic basis but not less often than every five years. In the case of new health services (including substantial increases in amounts of services or changes in types of services) proposed to be offered such consideration of recommendations of health planning agencies and review to determine certification of need shall be conducted prior to the time such services are offered or substantial expenditures are undertaken in preparation for the offering of such services.

"(6) License health care facilities and health care delivery personnel in the State.

"(7) To the extent authorized by State law, set standards for health care facilities

and review for quality the performance of health services within the State.

"(8) After obtaining and considering the recommendations of the appropriate health planning agencies made pursuant to section 603(h), determine prospectively rates used for reimbursement purposes for health services of health care providers within the State and regulate all reimbursements of such health care providers made on either a charge, cost, negotiated, or other basis and review such rates at least once each year. In carrying out such function, the Commission shall—

"(A) permit health care providers subject to such determinations or regulation to retain savings accruing to them from effective management and cost control,

"(B) create incentives at each point in the delivery of health services for utilization of the most economical modes of services feasible,

"(C) document the need for and cost implications of each new service or facility for which a determination of reimbursement rates is sought, and

"(D) employ for each type or class of health care provider—

"(i) a unit for determining the reimbursement rates of the provider, and

"(ii) a base for determining rates of change in the provider's reimbursement rates, which unit and base are satisfactory to the Secretary.

"For purposes of this paragraph and section 607(b), the term 'health care provider' includes at least the following: Hospitals, nursing homes and extended care facilities, community health care programs (such as family planning clinics, community mental health centers, neighborhood health centers, and rehabilitation centers), home health agencies and visiting nurse associations, and indirect suppliers of health services (such as medical laboratories, ambulance services, blood banks, and dental laboratories).

"(b) The function described in paragraph (6) of subsection (a) may be performed by another agency of the State government under an agreement with the State Health Commission satisfactory to the Secretary. If a State requests (in such manner as the Secretary shall by regulation prescribe) that the agreement for the conditional designation or designation of a State Health Commission for such State not require the Commission to perform the functions described in subsection (a)(8), the terms of any such agreement shall be in accordance with such request and the Secretary shall, but not before the expiration of the fourth fiscal year which begins after the calendar year in which the National Health Planning and Development Act of 1974 is enacted, perform such functions within such State until such time as the Commission requests authority to perform such functions and the Secretary determines that it is qualified to perform such functions.

"(c) If a State Health Commission makes a decision in carrying out a function described in paragraph (4), (5), (6), (7), or (8) of subsection (a) which is not consistent with the goals of the applicable long-range goal plan or the priorities of the applicable short-term priorities plan, the Commission shall submit to the appropriate health planning agency and the Secretary a detailed statement of the reasons for the inconsistency.

"(d) If, upon the expiration of the fourth fiscal year which begins after the calendar year in which the National Health Planning and Development Act of 1974 is enacted, a designation agreement for a State Health Commission is not in effect under section 625, the Secretary shall perform within that State the regulatory functions prescribed by subsection (a) but not before he has given the Governor (or other chief executive officer) of that State at least six months' written notice of his intention to perform within that State such functions. If a designation agreement for a State's Health Commission is terminated under section 625, the Secretary shall perform such functions within that State after giving the notice prescribed by the preceding sentence. In the performance of such functions within any State the Secretary shall consult with the health planning agencies within that State and seek the advice and counsel of an advisory council drawn from residents of that State in a manner comparable to that required by section 625 for advisory councils to State Health Commissions.

"GRANTS FOR THE DEVELOPMENT AND OPERATIONS OF STATE HEALTH COMMISSIONS

"SEC. 628. (a) The Secretary may make grants to States to assist in meeting the costs of developing State Health Commissions. Any grant under this subsection shall be made for development costs incurred in the one-year period beginning on the first day of the first month for which such grant is made and may be for an amount which does not exceed 90 per centum of such costs.

"(b) The Secretary may make grants to States for the operation of State Health Commissions. Each grant under this subsection shall be made for operation costs for the one-year period beginning on the first day of the first month for which such grant is made. The amount of any grant for a State Health Commission's costs of operation for the first year of its operation may not exceed an amount equal to 75 per centum of such costs; and the amount of any other grant for a Commission's costs of operation may not exceed the lesser of (1) $500,000, or (2) an amount equal to 50 per centum of the costs of its operation for the year for which the grant is made.

"(c) No grant may be made under subsection (a) or (b) unless an application therefor has been submitted to, and approved by, the Secretary. Such an application shall be submitted in such form and contain such information as the Secretary may require. The Secretary may not approve any such application unless he determines that the Federal funds under the grant applied for will be used to supplement State funds that would in the absence of such Federal funds be used for the purposes for which such grant would be made and will in no event supplant such State funds.

"(d)(1) For purposes of making payments under grants under subsection (a), there are authorized to be appropriated $2,000,000 for the fiscal year ending June 30, 1974, $3,000,000 for the fiscal year ending June 30, 1975, $3,000,000 for the fiscal year ending June 30, 1976, and $3,000,000 for the fiscal year ending June 30, 1977.

"(2) For purposes of making payments under grants under subsection (b), there are authorized to be appropriated $1,000,000 for the fiscal year ending June 30, 1974, $5,000,000 for the fiscal year ending June 30, 1975, $10,000,000 for the fiscal year ending June 30, 1976 and $10,000,000 for the fiscal year ending June 30 1977."

CONFORMING AMENDMENTS

SEC. 3. Title IX and subsections (a), (b), and (c) of section 314 of the Public Health Service Act and repealed.

EFFECTIVE DATE

SEC. 4. The amendments made by this Act shall take effect July 1, 1974, except that on and after the date of the enactment of this Act the Secretary of Health, Education, and Welfare shall carry out the duties imposed by section 601 of the Public Health Service Act (as added by section 2) and provide the assistance authorized by sections 605 and 628 of such Act (as so added).

By Mr. GRAVEL:

S. 2995. A bill to review the present and prospective uses of the lands of the United States, and to stimulate the production of oil and gas from such lands, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

Mr. GRAVEL. Mr. President, for some time there has remained a serious need for a cataloging of the resources of various Federal lands across this great Nation. It has always been a strange thing to my mind that a comprehensive inventory of this sort was not prepared and available for use and reference. At this time of energy scarcity, we need to have knowledge of both present and potential uses of public lands, particularly those lands which contain significant supplies of oil and gas.

Recently, a preliminary calculation placed oil and gas reserves in Alaska at 2.7 billion barrels of oil and 19.3 trillion cubic feet of natural gas just under those lands currently proposed for withdrawal and inclusion in the national systems.

I submit a table, prepared by the State of Alaska's Department of Natural Resources, which shows these calculations. With your permission, I ask that it be included in the RECORD.

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

TABULATION OF SPECULATIVE OIL AND GAS RESERVES CALCULATED TO UNDERLIE SECRETARY MORTON'S SINGLE-USE LAND WITHDRAWAL PROPOSALS OF NOVEMBER 1973

(Compiled by W. M. Lyle and R. M. Klein)

Speculative possible recoverable oil and gas reserves were calculated for the areas recommended for withdrawal by the Secretary of the Interior for National Parks, National Wildlife Refuges, and Ecological Reserves. These figures were calculated for the State-Federal Land Use Planning Commission at the request of Mr. James A. Williams.

The speculative possible recoverable oil or gas calculated to be present under all of the possible withdrawals is considered to be at least 2,700,000,000 barrels of oil and/or 19.3 trillion cubic feet of gas. 26,128,360 total acres underlying these proposed withdrawals are considered to have possible oil and gas potential.

The calculations were prepared by using known recoverable reserves in the Cook Inlet and in known sedimentary basins of the world. The cubic miles of sediment were recalculated by using reasonable of known thicknesses of sedimentary rocks under each of the withdrawals.

The reserve figures are entirely speculative and are intentionally conservative.

Results of this evaluation are subdivided into separate calculations for each proposed withdrawal area, and are listed on the accompanying tabulation.

POSSIBLE OIL AND GAS RESERVES INVOLVED IN PROPOSED FEDERAL WITHDRAWAL, NOVEMBER-DECEMBER 1973

Proposed withdrawal areas	Area with possible oil potential		Possible recoverable	
	Acres	Square miles	Oil (millions of barrels)	Gas (trillions of cubic feet)
1. Gate of the Arctic National Wilderness Park	2,119,680	3,312	432.0	3.2
2. Kobuk Valley National Monument				
3. Cape Krusenstern National Monument				
4. Aniakchak Caldera National Monument	369,640	578	24.0	.175
5. Katmai National Park	2,257,920	3,528	159.0	1.138
6. Harding Ice Field—Kenai Fjords National Monument				
7. Lake Clark National Park				
8. Mt. McKinley National Park	944,640	1,467	38.0	.277
9. Wrangell-St. Elias National Park	1,175,040	1,836	420.0	3.
10. Yukon-Charley National Rivers	737,280	1,152	51.1	.373
11. Yukon Flats National Wildlife Refuge	4,008,960	6,264	390.0	2.7
12. Arctic National Wildlife Range	2,304,000	3,600	340.0	2.5
13. Koyukuk National Wildlife Refuge				
14. Selawik National Wildlife Refuge	990,720	1,548	25.5	.186
15. Chukchi-Imuruk National Wildlands	921,600	1,440	42.0	.304
16. Coastal National Wildlife Refuge				
17. Yukon Delta National Wildlife Refuge	4,170,240	6,516	360.9	2.64
18. Togiak National Wildlife Refuge				
19. Noatak National Ecological Range	2,787,840	4,356	250.0	1.8
20. Iliamna National Ecological Range	3,340,800	5,250	142.0	1.04
Total	[1] 26,128,360	[1] 40,856	2,674.5	19.333

[1] Note: Difference due to rounding.

COAL

The most serious conflict with coal by Secretary Morton's proposals is his proposal No. 10, the Yukon-Charley National Rivers Area. This proposal covers most of a subbituminous coal belt lying just south of the Yukon River. It is 2 to 10 miles wide and extends from the Canadian border about 80 miles to the vicinity of Woodchopper Creek. At Washington Creek, five exposed beds containing four or more feet of clean coal each have been measured. More beds probably exist. No further exploration has been done and no tonnage estimates have been made.

Using a USGS tonnage factor, 20 feet of coal will make 22,650,000 tons per square mile.

It appears there might be 200 square miles of the field within the Secretary's withdrawal. Even half of this area, if it averages 20 feet of coal, would make 2.25 billion tons of subbituminous coal. How much of this could be mined is not possible to know without drilling or sampling at numerous points.

Mr. GRAVEL. Mr. President, I believe that the foregoing illustrates well the need for an in-depth inventory of these and other valuable resources to be found on or underlying public lands in all the States. Therefore, I am offering a bill, S. 2995, to review the present and prospective uses of the lands of the United States and to stimulate the production of oil and gas from such lands and for other purposes.

I am indebted to my colleague in the House, Representative JOHN MELCHER, chairman of the Public Lands Subcommittee for his work in this area and for preparation of this legislation.

Mr. President, 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. 2995

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior shall review and report to Congress within three years from the date of this Act the present uses of the public lands and their suitability for various single or multiple uses, including use for grazing, forestry, watershed protection, wildlife, recreation, agriculture, wilderness, and mineral development, among others. The Secretary shall make an interim report within sixty days from the date of this Act indicating, to the extent practical within that time limit, the reserved, unreserved, and acquired lands of the United States that contain readily available petroleum or other energy resources.

SEC. 2. The Secretary of the Interior is hereby authorized and directed to encourage and stimulate the exploration and development of the oil and gas resources of the public lands and acquired lands of the United States, both reserved and unreserved, except lands in the National Park System, the National Wildlife System, and the Wild and Scenic Rivers System, and the National Wilderness System and primitive and roadless areas in the national forests now under review for inclusion in the Wilderness System in accordance with provisions of the Wilderness Act of 1964. He may utilize for this purpose any statutory authority he may have with respect to leases, contracts, agreements, permits, rentals, royalties, fees, and cooperative or unit plans, and he shall report to Congress the need for any additional authority. Lands heretofore reserved by executive or legislative action that prohibits or limits oil and gas development, except lands in the systems referred to above, shall be subject to the provisions of this section, notwithstanding such limitations, but no oil or gas development thereon shall be authorized by the Secretary unless sixty days notice is given to the Congress (not counting days on which either the House of Representatives or the Senate is not in session for three days or more) and neither the House of Representatives nor the Senate adopts a resolution of disapproval. Any such notice shall explain in detail the relative need for developing the oil and gas resource in order to meet the total energy needs of the Nation, compared with the need for prohibiting such development in order to further some other public interest.

SEC. 3. The Secretary of the Interior is authorized to establish on any reserved or unreserved public or acquired lands of the United States national oil and oil shale reserves the development of which needs to be regulated in a manner that will meet the total energy needs of the Nation, including but not limited to national defense. Any reserve so established shall supersede any prior reservation for a more limited purpose. The oil and gas resources of such reserves shall be developed only pursuant to statutes hereafter enacted for that purpose.

SEC. 4. In order to provide a broader competitive base for development of oil and gas resources of the lands of the United States, the Secretary of the Interior shall consider and provide for competitive bidding, to the maximum extent practical, on the basis of either bonuses or royalties, or both, at the option of the bidder, and the highest bid shall be determined by the Secretary on the basis of the total estimated return to the United States over the probable productive life of the property being disposed of.

By Mr. MANSFIELD (for Mr. KENNEDY, for himself, Mr. JAVITS, Mr. WILLIAMS, and Mr. SCHWEIKER):

S. 2996. A bill to amend the Public Health Service Act to revise the programs of health services research and to extend the programs of assistance for medical libraries. Referred to the Committee on Labor and Public Welfare.

Mr. MANSFIELD. Mr. President, I ask unanimous consent on behalf of the distinguished Senator from Massachusetts (Mr. KENNEDY), for himself, Mr. JAVITS, Mr. WILLIAMS, and Mr. SCHWEIKER to introduce a bill to amend the Public Health Services Act, revise the programs for health services research and to extend the program of assistance for medical libraries.

Mr. KENNEDY. Mr. President, I am delighted to introduce today legislation to extend and improve three vitally important health programs. These programs assist the support of health services research and development, health statistical activities and medical libraries throughout the Nation. Each of the programs is scheduled to expire this June and, therefore, it is essential for the Congress to determine what changes and improvements now need to be made in these authorities.

Mr. President, as chairman of the Senate Health Subcommittee, I have scheduled a public hearing on this bill and related measures for February 19, 1974. That hearing will be conducted in room 4232 of the Dirksen Office Building beginning at 10 a.m. Persons interested in testifying before the subcommittee should contact Mr. Lee Goldman, staff director of the subcommittee.

Briefly the bill extends each of these programs for 4 additional years through June 30, 1978. It is my understanding that the administration favors the extension of each of these programs.

At this time I want to highlight one basic policy issue which is pertinent in this legislation. This has to do with the appropriateness of statutorily combining the health services R. & D. program with the National Center for Health Statistics. At the present time these programs are independent, though companion legislation which has already passed in the House would propose to combine them. The bill that I am intro-

ducing today along with my friends and colleagues, the distinguished ranking minority member of the Labor Committee, Senator JAVITS, the distinguished chairman of the Labor Committee, Senator WILLIAMS, and the distinguished ranking minority member of the Health Subcommittee, Senator SCHWEIKER, does not combine these programs. I believe their respective functions are sufficiently different to lead me to the conclusion that their combination would not work to the advantage of either. However, there has not been sufficient coordination between these two programs in the past. And I intend that the bill which will soon pass the Senate will include whatever is necessary to assure sufficient program coordination.

Mr. JAVITS. Mr. President, I am pleased to join with Senator KENNEDY in the introduction of a bill to amend the PHS Act to revise the programs of health services research and statistics and to extend the program of assistance for medical libraries.

This legislation addresses itself to three important facets of the Nation's health care problems:

First. The need for an increased commitment to health services research aimed at improving the use of our health care dollars.

With a strong commitment backing it, health care research will assist in answering fundamental questions about national health insurance, quality of care, effective use of personnel and technological resources.

Second. The need for accurate and comprehensive statistics about the Nation's health. Without such information we can never know what benefits we have obtained from the billions of dollars we spend on health nor what directions we must take in the future to improve the health of the Nation. Responsibility for gathering, analyzing, and distribution of this vital information rests with the National Center for Health Statistics. The center has achieved a worldwide reputation as an objective and competent reporter of the health status of the American people.

Third. The need for funding authority for medical libraries assistance programs. The effectiveness of these programs in the important function of disseminating medical knowledge justifies continuing support for this worthwhile investment.

The principal modification this legislation makes in these three authorities is that it mandates that the existing HEW units which conduct health services research and which gather health statistics be combined into a new National Center for Health Services Research and Statistics in order to obtain statistics which are responsive to the needs of health services researchers as well as the generally close relationship between health services research and statistic gathering activities.

With respect to medical libraries, the only change of substance is the elimination of moneys for the construction of medical libraries which was not funded last year.

I believe this legislation will help to insure that the rapid advances in medicine and science will not leave public and professional knowledge far behind.

By Mr. HANSEN (for Mr. COOK):

S. 2998. A bill to amend Public Law 93–159 relative to petrochemicals. Referred to the Committee on Interior and Insular Affairs.

Mr. HANSEN. Mr. President, on behalf of the Senator from Kentucky (Mr. COOK), I introduce a bill and I ask unanimous consent that a statement prepared by him in connection with the bill be printed at this point in the RECORD.

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

STATEMENT BY SENATOR COOK

When Congress enacted legislation to allocate petroleum products, it included petrochemical feedstocks. The conference report stated that it was the intent of the Congress "to require the allocation of petrochemical feedstocks as may be necessary to accomplish the objective of restoring and fostering competition in the petrochemical industry."

Experience has shown that, while the allocation of certain specific feedstocks to include naphtha and benzene has, to a degree, been successful within the petrochemical industry itself, it has not provided to the user of these petrochemicals a sufficient amount of the product to enable him to continue his manufacture of consumer goods. A case in point is the synthetic industry in my State of Kentucky. I have been informed that the American Synthetic Rubber Corporation may be required to cease operation unless it can obtain supplies of styrene monomer. This would cause the loss of some 600 jobs in the Louisville area, and would impact unfavorably on other segments of the industry.

Styrene is, of course, a petrochemical. Benzene, which is used to make ethylbenzene, is allocated. However, there the controls cease. Neither the ethylbenzene nor the styrene, which is manufactured from this product, is allocated. The small manufacturer is then left to his own efforts to obtain the styrene if he intends to survive, and is at the mercy of the petrochemical industry, which enjoys Federal protection.

I do not believe that this is what the Congress intended. Quantities of styrene are being exported to foreign manufacturers while domestic manufacturers are being denied the use of this product.

I am, therefore, introducing a bill today which would amend Public Law 93–159 by requiring that petrochemicals, as well as petrochemical feedstocks, also be included in the allocation program.

I urge that prompt action be taken on this bill, so that one segment of domestic industry will not continue to suffer while another segment goes uncontrolled.

By Mr. STENNIS (for himself and Mr. THURMOND) (by request):

S. 2999. A bill to authorize appropriations during the fiscal year 1974 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, and other weapons and research, development, test and evaluation for the Armed Forces, and to authorize construction at certain installations, and for other purposes. Referred to the Committee on Armed Services.

Mr. STENNIS. Mr. President, by request, for myself and the senior Senator from South Carolina (Mr. THURMOND), I introduce, for appropriate reference, a bill to authorize appropriations during the fiscal year 1974 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, and other weapons and research, development, test and evaluation for the Armed Forces, and to authorize construction at certain installations, and for other purposes. This is submitted as an amendment to the budget for fiscal year 1974 representing an increase in the amounts requested for appropriation in certain appropriation accounts of the Department of Defense.

I ask unanimous consent that a letter of transmittal requesting consideration of the legislation and explaining its purpose be printed in the RECORD immediately following the listing of the bill.

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

THE SECRETARY OF DEFENSE,
Washington, D.C., February 4, 1974.

Hon. GERALD R. FORD,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: The President has submitted an amendment to the budget for Fiscal Year 1974 representing an increase in the amounts requested for appropriation in certain appropriation accounts of the Department of Defense. This amendment is requested as a result of a number of serious unforeseen problems relating to maintaining adequate levels of military readiness which have come to light as a result of the Middle East conflict. Some of these increased amounts will require fund authorization pursuant to section 138(a) of Title 10, United States Code (formerly subsection (b) of section 412 of Public Law 86–149, as amended). In addition construction authority for a classified construction project and authorization for appropriations for operation and maintenance of military family housing are needed. There is also an urgent need for an increase in the amounts authorized to be obligated in Fiscal Year 1974 for support of South Vietnamese military forces. Accordingly, there is forwarded herewith legislation "To authorize appropriations during the Fiscal Year 1974 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, and other weapons and research, development, test and evaluation for the Armed Forces and to authorize construction at certain installations, and for other purposes." This proposal is a part of the Department of Defense legislative program for the 93d Congress and the Office of Management and Budget has advised that the enactment of the proposal would be in accord with the program of the President. This proposal is being sent to the Speaker of the House.

As a result of the recent Middle East conflict the Department of Defense has carefully examined its military readiness to respond to world crisis situations. That conflict has demonstrated that our reaction capability is less than the optimum. Certain assumptions as to the availability of facilities abroad, our overflight rights, and other key matters prove to be unwarranted in some important respects. We have also learned a great deal about certain weapons, performance and requirements, which requires changes in our weapons productions plans. The cumulative effect of these developments has been to create an immediate need for additional budget authority for Fiscal Year 1974. This additional request does not involve any departure from our current nation-

al security policies. It represents, rather, a recognition of several fact-of-life developments and a shift in factors beyond our control. These factors have led to an increase in the cost of providing a level of readiness which has been recognized as the minimum consistent with our security.

To accommodate such needs, the draft legislation forwarded herewith would authorize additional appropriations for various procurement and research, development, test and evaluation programs of the Department of Defense. In addition to the requirement for additional fund authorization for research, development, test and evaluation programs there is also a requirement to provide for pay increases and other payroll costs of civilian employees funded from research, development, test and evaluation funds. The total amounts already authorized for Fiscal Year 1974 for research, development, test and evaluation for the Army and defense agencies are in excess of the amounts appropriated, and therefore under normal circumstances additional authorization could be considered to be unnecessary to meet such costs. However, for uniformity this request for authorization includes the full amount required to meet these additional payroll costs for each of the military departments and the defense agencies.

Included in the proposed legislation is a request for authority to construct certain classified projects by the Navy. In addition there is included in the proposed legislation a request for an increase in fund authorization for operation and maintenance of military family housing, which is required to meet increases in pay for wage board and civilian employees.

Finally, the level of activity in Southeast Asia will require an increase in the requirements to incur obligations of funds for support of the Armed Forces of the Republic of Vietnam. As a result there is a critical need to increase the $1.126 billion authorization for use of appropriations for support of the Armed Forces of the Republic of Vietnam. Title IV of the proposed legislation would amend section 401 of Public Law 89-367 as amended by section 801 of the Department of Defense Appropriations Act, 1974 and section 737(a) of the Department of Defense Appropriation Act, 1974 to provide the authority to support the Armed Forces of the Republic of Vietnam from appropriations made available to the Department of Defense in the amount of $1.6 billion. No additional funds are requested for this purpose since unobligated balances of prior year programs are available to meet this Southeast Asia requirement if this proposed legislation is enacted.

In accordance with usual practices, the Committee on Armed Services will be furnished with such additional information as they may require in connection with this request.

Sincerely,

JAMES R. SCHLESINGER.

S. 2999

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

TITLE I—PROCUREMENT

SEC. 101. In addition to the funds authorized to be appropriated under Public Law 93-155 there is hereby authorized to be appropriated during fiscal year 1974 for the use of the Armed Forces of the United States for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, and other weapons authorized by law, in amounts as follows:

Aircraft

For aircraft: for the Army, $22,000,000; for the Navy, $219,200,000; for the Air Force, $445,000,000.

Missiles

For missiles: for the Army, $84,400,000; for the Navy, $28,600,000; for the Marine Corps, $22,300,000; for the Air Force, $39,000,000.

Naval Vessels

For naval vessels: for the Navy, $24,800,000.

Tracked Combat Vehicles

For tracked combat vehicles: for the Army, $113,600,000.

Other Weapons

For other weapons: for the Army, $8,200,000.

TITLE II—RESEARCH, DEVELOPMENT, TEST AND EVALUATION

SEC. 201. In addition to the funds authorized to be appropriated under Public Law 93-155, there is hereby authorized to be appropriated during the fiscal year 1974, for the use of the Armed Forces of the United States for research, development, test and evaluation, as authorized by law, in amounts as follows:

For the Army, $55,043,000;

For the Navy (including the Marine Corps), $67,828,000;

For the Air Force, $83,766,000; and

For the Defense Agencies, $10,852,000.

TITLE III—MILITARY CONSTRUCTION

SEC. 301(a). The Secretary of the Navy may establish or develop classified military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment in the total amount of $29,000,000.

(b) There are authorized to be appropriated for the purpose of this section not to exceed $29,000,000.

SEC. 302. In addition to the funds authorized to be appropriated under Public Law 93-166, there is hereby authorized to be appropriated during the fiscal year 1974, for use by the Secretary of Defense, or his designee, for military family housing, for operating expenses and maintenance of real property in support of military family housing, an amount not to exceed $3,866,000.

SEC. 303. Authorizations contained in this title shall be subject to the authorizations and limitations of the Military Construction Authorization Act, 1974 (Public Law 93-166), in the same manner as in such authorizations as if they had been included in that Act.

TITLE IV—GENERAL PROVISIONS

SEC. 401. Subsection (a)(1) of section 401 of Public Law 89-367, approved March 15, 1966 (80 Stat. 37), as amended, is hereby amended by deleting "$1,126,000,000" and inserting "$1,600,000,000" in lieu thereof, and (b) section 737(a) of Public Law 93-238 (87 Stat. 1044) is amended by deleting "$1,126,000,000" and inserting "$1,600,000,000" in lieu thereof.

This Act may be cited as the "Department of Defense Supplemental Appropriation Authorization Act, 1974".

By Mr. STENNIS (for himself and Mr. THURMOND) (by request):

S. 3000. A bill 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. Referred to the Committee on Armed Services.

Mr. STENNIS. Mr. President, by request, for myself and the Senator from South Carolina (Mr. THURMOND), I introduce, for appropriate reference, a bill 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 load and for other purposes.

I ask unanimous consent that a letter of transmittal requesting consideration of the legislation and explaining its purpose be printed in the RECORD immediately following the listing of the bill.

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

THE SECRETARY OF DEFENSE,
Washington, D.C., February 4, 1974.

Hon. GERALD R. FORD,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is forwarded herewith legislation "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." This proposal is a part of the Department of Defense legislative program for the 93d Congress, and the Office of Management and Budget has advised that enactment of the proposal would be in accord with the program of the President. This proposal is also being sent to the Speaker of the House.

This proposal would provide authorization for appropriations as needed for procurement in each of the categories of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and for other weapons for each of the military departments in an amount equal to the new obligational authority included in the President's budget for fiscal year 1975. In addition, the proposal would provide fund authorization in amounts equal to the new obligational authority included in the President's budget for fiscal year 1975 in total for each of the research, development, test and evaluation appropriations for the military departments and the defense agencies.

Title III of the proposal prescribes the end strength for active duty personnel of each component of the Armed Forces as required by section 138(c)(1) of title 10, United States Code, in the number provided for by new obligational authority in appropriations requested for these components in the President's budget for fiscal year 1975.

Title IV of the proposal provides for average strengths of the Selected Reserve of each Reserve component of the Armed Forces as required by section 138(b) of title 10, United States Code, in the number provided for by

the new obligational authority in appropriations requested for these components in the President's budget for fiscal year 1975.

Title V of the proposal is responsive in the new requirements contained in section 138(c) of title 10, United States Code, which requires that beginning with fiscal year 1975, the civilian personnel end strengths for each component of the Department of Defense be authorized. Title V provides for end strengths for civilian personnel of the Department of Defense in the number provided for the new obligational authority in appropriations requested for the Department of Defense in the President's budget for fiscal year 1975.

Language authorizing average training student loads is contained in Title VI as required by section 138(d) of title 10, United States Code; however, this proposal does not include, at this time, the actual student load figures which this Department will request for fiscal year 1975. The requirement for authorization for average training student loads was only recently enacted and fiscal year 1974 was the first year in which such authorization was provided. Data is now being analyzed and developed in order to determine the fiscal year 1975 requirements. As soon as this data is available, but not later than March 1, 1974, when the related report is required to be submitted to the Congress, the necessary figures will be submitted to the Congress for inclusion in Title VI of this proposal.

This proposal would also include for fiscal year 1975 language authorizing appropriations of the Department of Defense to be made available for the support of Vietnamese military forces. The proposed language is substantially identical to similar provisions in prior year's acts in its application to support for Vietnamese forces, except that for clarity in light of recent congressional actions regarding public safety programs, the language has been modified to make it expressly applicable to Vietnamese military forces rather than Vietnamese forces. To reflect the reversion of support for Laos to the Military Assistance Program in fiscal year 1975, references to Laos have been deleted as have been other obsolete references which no longer reflect the current situation.

The reporting requirements of subsection (b) of section 401 of Public Law 89-367, as amended, are considered permanent and would be equally applicable to this provision.

Sincerely,

JAMES R. SCHLESINGER.

S. 3000

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

TITLE I—PROCUREMENT

SEC. 101. Funds are hereby authorized to be appropriated during the fiscal year 1975 for the use of the Armed Forces of the United States for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons as authorized by law, in amounts as follows:

Aircraft

For aircraft: for the Army, $339,500,000; for the Navy and the Marine Corps, $2,960,600,000; for the Air Force, $3,496,600,00.

Missiles

For missiles: for the Army, $459,200,000; for the Navy, $620,600,000; for the Marine Corps, $76,000,000; for the Air Force, $1,610,800,000.

Naval Vessels

For naval vessels: for the Navy, $3,562,600,000.

Tracked Combat Vehicles

For tracked combat vehicles: for the Army, $331,900,000; for the Marine Corps, $80,100,000.

Torpedoes

For torpedoes and related support equipment: for the Navy, $187,700,000.

Other Weapons

For other weapons: for the Army, $53,400,000; for the Navy, $25,600,000; for the Marine Corps, $500,000.

TITLE II—RESEARCH, DEVELOPMENT, TEST AND EVALUATION

SEC. 201. Funds are hereby authorized to be appropriated during the fiscal year 1975 for the use of the Armed Forces of the United States for research, development, test and evaluation, as authorized by law, in amounts as follows:

For the Army, $1,985,976,000;

For the Navy (including the Marine Corps), $3,264,503,000;

For the Air Force, $3,518,860,000; and

For the Defense Agencies, $555,700,000, of which $27,000,000 is authorized for the activities of the Director of Test and Evaluation, Defense.

TITLE III—ACTIVE FORCES

SEC. 301. For the fiscal year beginning July 1, 1974, and ending June 30, 1975, each component of the Armed Forces is authorized an end strength for active duty personnel as follows:

(1) The Army, 785,000;
(2) The Navy, 540,380;
(3) The Marine Corps, 196,398;
(4) The Air Force, 630,345.

TITLE IV—RESERVE FORCES

SEC. 401. For the fiscal year beginning July 1, 1974, and ending June 30, 1975, the Selected Reserve of each Reserve component of the Armed Forces will be programed to attain an average strength of not less than the following:

(1) The Army National Guard of the United States, 379,848;
(2) The Army Reserve, 215,842;
(3) The Naval Reserve, 107,526;
(4) The Marine Corps Reserve, 36,703;
(5) The Air National Guard of the United States, 89,128;
(6) The Air Force Reserve, 51,319;
(7) The Coast Guard Reserve, 11,700.

SEC. 402. The average strength prescribed by section 401 of this title for the Selected Reserve of any Reserve component shall be proportionately reduced by (1) the total authorized strength of units organized to serve as units of the Selected Reserve of such component which are on active duty (other than for training) at any time during the fiscal year, and (2) the total number of individual members not in units organized to serve as units of the Selected Reserve of such component who are on active duty (other than for training or for unsatisfactory participation in training) without their consent at any time during the fiscal year. Whenever such units or such individual members are released from active duty during any fiscal year, the average strength for such fiscal year for the Selected Reserve of such Reserve component shall be proportionately increased by the total authorized strength of such units and by the total number of such individual members.

TITLE V—CIVILIAN PERSONNEL

SEC. 501. (a) For the fiscal year beginning July 1, 1974, and ending June 30, 1975, the Department of Defense is authorized an end strength for civilian personnel as follows:

(1) The Department of the Army, 358,717;
(2) The Department of the Navy, including the Marine Corps, 323,529;
(3) The Department of the Air Force, 269,709;
(4) Activities and agencies of the Department of Defense (other than the military departments), 75,372.

(b) In computing the authorized end strength for civilian personnel there shall be included all direct-hire civilian personnel employed to perform military functions administered by the Department of Defense (other than those performed by the National Security Agency) whether in permanent or temporary positions and whether employed on a full time, part time, or intermittent basis, but excluding special employment categories for students and disadvantaged youth such as the stay-in-school campaign, the temporary summer aid program and the Federal junior fellowship program and personnel participating in the worker-trainee opportunity program: *Provided*, That whenever the secretary of the military department concerned or the Secretary of Defense determines that the direct substitution of civilian personnel for military personnel will result in economy without adverse effect upon national defense, such substitution may be accomplished without regard to the numbers of civilian personnel authorized by this section: *Provided further*, That when a function, power, or duty or activity is transferred or assigned to a department or agency of the Department of Defense from a department or agency outside of the Department of Defense or from a department or agency within the Department of Defense, the civilian personnel end strength authorized for such departments or agencies of the Department of Defense affected shall be adjusted to reflect any increases or decreases in civilian personnel required as a result of such transfer or assignment.

SEC. 502. When the Secretary of Defense determines that such action is necessary in the national interest, he may authorize the employment of civilian personnel in excess of the number authorized by section 501: *Provided*, That the number of additional personnel authorized to be employed pursuant to the authority of this section shall not exceed 1 per centum of the total number of civilian personnel authorized for the Department of Defense by section 501: *Provided further*, That the Secretary of Defense shall promptly notify the Congress of any authorization to increase civilian personnel strength pursuant to this authority.

TITLE VI—MILITARY TRAINING STUDENT LOADS

SEC. 601. For the fiscal year beginning July 1, 1974 and ending June 30, 1975, each component of the Armed Forces is authorized an average military training student load as follows:

(1) The Army, ______;
(2) The Navy, ______;
(3) The Marine Corps, ______;
(4) The Air Force, ______;
(5) The Army National Guard of the United States, ______;
(6) The Army Reserve, ______;
(7) The Naval Reserve, ______;
(8) The Marine Corps Reserve, ______;
(9) The Air National Guard of the United States, ______;
(10) The Air Force Reserve, ______;

TITLE VII—GENERAL PROVISIONS

SEC. 701. Subsection (a)(1) of section 401 of Public Law 89-367, approved March 15, 1966 (80 Stat. 37), as amended, is hereby amended to read as follows:

"(a)(1) Not to exceed $1,600,000,000 of the funds authorized for appropriation for the use of Armed Forces of the United States under this or any other Act are authorized to be made available for their stated purposes to support Vietnamese military forces on such terms and conditions as the Secretary of Defense may determine: *Provided*, That nothing contained in this section shall be construed as authorizing the use of any such funds to support Vietnamese military forces in activities designed to provide military support and assistance to the Government of Cambodia or Laos."

This Act may be cited as the "Department of Defense Appropriation Authorization Act, 1975".

ADDITIONAL COSPONSOR OF A BILL

S. 2832

At the request of Mr. TAFT, the Senator from Delaware (Mr. BIDEN) was added as a cosponsor of S. 2832, the Earned Immunity Act of 1974.

ADDITIONAL COSPONSOR OF A RESOLUTION

SENATE RESOLUTION 276

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that my name be added as a cosponsor of Senate Resolution 276, a resolution to disapprove the congressional pay increase recommendation of the President. I do not favor increasing the salaries of top Government officials at this time.

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

NOTICE OF HEARING ON ENERGY RESEARCH

Mr. RIBICOFF. Mr. President, the Subcommittee on Reorganization, Research, and International Organizations of the Government Operations Committee will hold hearings on a proposed Energy Research and Development Administration and a proposed Department of Energy and Natural Resources on February 19, 20, 21, 26, and 27, 1974.

ADDITIONAL STATEMENTS

THE SHORTAGE OF PETROCHEMICALS

Mr. TAFT. Mr. President, I have become extremely concerned about the inability of chemical firms, plastics and rubber processors, and other small fabrications to obtain the petrochemicals they need, despite the existence of the mandatory allocation program for refined petroleum products.

I have supported from the beginning of debate the priority position assigned in the allocation program to the petrochemical industry. In recognition of this industry's tremendous importance to the economy, that position has been reflected in the Federal Energy Office regulations which allow petrochemical producers to receive 100 percent of current petroleum requirements. However, the congressional concern for the welfare of this industry extended not just to the producers and first purchasers of petrochemicals, but to all of the industries "downstream" which need them. Our efforts to generate continued production in the petrochemical sector will be considered successful only if these operations, as well as those directly receiving an allocation of petroleum products, benefit from more adequate supplies of their raw materials.

Unfortunately, that does not appear uniformly to be the case. Those who have been able to buy polystyrene and other petrochemical feedstocks have, in many cases, increased their internal use of these feedstocks rather than making them available to the processors which have historically relied upon these sources of supply. That these companies can expand their production significantly while those who have relied on them for petrochemical supplies are forced to lay off workers and consider shutting down is evidence of inequitable distribution of the feedstocks. Because of this situation, the jobs of hundreds and perhaps thousands of my constituents in fabricating plants are presently in danger.

The drastic increase of late in the export of petrochemical feedstocks is a further source of irritation. Even though a small amount of feedstocks is involved, I do not see how anyone can blame the workers in the industry whose jobs are endangered if they have trouble stomaching these increased exports. I am pleased that the Commerce Department has now imposed a monitoring system to assess the volume and effect of the exports.

I understand that the Federal Energy Office has now agreed to amend regulations to direct that "to the maximum extent practicable" recipients of petroleum product allocations in the industry should conduct sales policies which foster competition. Because the distribution problems seems to revolve more around the action of "middlemen" who buy the feedstock products than the companies actually receiving petroleum product allocations, this change in the regulations, although welcome, may have a limited effect. The Cost of Living Council's action last week to lift price controls from nearly all petrochemical feedstocks should be of much more consequence. The Cost of Living Council hopes that a sufficient increase in petrochemical supplies will result, mostly because the price rise will increase the relatively profitability to refiners of producing necessary feedstock materials rather than gasoline.

We are all hopeful that such an increase in the supply of petrochemical feedstocks will be of sufficient magnitude to alleviate the present problems and thereby obviate the necessity for full allocation of petrochemicals. An allocation program of that type would be extremely difficult to administer effectively and should be avoided if at all possible. I am willing to wait a few weeks before advocating a full petrochemical allocation program to determine whether the Cost of Living Council's action is adequate.

If the serious shortages continue, however, we will have no choice but to face up quickly to the possibility that the allocation program will have to be expanded. This would be necessary for the sake not only of saving our constituents' jobs, but also to insure that high-priority chemical needs such as medical needs will be fulfilled despite the shortage.

LOWER MISSISSIPPI VALLEY FLOOD CONTROL PROJECTS

Mr. STENNIS. Mr. President, the fiscal year 1975 budget for flood control projects in the lower Mississippi Valley reflects the fact that we had a tremendous flood in that area last spring. The amounts requested for the Mississippi River and tributaries project are greater than those shown in the budget submission last year. However, they fall short, in my judgment, of what will be needed in that area, and I intend to explore this aspect very thoroughly in the hearings that I soon will conduct as chairman of the Public Works Subcommittee of the Senate Appropriations Committee.

The necessity for maximum progress on flood control work in the Mississippi Valley is amply justified by the tremendous damages that were prevented last year by those projects, and the flooding and hardships that existed, because the projects had not all been completed.

If any additional emphasis is needed, however, it certainly is provided by river conditions this year.

The situation in the lower Mississippi Valley is such that it should be watched very carefully with respect to flooding, but it would be premature to actually predict a flood of the magnitude of last year. What happens will depend on whether there are heavy storms in the next 3 or 4 months.

At present, on the minus, or bad side of the situation, the Mississippi River is higher now than it was last year. The predicted high at Vicksburg, on February 7, will be 45 feet above mean low water, or 7 feet higher than on February 7 last year. The river is now 2 feet over bankfull at Vicksburg, so it has started to back up into the Yazoo River, and will continue to back up until February 7. Streams in the Yazoo Basin are bankfull or slightly out of banks. There is considerable flooding of low-lying farmlands, but with a few exceptions most homes are still out of water and people are not evacuating.

On the plus, or good side of the situation, the river should crest at Vicksburg February 7 and start falling, and if the heavy local rainstorms of March and April last year are not experienced this year, the flood situation in the Mississippi Delta will be troublesome but not extremely serious. We need good weather and a falling river to dry out the ground for spring planting.

The present high crest in the Mississippi River comes from unseasonable early snow melt in the upper basin and the Ohio, so we are getting rid of some water that could otherwise have hit us all at once in the early spring, when the danger of flood is at its annual maximum.

The district organizations of the Corps of Engineers in the lower valley are concentrating on flood preparedness, and repairing damages to flood control structures.

So it is clear that the budget submitted to the Congress is going to have to be very carefully examined to see if it provides the money to do all that should be done, in view of the seriousness of the situation in the Mississippi Valley. The budget requests $130 million for the Mississippi River and tributaries project. This is an improvement over the $95 million that was requested for fiscal 1973 and the $110 million requested last year. However, it falls short of the $157 million the Congress felt was needed and provided last year.

This year the budget asks for $8.5 million for the Yazoo Basin, including $3.5 million for the Yazoo backwater project.

This is a major improvement over the very small amount request last year, and compares with the much larger amount that Congress actually provided for the current fiscal year. However, I want to go into this very thoroughly at the hearings and see what more can be done.

I also intend to press for early action on the matter of raising many of the mainstem levees on the Mississippi River. Recent experience shows that this should be done, but the Office of Management and Budget has not allowed the Army Engineers to start on this part of the work until the whole question of increasing the capacity of the river to carry floodwaters is given further review. In the meantime, the Engineers are doing work of an emergency nature on some of the levees, repairing them, and bringing them up to the presently approved design level, and it would be good sense to do the work all at once, rather than coming back later to raise them to the new level that the engineers consider necessary.

Other water resources projects in Mississippi will also receive very careful consideration in my hearings this spring. I am pleased that substantial sums are in the budget for dredging in Gulfport and Pascagoula Harbors. Also very satisfying is the fact that $1 million is in the budget for the construction of Tallahala Dam and Lake near Laurel. I have been working on this project for several years, and have had to deal with impoundment of funds and resistance from the Environmental Protection Agency to our releasing water from the lake to improve water quality downstream when needed. Now these problems have been resolved and it will be good to see the dirt begin to move at the Tallahala Dam site in the coming fiscal year.

I am especially gratified that the budget provides $30 million for the Tennessee-Tombigbee Waterway. This is the largest amount provided in the budget for any single navigation or waterway project; $30 million is close to the full capability of the Corps of Engineers to accomplish work during the coming year on this great waterway which will mean so much to the eastern part of Mississippi.

BENITO

Mr. MATHIAS. Mr. President, the Free State of Maryland is not only fortunate for the large number of talented native sons and daughters, but also for those who have chosen to make Maryland their home. Among those who have come to Maryland and added greatly to the quality of life are two sisters—Mrs. Raphael Semmes, of Chevy Chase, Md., and Mrs. Frank LaMotte, of Worton, Md. They are both the daughters of the noted French-Spanish artist Benito, and in their lives they express much of the flair and fashion that has characterized his artistry. By coming to live in Maryland they have helped to make their tradition a part of our own.

There is currently an exhibit of Benito's works at the New York Cultural Center in association with Farleigh Dickinson University, 2 Columbus Circle, New York City, extending from February 5 to March 20, 1974.

An appreciation of Benito, which is contained in the announcement of the exhibit, describes his artistic career and I ask unanimous consent that it be printed in the RECORD.

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

BENITO

When does an illustrator become a fine artist, and vice-versa? A hard question to answer—especially today when the dividing line between the commercial and the fine arts has been irrevocably erased. Benito, with his large production of canvases in the late Cubist tradition and his output of perhaps the most dashing fashion and cover illustration of the 'twenties and 'thirties stands somewhere between the two. For although his Cubist canvases may be *aprés la lettre*, there is no denying they have a chic and style quite their own as well as being of their period. However, it is surely his work for *Vanity Fair* and *Vogue* that will secure him a major footnote in the annals of art.

Coming to Paris from his native Spain at 18 in 1911, he had introductions to Juan Gris (who he remembers had a hole in the seat of his trousers), Picasso, Modigliani, Zuboga, Jacob, Dufy, Derain and other painters, artists and writers who gathered at the Café de la Rotonde. One wonders exactly how much he influenced Modigliani's sloe-eyed nudes and Van Dongen's fashionable portraits. By Benito's own admission, he didn't think much of Modigliani's work and even painted over some of his friend's canvases which were given him, so it is not too far-fetched to suppose the starving artist took certain stylistic idioms from the successful fashion-illustrator's works.

Benito decisively chose the *haute monde* rather than Montmartre after entering the enchanting and enchanted circle of Paul Poiret. Meeting the great dress designer at 20 was certainly the most momentous event in his long and productive career; immediately he was catapulted into the high life of Paris society. At one of Poiret's legendary parties Benito was introduced to the American publisher Condé Nast, owner of *Vogue* and a little later to Frank Crowninshield, Director of *Vanity Fair*. From that moment on, his future was secure. Having already done illustrations for *Femina La Vie Parisienne* and *Le Gazette du Bon Ton*, he was whisked to New York with his wife, where at the Algonquin Margaret Chase greeted him and became a lifelong friend. Although established in the rarified world of fashion, Benito lived in Greenwich Village where he continued to do portraits: he painted Poiret, Cocteau and nearly did Elsie de Wolff, but she didn't like his prices and he didn't like her looks.

Having already shown his oils at the Galerie Charpentier and the Musé Galliera in Paris (he was a member of the jury of the Societé Nationale des Beaux Arts, and the Salon d'Automne), he had an exhibition at Wildenstein's in New York in 1924, the year after he painted some much-admired decorative panels for Gloria Swanson's apartment. In 1928 he had had enough of the New World and went to Madrid, but two years later he returned to New York to pour out more elegant and etiolated ladies of fashion against Deco divans and blue glass mirrors, with pomaded penguins in attendance. As the new decade began, svelte and streamlined forms were gradually replaced by the slip-covered drabness of a depression-bound 'thirties which Benito eventually turned his back on.

The world of Benito is synonymous with hothouse *chic:* slick. "Moderne" and above all exaggerated and stylish. It certainly demands to be examined again, particularly in light of today's 'twenties revival wherein some of the most significant linear and graphic inventions of this artist are now accepted as the *lingua franca* of fashion illustration.

THE SLOW RATE OF FUNDING OF THE NATCHEZ TRACE PARKWAY

Mr. STENNIS. Mr. President, I am very distressed and concerned at the fact that the administration's budget for fiscal year 1975 contains no money to continue construction of the Natchez Trace Parkway in Mississippi, Alabama, and Tennessee.

At the time this budget was in the early processes of formulation I sponsored a letter, in which I was joined by all Senators from the three States, to the Secretary of the Interior, setting forth the very meritorious case which exists for providing substantial appropriations to finish the Natchez Trace Parkway. We expressed our very deep concern at the slow rate of progress being made in recent years on this very meritorious project.

I also took this matter up, in writing, with the Director of the Office of Management and Budget, and pursued the subject elsewhere in the Executive Office Building, both orally and in writing. I wanted to be sure that the merits of the case were understood by all directly concerned with the budget, and that they realized the interminable delays that have beset this very beautiful but incomplete national parkway.

This project has been in being for over 39 years, but at the present rate will require another 30 years to complete. Of a total length of parkway of 443.7 miles, 309.9 miles are to be in Mississippi, 32.7 miles in Alabama, and 101.1 miles in Tennessee. Of the total length, 126.1 miles remain to be completed, with unbuilt portions in all three States.

If the project is not put on a program of orderly completion, the time may come when maintenance costs and the cost of redesigning certain hazardous areas to modern standards will make it very difficult to fund the remaining construction. It has reached a stage where it would be a sound investment for the Government to complete it in a timely way and start to realize the benefits to the citizens of the three-State region and to the many other citizens who as tourists, visit that area in increasing numbers each year.

Progress has been very unsatisfactory in recent years. In fiscal year 1970, only $203,000 was provided, and an additional $483,000 appropriated for the parkway was impounded in budgetary reserve, and has yet to be released. In fiscal year 1971, only $68,000 was provided, but the Congress earmarked $250,000 in planning funds to be used for the Natchez Trace. In fiscal year 1972, $1,575,000 was provided for construction, only about 3 percent of the total remaining requirement, and a supplemental request submitted for $1,411,000. For fiscal year 1973, $1,579,000 was requested and was appropriated. No additional funds were provided for fiscal year 1974, although the carried over funds for fiscal 1972 and 1973 will be used for a relatively minor amount of

construction. Also the Congress has directed obligation of an additional $2,560,000 in fiscal 1974 for planning and construction.

It is not sensible to prolong this project year after year, leaving it as a facility that is usable only in intermittent stretches. The citizens who attempt to use this parkway for the intended purposes must inevitably receive a very unsatisfactory impression of the consistency of Federal policies.

There is a National Park Service 5-year plan for completion of the parkway, at a cost of $80.5 million. Planning and rights of way acquisition are such that over 25 miles of parkway can be contracted for construction in from 60 to 90 days, at a cost of $18 million.

Mr. President, at one time there was a firm target date to complete the Natchez Trace Parkway in 1966. I believe that it is time that another firm target date be established and recognized in the budget. I strongly urge that the 5-year plan for completion of the Natchez Trace be adopted, and that funds be provided in the next supplemental budget submission to initiate this final 5-year construction period and complete the Natchez Trace Parkway.

PROPANE GAS

Mr. HOLLINGS. Mr. President, in recent months the price of propane has increased beyond all reason. Thousands of families in my State of South Carolina depend on propane for cooking, for hot water, for heating. In only a few months the price of propane has more than tripled. Many people just do not have the money to pay these fantastic prices. Many have had to go without other necessities to keep from freezing. Propane gas has increased in price by up to 300 percent in the last 9 months, and the oil industry now enjoys huge profits often at the expense of the very people who are least able to fight back, the poor and those on fixed incomes, such as the retired who are dependent on social security. There is widespread uncertainty as to why propane prices happened to rise so sharply and disproportionately.

What has happened is, in fact, obvious. The oil companies have been pressured by the executive branch to hold down prices of more visible products such as fuel oil, gasoline, and diesel. But for less visible products such as propane—a product which is used extensively by the least visible Americans—the prices have been permitted to rise unrestrained.

In Oklahoma, the cost to the homeowner for 1 gallon of propane last year was 12 cents a gallon. Now it is 37 to 40 cents a gallon. In Georgia, the price per gallon of propane at the distributor level has gone up over the year from 5 cents a gallon to 21 cents.

These price rises are being repeated throughout the South. People are quite literally going without heat in their homes.

Because the users of propane gas for home heating fuel are largely rural and poor these consumers are being victimized. Profits which the industry cannot make in the sale of more closely watched petroleum products are being earned with a vengeance in propane.

As the price of propane has gone up, very poor families have bought less of the fuel. Where once they bought propane sufficient to fill their tanks on a monthly basis, now they are buying only a half or a quarter tank.

The distributors tell us that there is no shortage of propane. The National LP Gas Association contradicts FEO's assertion that there is an acute propane shortage, and says it can supply all its traditional customers. Petrolane, the largest domestic marketer, says its stocks are 12 percent higher than a year ago, but the cost of the products it gets from refiners has increased 400 percent from a year ago.

The problem with propane prices is that the dollar-for-dollar passthrough in the Petroleum Allocation Act has not been applied proportionally to all petroleum products. The average prices of refined products have increased 30 to 50 percent, but some items like propane have been allowed to increase many times more.

On January 30, FEO proposed controls on propane prices for the first time, but these are just directed to controlling future increases, and prices are already much too high.

Section 110 of the conference report provides for the prohibition of inequitable prices. It attacks the root of the problem, crude oil prices that are beyond all reason. It requires that the rollback of exorbitant crude oil prices and the freezing of all at a realistic level. The saving will be passed to the consumers of petroleum products. The conference report makes particular mention of propane. That passthrough is specified as follows in section 110(a):

> (4) The regulation under subsection (a) of this section shall be amended so as to provide that any reduction in the price of crude oil (or any classification thereof), of residual fuel oil, or of a refined petroleum product (including propane) resulting from the provisions of this subsection is passed through on a dollar-for-dollar basis to any subsequent purchaser, reseller, or final consumer in the United States. Such passthrough of price reductions shall, to the extent practicable and consistent with the objectives of this section, be allocated among products refined from such crude oil on a proportional basis, taking into consideration historical price relations among such products.

At the suggestion of the distinguished Senator from Arizona, the report amplifies on page 63 the conferees' intent in specifying the allocation of price reduction passthrough considering historical price relations among sellers. That amplification states:

> Such proportional distribution of the passthrough shall be established on the basis of historical sales, using as the base period 1972, the same as that set out under the Emergency Petroleum Allocation Act.

I was a member of the conference on S. 2589. I can assure my colleagues that section 110 was drafted with great care and deliberation. The conferees well understood the need for incentives to stimulate domestic oil production. But of greater importance, they understood the urgent need to bring to an end the widespread inequity which has arisen from today's soaring petroleum prices. The specific provision for a passthrough of crude oil price savings to propane users was made because it is they, the rural, the retired, and the Americans of limited means, who more than any others have been the victims of that inequity.

Section 110 insures adequate capital to develop U.S. energy self-sufficiency, but it also insures that this goal will not be attained at the expense of the health and welfare of millions of Americans.

For that reason, I support section 110. I support the conference report and I urge my colleagues to vote for it.

ASCAP'S 60TH BIRTHDAY

Mr. MATHIAS. Mr. President, on February 13 the American Society of Composers, Authors, and Publishers will celebrate its 60th birthday. It is appropriate that Congress should recognize the event and join in this celebration in recognition of what ASCAP members have given to our Nation. It relates directly to 22,000 ASCAP members representing all the States of the Union and indirectly to all Americans who enjoy their works on the stage, the screen, radio, television, and other media.

ASCAP was founded to protect the interests of U.S. composers, lyricists, and music publishers by seeking respect for the Copyright Act passed by Congress in 1909. Some of the charter members that first year included Irving Berlin, Victor Herbert, John Philip Sousa, Jerome Kern, Rudolf Friml, and Otto Harbach. The size and spectrum of ASCAP have grown over the years. A few of the better known members whose works America has enjoyed are Richard Rodgers, Burt Bacharach, and Hal David, Neil Diamond, Harold Arlen, Cole Porter, Duke Ellington, Aaron Copland, Jerome Kern, Dorothy Fields, Leonard Bernstein, Henry Mancini, Jimmy McHugh, Stevie Wonder, Samuel Barber, George and Ira Gershwin, Bob Dylan, Louis Armstrong, Smokey Robinson, Morton Gould, and such fine country writers as Jimmy Rodgers, Vaughn Horton, Hank Thompson, Fred Rose, and Bob Wills.

There are thousands of other ASCAP members who have contributed to American music. Some have created church music, some works for ballet or chamber groups, others symphonies and operas and many popular songs of every type. These thousands and their families—including their widows and children—have been able to continue to create for America through the performing rights income that ASCAP has collected on their behalf.

ASCAP's early years were difficult, for there was reluctance to obey the mandate of Congress although users of music for profit in other lands had long been taking out licenses under similar copyright statutes. ASCAP had to fight long and costly legal battles until January 22, 1917, when Supreme Court Justice Oliver Wendell Holmes affirmed the licensing of performing rights to music. The struggling infant had more legal re-

sistance for years, grew slowly to a healthy national organization with offices in 15 States. Today, income from performing rights is a vital part of the musical creator's livelihood. Without it, many talented men and women of all races and creeds simply could not afford to write music or lyrics.

America's creators owe a debt to that 1909 Congress which passed that copyright statute, and today's Congress owes them an obligation to modernize the 1909 law. But we can all agree that all Americans owe a great debt to the men and women who have made our music a marvel for the world to respect and enjoy.

THE PRESIDENT'S BUDGET MESSAGE: SOME CONCERNS ON HOUSING FOR THE ELDERLY

Mr. WILLIAMS. Mr. President, I have mixed reactions to the administration's 1975 budget message as it affects housing for older persons.

I am pleased to know that a substantial number of housing units will be approved for construction by the Department of Housing and Urban Development in the months ahead. Specifically, the budget calls for the approval of 300,000 units during fiscal year 1975 under the revised section 23 leased housing program which would provide for new construction and the utilization of existing buildings. This is welcome news following a year of housing moratoriums on all the programs that have been of assistance to low-income elderly.

While I know that the section 23 program has, in the past, proved very successful in assisting older persons, it is not yet clear what effect the "revised" section 23 program will have. As originally promulgated, the new regulations for section 23 gave priority to building applications which planned to lease not more than 20 percent of the units in a single project. Such a regulation, for a multitude of reasons, would have a very damaging effect to building for the elderly under section 23. I am pleased to know that Secretary Lynn intends to change that regulation to permit 100 percent of the units to be subsidized in a project for the elderly or handicapped.

I am also aware that Secretary Lynn intends to reserve for the elderly and handicapped about 25 percent of the contract authority that will become available under section 23. While I am pleased to know that a certain percentage of this authority will be thus set aside, I would hope that this level will not work as a maximum limit. The demand for specially designed housing units for the elderly is growing at such a rapid rate that it could consume the full contract authority available with little trouble.

In relying on the new section 23 leased housing program as the major vehicle for subsidy, the President has removed from consideration the programs that, in the past, have been used by nonprofit sponsors to build housing for older Americans.

I am well aware that the nonprofit sponsors in this country are greatly disturbed by this turn of events. Gone from consideration are the programs that they so successfully utilized for the elderly: Section 202, section 236, and section 221 (d)(3) with rent supplement. And we are not talking about a small contribution. Labor unions, religious organizations, and a multitude of service and community organizations have put time, money, and talent on the line—often with no compensation—to answer their community's need for housing the aged. They have produced some of the best subsidized housing that America has ever seen. They have a proven track record of success. They have a proven track record of dedication and followthrough. And they are anxious to do more, lots more, and they are ready to begin right away. It will be a shame if their talents and experience are not utilized in the future.

With the old programs gone, the nonprofits have taken a hard look at the new section 23, and they are unhappy. Because all applications must be made by bid to the local housing authority in the area to be served, the nonprofits are afraid that they will not be able to compete with local developers who have the backlog of capital and expertise at their fingertips from their work on other projects. In comparison, the nonprofit sponsor often does not have the seed money to begin.

I understand that the Department of Housing and Urban Development is seeking through legislation to deal directly with nonprofit sponsors through the section 23 program. This is encouraging, but final legislation may be a long way off, and the nonprofits have been idled reluctantly already by a year-long housing freeze.

It has also come to my attention that HUD is considering a proposal whereby nonprofit sponsors could make application directly to State housing finance agencies. While this is certainly a worthwhile proposal, there are a limited number of State housing finance agencies in full gear that will be able to respond to this program. In fact, between 15 and 20 States do not even have such an agency. In those States, nonprofit sponsors may be effectively cut off from active participation in subsidized housing for the elderly. I would certainly hope that full consideration will be made in the coming weeks to find ways to channel the proven experience of these dedicated groups into the section 23 program.

Finally, I must also express my concern over the lack of any money set aside for funding security programs in HUD-assisted housing.

The problems of crime and vandalism in housing have not gone away, and there continues to be an urgent need for earmarked, ongoing funding for successful security programs now underway, and for badly needed programs that have been unable to begin for lack of money. The administration continues to recognize this need with words, and yet refuses to commit any resources.

The Senate Housing Subcommittee has been more responsive to this need. In reporting out its major housing bill on February 7, 1974, the subcommittee included provision for $10 million specially earmarked for security for fiscal year 1975, and $15 million for 1976.

The subcommittee has also approved $51.5 million for the revised section 202 housing program. This amount if made available, would generate approximately $1.25 billion in direct loans under the National Elderly and Handicapped Housing Loan Fund, as approved by the subcommittee. This approach, in the past, has provided a very popular vehicle to nonprofit sponsors for the development of housing for the elderly.

THE MILITARY DICTATORSHIP IN CHILE

Mr. ABOUREZK. Mr. President, I wish to associate myself with the remarks of the distinguished Senator from Massachusetts, Senator KENNEDY, on Tuesday, February 6.

Senator KENNEDY expressed his concern about the activities of the military dictatorship currently in power in Chile and about our relationship to that government. I support his position and add my voice to his questioning the State Department about this country's policy toward governments that suppress the most basic of human rights and practice torture on political prisoners routinely.

The evidence of torture and brutality carried out by the regime in Chile is abundant and shocking. Thousands of people have been murdered by this group during and after their illegal takeover. During the term of President Allende, the legitimately elected president of Chile, our policy was to cut off aid, credit, and support of all types except to the Chilean military. This aid was then used as a lethal tool against the Chilean people and even now, continues to service the forces of torture and repression.

I hope that more Members of Congress, like Senator KENNEDY, will ask Dr. Kissinger to clarify our policy on aid and friendship to governments that have neither legitimacy nor popular support and rely only on brutality and torture to maintain their very existence.

Such is the present government of Chile and I find it shocking and immoral that our Government is helping this band of dictators to maintain themselves. Following the example of Senator KENNEDY, I am writing a letter of inquiry on this matter to the Secretary of State.

THE 1975 BUDGET FOR FORESTRY INCENTIVES

Mr. STENNIS. Mr. President, I am gratified that the Forestry Incentives Act, which I originally introduced and which was passed by Congress and became law in August 1973, has been funded in the administration's budget for fiscal year 1975.

The budget requests $25 million for the Forestry Incentives program. This is the full amount of the annual authorization for this program. Together with the $12 million that has already been made available for the program from fiscal year 1974 money, this will give us a start on this important endeavor. The program will need additional time and more money before we can really say that appreciable progress is being made, but what is now in prospect for this year and next year will give us a good strong start.

The Forestry Incentives Act provides incentives to small landowners to plant seedling trees and to improve their existing stands of timber. This law is very important to all timber producing States. It will mean a great deal to the State of Mississippi, where our forests are producing their second crop and must now produce their third, which will largely come from privately owned small nonindustrial tracts.

There is a total of a little more than 30 million acres of land in Mississippi, of which 17 million acres, or about 56 percent, is in forest lands. More than half our natural assets, in terms of land area, is devoted to the raising of forests. Of the forest land, about a quarter is in Federal, State, and industrial ownership, and generally speaking, timber production on these lands is quite good. The other three-quarters of the forest land is in small private ownerships. There are about 133,000 owners, with holdings averaging 95 acres each, and forestry programs can substantially improve production on these tracts. About 5 million acres that are now idle can eventually be reforested, and on another 6.5 million acres the timber stands can be improved.

The demands for wood in our Nation are expected to double in the next 30 years. The most informed opinions and projections show that a very large part of it must be grown in the pine and hardwood forests of the South. The demands for timber are going to be very large, and this being the case, it is clear that the increased production will have to come for the most part from the forest lands in small, privately owned tracts. If this is to come about, there will have to be a continuing program, funded every year, which will provide the small owner and the incentives that have so far been lacking. It is that lack which heretofore has accounted for the relatively low production on these kinds of lands.

This is what is provided by the program authorized by the Forestry Incentives Act.

Mr. President, it is very encouraging that the budget request is for the full amount of the annual authorization, $25 million. I am sure that there must have been many constraints faced by the Department of Agriculture in preparing their budget, and I want to commend Secretary Butz for giving the forestry incentives program a deservedly high priority and funding it in full. This is further evidence of the fact that Secretary Butz has a comprehensive view and insight into the future needs of our Nation and that he looks after all our areas of the Nation and all segments of agriculture. His record as Secretary is outstanding.

COMMUNICATION THROUGH THE MASS MEDIA

Mr. METCALF. Mr. President, shortly before the holiday recess, I announced hearings by the Joint Committee on Congressional Operations, to examine the ways that Congress might improve its capability of communicating with the American people through the mass media.

These hearings, opening February 20, will consider among others the following questions:

First. How can the role of Congress be more fully and accurately covered in the news media?

Second. How can spokesmen for Congress gain direct access more readily to the broadcast media to present congressional viewpoints on issues?

Third. What additional facilities, staff and other supporting services, if any, are required to provide Congress with more adequate institutional capability in the area of mass communications?

Our purpose in the hearings is not to build a case for a particular point of view or a specific course of action, but to provide Members of Congress with a body of information on these important questions. We hope to have the participation of a broad and representative cross section of Members of the Senate and the House, and will also receive testimony from:

Representatives from State legislatures and local broadcast stations that have covered State legislative activities;

Representatives of the network news organizations and the print media, public television and radio, and local broadcasters;

Representatives of other institutions, such as the United Nations, which have established procedures for broadcast media coverage of their national legislature;

Private individuals, such as academicians, survey research analysts, and experts in communications law, to discuss the likely effect of greater media coverage of congressional activities.

We have scheduled 4 days of hearings, February 20 and 21, and March 7, and 12. Senators wishing to testify may have their staffs call the Joint Committee extension No. 58267 for additional details on these hearings.

Mr. President, the New York Times recently carried an article describing one aspect—the question of television coverage of floor proceedings—of the subject we will be exploring in our hearings on Congress and the media. I ask unanimous consent that this article, entitled "Congress Weighs Televising Itself," be printed in the RECORD.

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

CONGRESS WEIGHS TELEVISING ITSELF

(By Warren Weaver, Jr.)

WASHINGTON, February 2.—After years of isolation and indecision, Congress is finally making a serious study of permitting radio and television to broadcast part or all of Senate and House sessions.

Advocates of such broadcasting argue that it would increase public understanding and recognition of Congress and help counterbalance the immense political advantage that any President can realize by commandeering air time on the networks.

In the past, many members of both houses have resisted letting the media broadcast from the chambers on the ground that the public would misunderstand the proceedings. But there are signs that the desire for favorable Congressional publicity may at last overcome fearful opposition.

Later this month, the Joint Committee on Congressional Operations will open hearings on whether news cameras and microphones should be admitted to the sacrosanct halls and how Congressional leaders may obtain better access to the broadcast media to publicize the legislative viewpoint.

LETTER TO MEMBERS

Senator Lee Metcalf, Democrat of Montana, chairman of the committee, emphasized in a letter to all members of Congress this week that the hearings were not intended to "make the case for a particular point of view or a specific course of action" but to explore the politically sensitive issues involved.

Television cameras are permitted in the House chamber once a year for the joint session at which the President delivers his State of the Union Message, as he did last Wednesday, and also for heads of state and other dignitaries. But no coverage of legislative activity on the floor has ever been permitted, only hearings such as those of the Senate Watergate committee.

Hostility toward any sort of photographic intrusion has been so intense in the past that still cameras have been admitted only once to each chamber, both in the 1963 session, when the members posed ceremonially at their desks for a formal panoramic view.

The Metcalf committee has circulated to all Senators and Representatives a background study called "Congress and Mass Communications." The 80-page report carefully avoids any endorsement of broadcasting floor debates and voting but presents a number of cogent arguments in favor of such a policy.

REPORT IS PREPARED

John G. Stewart, former director of communications of the Democratic National Committee, prepared the report for the Library of Congress Congressional Research Service. He is now serving as a consultant to the committee, preparing for its Feb. 20 hearings.

"A decision by Congress to permit some form of television and radio coverage of floor proceedings," the report says, "would produce broader and more informative news coverage of the institution.

"It is to be hoped that citizens would begin to acquire a new sense of Congress's institutional role by witnessing the legislative process in operation and by seeing their elected representatives openly conduct the public's business."

No one expects that commercial television would undertake gavel-to-gavel coverage of either house, except during a debate of extraordinary importance. Some authorities believe, however, that public television and radio might eventually provide such service.

PERMITTED IN STATES

More likely the networks would use film clips of Senate and House proceedings in their nightly news programs and as part of periodic documentaries on various issues. Upon occasion, a network might choose to interrupt its regular schedule to broadcast live the close of debate and the voting on a major bill.

The Library of Congress report says that two dozen states now permit radio and television to cover their legislatures on a daily basis. The United Nations provides comprehensive coverage of all its working sessions. A half-dozen European countries and Australia permit some form of televising their national legislatures.

The report recognizes the fear that "some members would play to the cameras in an attempt to appeal favorably to their constituents" if radio and television were allowed to broadcast proceedings in the two chambers.

Some supporters of the broadcasting reform believe that showboating would be less of a problem if the full sessions were routinely telecast by public broadcasting and the members were not aware when the commercial networks were cutting in and out.

OPERATION MANGLE IS UNDERWAY

Mr. ABOUREZK. Mr. President, the administration that brought us "Vietnamization," "New Federalism," "Operation Candor" and "Phases I-IV" seems to be laboring to bring forth still another creation.

Since the official announcement has not yet been made, we do not have a name for it even though it is underway. For the time being, I shall call it "Operation Mangle."

Operation Mangle is targeted toward some of the bureaucracies which administer Federal social programs.

It amounts to phase II of open warfare against the social programs. Phase I is the budget message.

Operation Mangle is considerably more subtle. Instead of the outright ax, whose blade has been dulled by the courts, Operation Mangle seeks to smother the social programs in a tangle of bureaucratic dysfunction.

Operation Mangle employs three basic techniques.

If you can get away with it, the first and best technique is to strap the programs with regulations which are administratively unworkable or else contrary to the legislated intent of the programs.

I have some examples of this.

Failing that, the second technique is "decentralization." This one travels with much rhetorical banter about moving decisionmaking closer to the grass roots. To analyze whether a given decentralization plan is a part of Operation Mangle, it is necessary to separate good intentions from ruinous effects.

When conducted as part of Operation Mangle, decentralization amounts to a corruption of the New Left's "Power to the People" rhetoric.

It does not really move power back to the people. It merely transfers power from one administration appointee to another. It may in fact work the opposite of its advertised effect. It may actually serve to accelerate executive power by fragmenting accountability, facilitating buck-passing and frustrating Congressional oversight. By fractionalizing program management, it seems to invite bad management.

Operation Mangle's third technique is reorganization. Although reorganization is not as effective as the others, it does take its toll.

If you reorganize a bureaucracy once and find to your dismay that it is still managing to make progress you do not like, why, you can always reorganize it again.

Reorganization travels with much rhetoric about streamlining management, a goal no one disputes, one to be commended if that is what it really does. Again, it is important to separate good intentions from ruinous effects.

When used in conjunction with Operation Mangle, reorganization serves to isolate dedicated career employes from the action, to short-circuit debate within an agency management structure and to bypass the expertise of agency employees who support the legislated intent of the programs.

When Operation Mangle has been successful, these will be the results:

Demoralized career bureaucrats, high agency turnover rates;

Gargantuan struggles over administrative regulations;

New and disfunctional layers of bureaucratic structure.

Sooner or later the programs will begin to crumble in such an atmosphere, making them ripe for all-out political attack.

I have several examples of Operation Mangle in its various stages of implementation. For the most part, it seems to be targeted toward programs intended to help low- and moderate-income Americans.

One of the beauties of the tactic is that it can be largely hidden from the view of the public and the Congress. If they do find out about it, generally it is too late to do anything.

Fortunately, a trained observer can spot the early warning signs of Operation Mangle. There are several early symptoms.

The most obvious one is a heavy infiltration of consultants, management experts, and political hacks into the targeted bureaucracy. This symptom is clear at first, but it fades from view as the imported talent creates and then assumes high-paying, fancy-sounding jobs on the civil service payroll.

Some of the more hardened observers of Operation Mangle consider this influx of management consultants and computer whiz kids to be a sign that the gravy train is drying up at the Pentagon and in NASA.

A number of cases would seem to substantiate the point. In fairness, though, there is another side to the coin: Improved management is desperately needed in many domestic programs. To the extent these experts offer useful management tools to minimize waste and maximize the bang for the buck, all well and good.

Again I emphasize that it is necessary to separate good intentions from ruinous effects. The importation of expensive management advice should be put to building up good management within the organization. It should not be a cover for taking the joint apart.

There is a fair question to be asked whenever these imported management-computer consultants are put in charge of the social programs. Do they know what the programs are all about? Do they share the goal?

If this influx does represent Operation Mangle, before it has completely faded there are likely to be some violations alleged against Federal personnel procedures.

Consultants are not supposed to make operating decisions nor directly administer the agency. When they do, it is a good sign that Operation Mangle is underway.

For Operation Mangle's purposes, it is necessary to import outsiders because people who have given their careers to these programs generally are not willing to contribute to their destruction.

Operation Mangle is at its most advanced stage at the Office of Economic Opportunity. That agency has been drawn and quartered. Its good programs were sent hither and yon to various agencies, and it is only a matter of time until the central purpose—a mandate to serve the poor—will be dead.

It began at OEO as a series of reorganizations. In rapid succession, Phil Sanchez was followed as director by Donald Rumsfeld, Frank Carlucci, Howard Phillips, and Alvin Arnett. Each brought a new "reorganization" plan to the agency and a crew of outsiders to implement it.

When the morale of career employees at OEO triumphed by making progress possible despite the odds, it was time to roll out the big guns.

Enter Howard Phillips, former Young American for Freedom, with a large crew of management consultants, refugees from CREEP, people from the intelligence services, and a handful of political hacks—the management team which finally succeeded in strapping OEO to the rack.

The job at OEO was often clumsy and at various times would appear to have been stretching the law, but by and large the goal was accomplished. What remains is a mopping up operation.

As it says in the budget appendix released this week, "Included in the 1975 request for HEW is $33 million to insure the orderly phaseout of outstanding grants and contracts of discontinued activities" of OEO.

Whether willingly or reluctantly, the Civil Service Commission can generally be characterized as having been a partner in the process. It has not been exactly speedy and ruthless in its protection of the rights and prerogatives of career civil servants who take the first blows dealt by Operation Mangle.

Two examples come to mind of the strategy to kill programs by writing unworkable regulations.

One is the Rural Development Act. What a tortured process, trying to convert the program to revenue sharing, dragging every step of the way to get the regulations issued. Finally Congress intervened.

The other is the rural housing program in the Farmers Home Administration at USDA, an agency choked for administrative funds—part of the blame for this belongs to Congress.

The initial stroke came when the new administrator, a retired Air Force general whose previous speciality reportedly had been the phasing out of air bases, issued a set of priorities which did not include the word "housing" despite the fact that his agency is the primary vehicle for subsidized mortgage credit in rural America.

Then, in December, orders were issued to spend half of the rural housing funds on "existing" housing.

This was a subtle move. Farmers Home has of late suffered an excruciating manpower bind, one exacerbated by the sweeping new responsibilities of the Rural Development Act during a 10-percent staff cut.

Writing loans for existing housing requires far more of this limited manpower than do loans for new construction.

Besides, there is no meaningful estimation as to just how much of rural America's existing housing stock readily lends itself to such an approach. Neither HUD nor Farmers Home admits to hav-

ing decent figures, and most outside experts think the problem in rural America is a lack of adequate housing stock in the first place, which argues strongly for a program oriented toward new construction, which is what the program had been until December.

I am certain that other Senators have seen similar examples.

I am not yet ready to characterize what is happening in the Department of Housing and Urban Development as being an example of Operation Mangle, but I will present the following scenario for what it might be worth:

We begin with the widely-accepted premise that HUD is plenty difficult to manage, a general acceptance that something needed doing.

HUD underwent a reorganization or two, and in the process suffered not infrequent turnover in its higher echelons.

Somewhere along the road they got into the business of decentralization, for better or for worse.

Then we witnessed a savage, bitter attack on the programs in the wake of some horrible scandals in a few of them.

There followed a wholesale freeze of the funds and a variety of embarrassing little incidents, such as one employee having discovered that conclusions for one study of the programs had been all but written before the study was begun.

Regrettably, that study found no basis for the conclusions which preceded it.

At enormous costs in time and money, the process culminated when recommendations resulting from all this study were flatly rejected by the White House.

I am now given to understand that the words lethargy and frustration must be used to give a complete account of the atmosphere at HUD.

Today, however, I would like to call your attention to a particularly outstanding example of Operation Mangle in action.

As you might expect, the targeted victims are the welfare programs—specifically, the programs of the social and rehabilitation service in HEW, which administers aid to dependent families, community services, medicaid, and rehabilitation programs.

SRS is getting the brunt of what is euphemistically called new management at HEW.

The story really began in February of 1969, when Operation Mangle was launched by Presidential directives urging departments and agencies engaged in the administration of social programs to decentralize their management. It was called New Federalism.

I leap forward to March 6, 1973, when HEW Secretary Weinberger issued a memorandum to his assistant secretaries and agency heads.

The thrust of the memo was to urge them to redelegate decisionmaking authority to regional offices.

The administrators were given a frank warning:

> The progress which you make in the months ahead to foster meaningful decentralization will be one of the primary indicators by which your effectiveness as managers will be judged.

The memo also contained the astounding dictum that: "We should not impose upon those who seek to decentralize the burden of proving its efficacy."

Twenty days after that one, HEW's assistant secretaries, agency heads, regional directors, and office heads received further instructions on the subject from an undersecretary named Frank Carlucci.

Observers of the early Operation Mangle machinations at OEO will recall Mr. Carlucci as being among that string of OEO directors back when a top White House adviser was urging a policy of "benign neglect" toward the Nation's poor and minorities.

The Carlucci memorandum outlined an administrative model for decentralization, and contained a number of interesting admonitions.

Basically it instructed administrators to come up with a plan for decentralization by May 1.

It contained these items of interest:

> If a legislative obstacle exists, a complete legal opinion should be provided. Where obstacles can effectively be changed, a plan for such action should be included.

Translation: If there are any legal roadblocks, see if the lawyers can figure a way around them.

The memo admitted that there would be some exceptions to decentralization, but warned administrators that there would be a category of things called nonacceptable exceptions.

One item listed as a "nonacceptable exception" was "external considerations." The explanation of them:

> Resistance to change may come from special interest groups and the Congress. In those cases, agencies and OS (Office of the Secretary) will work on a case-by-case basis to facilitate understanding and resolve concerns.

Another line from the March 6 Weinberger memorandum sheds light on the meaning of this:

> We cannot afford to place decentralization low in the order of our management priorities or permit it to become a subject of debate or inaction.

Taken together, the translation is: They may slow us down, but they would not stop us.

Along about this time, the Department's career employees began sensing change in the wind.

Their union, Local No. 41 of the American Federation of Government Employees, sent a letter to SRS Administrator James Dwight, Jr., on July 9 demanding to see a written report on the reorganization plans.

The letter pointed out numerous provisions of the local's contract with SRS which provide for advance notification of reorganization plans and other provisions governing the transfer or proposed transfer of employees.

On August 1, Mr. Dwight sent the union a flat denial that any kind of reorganization was underway:

> You can be assured that there are no plans contemplated involving major or sweeping reorganization for SRS.

This was flabbergasting, because Dwight had met Carlucci's May 1 deadline with a plan for an overall 40 percent cut in the four basic program operating divisions of SRS.

One interesting sidelight is an apparently direct line between Operation Mangle at OEO and Operation Mangle at SRS. The SRS division hit hardest by the Dwight plan was the Community Services Administration, whose programs —child care, day care, foster care, homemaker services, a sort of legal services component and child abuse and neglect programs—bear direct resemblance to many OEO programs.

As I said, the Community Services Division took the toughest beating in the Dwight plan. Not only that, it underwent a turnover of five acting commissioners in 18 months and for that same 18 months operated under what was happily called a "provisional organizational structure."

During that process, Congress rejected proposed new program regulations for CSA not once, but twice.

The Dwight plan also contained the seeds of a purge of the SRS career staff. It said:

> In no case is there a direct one for one shift of Central Office personnel to Regional Offices taking place since there are no discrete functions that can be moved intact to regions. Our job, therefore, is not one of planning the physical moves of people and materials, but one of identifying positions than can be declared excess.

As I said, this Mr. Dwight is an interesting character. Much later, in December, Jack Anderson's column, the Washington Merry-Go-Round, carried the following item which may be of interest:

> Welfare for Executives: Social and Rehabilitation Administrator James S. Dwight, who has declared his determination to whittle down the welfare rolls, doesn't mind taking a little welfare for himself.
>
> While he cracks down on the poor, he is installing plush carpet, tinted glass, sliding doors, a floor-to-ceiling bookcase and other fancy fixtures in his own bureaucratic domain.
>
> He has brought four commissioners into his executive wing to share the luxurious layout with him. Our sources, who have shown us some of the job orders, say the new offices were supposed to be embellished with striped, color-coded wallpaper, which would denote the VIP status of the occupants.
>
> An official spokesman, while admitting the renovations, denied that the color patterns were supposed to reflect the importance of the officials who got the new wallpaper.
>
> The fancy remodeling will cost the taxpayers $120,000.

Between the time the Carlucci memorandum was issued and about January 3 of this year, there apparently was a real flurry of systems planning, scientific management and Lord knows what else underway in SRS.

It is worth noting that during that time the Senate denied a fiscal year 1974 HEW request for 725 new positions for SRS.

According to HEW's budget request, those new positions were critical to "the process of a major reorganization to strengthen the Department's capacity to manage the programs more effectively" and to assure an active "role in review and approval of State program management" so that "eligibility procedures and regulations are improved."

Of the 725 slots, 565 were to go to the regional offices.

The fact that decentralization appears to be proceeding full steam would seem

to flaunt the spirit of intent expressed by the Senate in denying those positions, also expressed in Senate committee report language for fiscal 1974 appropriations.

The significance of that talk about reviewing and approving State program management for eligibility procedures may be lost on some ears; it seems that this Mr. Dwight acquired himself quite a reputation as a ruthless trimmer of welfare rolls under Governor Ronald Reagan.

Still another incident may help Senators to distinguish between good intentions and ruinous effects.

Long after OMB removed its freeze on promotions, Administrator Dwight kept his intact. He also imposed a freeze on hirings. Taken together, the policies encouraged dedicated young employees to abandon ship and make it impossible to replace them.

When Dwight's freeze did thaw, it became merely a hard frost instead of a freeze. Dwight released 150 promotion points and gave regional offices a 3 to 1 advantage in their use.

For CSA, again hardest hit, it meant that 3 or 4 promotions had to be distributed among more than 100 employees.

After the regional offices, the next largest category of promotion points went to categories called "planning, research, and evaluation; information systems; and management." The significance of this point will become clear in a few moments.

As I said earlier, an influx of consultants, imported talent and political hacks is an early warning sign of Operation Mangle.

A reporter named Inderjit Badhwar wrote a story titled "Consultants in the Saddle" which appeared in the Federal Times of November 7.

I quote from Mr. Badhwar:

> Sources report that under Dwight outside consultants and experts have been encouraged to reorganize the agency and ultimately find jobs for themselves within the new structure. In addition, these same consultants are alleged to have drawn up a staffing pattern for the new organization detailing by name and function employes who will be chosen to fill the new slots. There are 175 slots. The key jobs, Local 41 avers, already have been given to "consultants and their buddies.

One employee called the plan "the most blatant example of preselection ever to occur."

I interject here, for the benefit of the Senators, that preselection of candidates for top administrative positions directly flaunts the merit system of Civil Service.

Mr. Badhwar's article went on to document an instance or two.

All in all, about 30 to 35 consultants were imported, a modest amount when compared to the crew at OEO. Many came from the Computer Sciences Corp., a California-based firm no doubt familiar to Mr. Dwight since it was apparently done quite a bit of work for the Reagan administration.

I understand that CSC has also done quite a bit of work for the Pentagon, and this touches a very important question. I have been told that when it came to HEW, this particular corporation had had very little experience, if any at all, in the area of social services.

Demoralization of career employees began to take its toll. In 10 months the agency lost 20 percent of its staff. For region 9 during the same period, the turnover rate was in the neighborhood of 35 percent.

One little incident says something poignant about all these goings on. Plush carpeting was installed in some of the offices, but the installation was not cleared beforehand with the agency's handicapped employees, many of whom are wheelchair-ridden.

The carpet made wheelchair travel highly difficult, which is an appalling thing to have happen in a building which is supposed to be a model building in the way of amenities for the handicapped, one which houses the agency responsible for Federal programs for the handicapped.

By August or September, some of the plans for the reorganization of SRS were complete. Put into gear in mid-December, in effect what those plans did is insert a layer of about 200 employees between the program operating offices and the agency administrator.

This layer has an amazing organizational chart. Headed by an "Associate Administrator for Information Systems," the various boxes on the chart bear titles like "Office of Systems Planning and Evaluation," "Office of Program Systems Development," "Office of Information Sciences," "Division of Forecasting and Data Analysis," "Division of Data Processing," "Division of Systems Analysis and Design," Office of State Systems Operations," "Division of Technical Assistance," and "Division of Systems Approval."

For the most part, the various offices and divisions will be headed by consultants, ex-consultants, and imported talent.

Commenting on the plan, a union flyer at the time said:

> The AAIS staffing plan shows that certain men have been deliberately pre-selected for top jobs in violation of Civil Service Commission regulations as well as the SRS/union contract.

The facts seem to confirm that charge.

While the process of decentralization is underway, confusion is certain to abound. This happened while OEO was being closed down. The confusion, the frustration, and the buck-passing were enormous.

To give you an indication of this possibility, I quote from a memo dated December 7, 1973, sent by HEW Assistant Secretary for Administration and Management Robert Marik to other assistant secretaries, regional directors, and office heads:

> It should be clearly understood that this process will not culminate in a final sweeping approval or disapproval of entire plans by the Secretary.
>
> For example, within a single plan some programs and functions may be approved for decentralization as presented and others may be approved pending additional planning.

The potential for disruption and chaos is obvious.

Congress began to get wind of the plan. The House Education and Labor Select Subcommitte on Education, chaired by Representative JOHN BRADEMAS, held very instructive hearings on the impact of decentralization on one of the key SRS programs, rehabilitation programs.

In September, Congress passed a new Vocational Rehabilitation Act, which went into effect on December 26, 1973.

The act carried a section specifically forbidding HEW from decentralizing programs of the Rehabilitation Services Administration without first submitting the plan to Congress for approval or disapproval.

A decision memorandum submitted by Assistant Secretary Marik to Secretary Weinberger noted that—

> The new legislation and proposed regulations may significantly affect the present as well as the projected decentralization status of the programs involved and also the reorganization plans of SRS. The law calls into question all present delegations of authority to regional offices for these programs and plans to increase regional office responsibilities for them. It poses a problem for reorganization of SRS regional offices along functional, rather than programmatic lines.

Nonetheless, decentralization seems to be proceeding full steam.

A summary of the revised decentralization plan carried an assertion some of us on Capitol Hill may find startling:

> We plan to give regional offices the following set of responsibilities: approval/disapproval of State plans; acting as the primary source for the interpretation of Federal regulations.

The decision memorandum mentioned a moment ago pointed to some questions raised by counsel as to the decentralization of authority to disapprove State plans: an absence of clear authority to do it that way, likewise no specific prohibition of it, and the knotty problem of providing review and appeals procedures.

Since all Senators are familiar with the problems we already have in trying to make agency regulations and implementation conform to the intent of Congress, nothing needs to be added here with respect to the proposal to make the regional offices "the primary source for the interpretation of Federal regulations."

A chart which came attached to that summary told the dramatic story of what would happen to agency personnel under reorganization and decentralization.

The most significant revelation was a near doubling from 891 people then on board in regional offices to more than 1,600 by the end of fiscal 1974.

There were some other interesting personnel transfers:

Two offices under the Associate Administrator for Policy Control were to be substantially beefed: something called the "Executive Secretariat" would increase from 13 to 54 staff members, and a division known as "Policy Control" would leap from 8 to 58.

The staff of the Associate Administrator for Information Systems would increase from 82 to 147.

Another 60 were added to the office of the Associate Administrator for Management, bringing his total to 280.

Meanwhile, the central office field op-

erations staff would be roughly halved, from 27 to 15 people.

And the really telling tale comes when you look at the central office staffing of plans for the operating offices.

For the Assistant Payments Administration, which handles welfare, staffing would be cut from 152 to 100. For the Community Services Administration, from 128 to 75. For the Medical Services Administration, which administers the multibillion dollar medicaid program, a cut from 181 to 75. For the Rehabilitation Services Administration, a cut from 162 to 125.

Altogether, this plan which purported to "consolidate and streamline" SRS did what would appear to be just the opposite. Instead of cutting the fat, if there was any, it added more than 600 employees, a jump from 2,042 to 2,672.

SRS employees have described the plan to me as being gutting and destructive.

It scatters the experienced, professional career employees to 10 regions or disposes of them altogether.

In key places it substitutes computer experts, management experts, and ex-consultants who may or may not understand what the programs are all about, and who may or may not even agree with their social intents and purposes.

In its implementation, it serves to demoralize the program's career employees, to divert the agency's attention to a continuing, bitter dispute between labor and management, and to work great violence to the civil service competitive merit system.

It greatly frustrates the ability of Congress to oversee and police the implementation of our intent, and in so doing serves as one more instance of erosion of congressional power into executive hands. In some places it may already fly at the spirit and intentions of our legislation.

It would seem to lay the groundwork for real chaos in the administration of these very expensive, much maligned, and often misunderstood programs. In so doing it would seem to fatten them for a devastating political attack by those who have opposed the programs all along.

Most importantly, it is utterly destructive of the notion of a strong Federal mandate on the part of the poor, the downtrodden, the sick, and the handicapped.

I know of no one who would dispute the contention that this administration inherited a set of domestic programs which had plenty of room for improvement.

In this instance and others, though, it would appear that we are giving them just about all the improvement they can stand without collapsing under the weight of so much help.

Improved management is an objective no rational human being would oppose, but I am afraid that much of what is being done to our domestic programs in the name of virtuous management improvement only travels under that label on the way to less virtuous ends.

Mr. President, at this point in the RECORD I ask permission to print a statement by the American Federation of Government Employees, Local 41, which pretty well sums up the whole sordid business:

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

PROPOSED CHANGES IN THE EXISTING AGREEMENT BETWEEN THE SOCIAL AND REHABILITATION SERVICE AND LOCAL 41 OF THE AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES OF AFL-CIO

OPENING STATEMENT [1]

In late November 1973, Local 41 forwarded to the Administrator of the Social and Rehabilitation Service a notification that the Union desired to reopen negotiations rather than to continue, through mutual consent, under the existing Agreement. There are a number of reasons it was felt that this was advisable but the primary reasons included the fact that the Parties to the Agreement obviously had varying interpretations of the Agreement and circumstances in the Agency had reached a point where the Agreement simply was not adequate to deal with the new style of management brought to SRS shortly after the National elections of 1972.

Not long after the election a new "management team" was installed at the Social and Rehabilitation Service. It was soon evident that this new "team's" management style would be characterized by an overriding concern for loyalty, secrecy and security which was coupled with a basic distrust of the career employees who were not recruited by the new "team" or who did not somehow prove their loyalty to the new regime. Of course, the Union and its members, under such circumstances, were by definition not part of the "team."

The reason that this management style is of concern to the Union and to employees is that it is a dysfunctional style of management which has brought discredit and embarrassment to the Agency and has interferred with the achievement of the Agency's mission as prescribed by the authorizing legislation of the programs under the auspices of the Agency. Furthermore, this management style has served to destroy the morale of the career employees. The Headquarters staff has dwindled from 1500 to 1200 since the new "team" arrived and much of this loss has included young employees.

Great embarrassment and discredit have come to this Agency in Congressional testimony by the Administrator. He has been unable to answer basic questions about the programs for which he is accountable. This has reflected poorly on the career employees of SRS who under less exotic management styles would be responsible for fully briefing the Administrator. But a management style based on loyalty and secrecy, and a basic distrust of the career employees does not offer the openness necessary to a thorough briefing. The consequences have been disastrous. Although the Administrator, the rest of the "team" and the Agency in general have suffered embarrassment, the consequences for the programs and the programs' clients are, on the one hand, most important, and, on the other hand, immeasurable.

The dysfunctional aspects of this management style were extremely apparent in the handling of the social service regulations. Only a handful of career personnel in CSA were utilized in the development of the various versions of the regulations. The "team" called the shots and must take responsibility for the fact that two sets of "final" regulations were thrown out by the Congress. The basic rationale behind the various versions of the regulations was that regulations be written to reflect the letter, but not necessarily the spirit of the law. Of course, it was naive to think that the Congress would stand for this and, of course, it didn't. Secrecy was paramount throughout the development of the new regulations. This was necessary, of course, since the career employees could not be "trusted." As it turned out, openness and not secrecy might have spared the Agency this debacle.

The penchant for security was also brought to light during the early struggle over the "first" version of the social service regulations. Although the Secretary's Office must bear some responsibility in this matter, you will recall that heavy security was placed on the South building when the elderly came to exercise their first amendment rights through peaceable assembly against the proposed changes in the adult social service regulations. It was sad to learn that the head of OIS, Nathan Dick, explained to two SRS employees that it was felt that it would be less embarrassing to the Administration to have the heavy security than to have to drag old people out of the building even though, no doubt, the security measures would be perceived as an overreaction.

The overconcern for loyalty has resulted in the subversion of the personnel system. The primary techniques have involved the improper use of consultants and preselection. Not long ago an organizational chart was uncovered by the Union which placed a consultant at the top of a proposed organizational unit, in clear violation of Civil Service regulations. Either he was expected to handle the responsibilities as a consultant (illegal) or he had been preselected for the position (also illegal).

The "team" does not communicate with employees outside the team. There is an extreme elitism about the "team" despite the disasters it has brought to the Agency. For example, only "team" members have a key to one of the elevators which will permit access to the 5th floor. Many employees have never seen their Administrator (he has been here nearly a year now) in a work setting and certainly never have seen him answer a work-related question. Recently, the Acting Commissioner of CSA attended a CSA Christmas party and many employees had no idea who he was. As a matter of fact, many mistakenly thought he was the new Commissioner Designate, Mr. Bruce Wilburn. As it turned out, Mr. Wilburn decided not to join the team.

A management style which relies on loyalty tends to make all acts political in nature. The Combined Federal Campaign becomes an opportunity to enhance one's possible gubernatorial campaign and all employees are given administrative leave to become acquainted with the campaign and to applaud its ultimate success. A Christmas party was held in the South Building for local mentally retarded children. All this from a Department and Agency which has done everything possible to reduce the Federal funding for such groups and such children.

Integrity has special significance in the atmosphere produced by the loyalty-secrecy fetish. Confusion develops over the meaning of loyalty. Are employees ultimately loyal to the Administration, or are they ultimately loyal to the Constitution, the laws and the people when the two are not compatible? When personnel policies are ignored or subverted and when regulations are written to reflect the letter of the law as distinct from the spirit and intent (e.g., the social service regulations), ethics become distorted and respect for and adherence to the law is weakened. What is and is not the public's business or the public's right to know becomes blurred and uncertain. Employees also

[1] After reviewing the attached proposed changes in the existing SRS agreement, the Union felt that an opening statement might help the employer to understand the basic thrust of these changes and thereby facilitate the negotiating process.

become afraid and confused about their rights as citizens when the loyalty-secrecy syndrome predominates primarily because there is no longer any certainty that the law will protect them from the "Party". The law and the "Party" become one and the same.

Another consequence of the loyalty, secrecy, and security syndrome has been the virtual informal and unofficial usurpation by the new "team" of the official duties and responsibilities of many career employees and often nearly entire bureaus (e.g., CSA). The reason for this is obvious in that if one feels that most career employees cannot be trusted, then he must conclude that they cannot be involved in the important work of the Agency. Often the functions have been usurped by consultants whose loyalty, it is felt, is assured. The effect of the usurpation has, on the one hand, been a further destructon of career employee morale and, on the other hand, further embarrassment to the Agency. That is because people outside the Agency don't realize that career employees have often been excluded from the decision-making process and, therefore, expect them to be familiar with policy issues and interpretations. Of course, quite often they are not, and this has to reflect poorly on the Agency.

Perhaps the most basic reason the loyalty, secrecy and security syndrome has proven to be a political and administrative disaster lies in the fact that it relies on anti-democratic and extra-legal measures for its sustenance. This is only one Agency in one Department of the Executive Branch in a democratic government composed of three branches. It is, therefore, a style of management which is doomed to fail.

In spite of this demoralizing atmosphere, the Union is prepared to enter the negotiations in a spirit of good faith. The Union is proposing amendments and additions to the existing contract to assist the Agency in restoring legitimacy to its personnel practices, in restoring pride in the Agency itself, and in instructing all employees about their rights and responsibilities to the Agency.

AFGE LOCAL 41,
January 31, 1974.

To: Caspar Weinberger, Secretary, DHEW; James S. Dwight, Jr., Administrator, SRS; John J. Carrol, Assistant Commissioner for Research and Statistics, ORS; William M. Cornish, Director, PHS Outpatient Clinic; Dr. Edward Perrin, Director, National Center for Health Statistics, HRA.

From: Madeleine Golde, President, AFGE Local 41.

Subject: Notice of intent to file an unfair labor practice charge against the Secretary of DHEW and certain subordinate DHEW management officials for failure to consult, negotiate and confer with Local 41 of the American Federation of Government Employees, AFL-CIO, regarding certain aspects of planned departmental and/or agency reorganization which would impact on Local 41's bargaining units.

Executive Order 11491, as amended, requires the Department to consult, confer, or negotiate with all duly authorized exclusive bargaining agents within the Department regarding personnel policies and practices or other matters affecting general working conditions. Through informal channels, certain documents and information have come to our attention indicating that the Secretary and other DHEW Management officials have developed detailed plans to reorganize the functions, staff and resources of the Department in a manner which will have a serious impact on the Departments program, HEW employees and our respective bargaining units.

UNFAIR LABOR PRACTICE CHARGE

Local 41, AFGE hereby charges the Office of the Secretary (OS), Social and Rehabilitation Service (SRS), Office of Research and Statistics (ORS/SSA), National Center for Health Statistics (NCHS) and the PHS Outpatient Clinic with the unfair labor practice of failing to consult, confer, or negotiate on a continuing basis with Local 41, AFGE, regarding certain aspects of the planned reorganization of the Department and its constituent agencies, including but not limited to, decentralization and regionalization. You are hereby notified that unless the relief requested herein is forthcoming within the next 30 calendar days, Local 41 intends to file an unfair labor practice complaint against the Secretary of DHEW and the other addresses above for failure to consult with us regarding personnel policies and practices and other matters affecting working conditions.

BACKGROUND

Local 41, holds exclusive recognition in the following HEW components: OS, SRS, Office of Research and Statistics (SSA), PHS Outpatient Clinic and the National Center for Health Statistics (HRA). Local 41 has 1,300 employees covered by negotiated agreements (in the Social and Rehabilitation Service and the Office of Research and Statistics, SSA), and is about to begin negotiations for 1,900 Office of the Secretary employees.

In the Secretary's memorandum of March 6, 1973 to Assistant Secretaries and Agency Heads, and in the Under Secretary's memorandum to Assistant Secretaries, Agency Heads, Regional Directors, and Office Heads dated March 26, 1973, regarding the nature of decentralization plans, it was made abundantly clear that the Department had little, if any, intention to consult with Local 41, employees in general, the Congress, or relevant interest groups regarding decentralization and regionalization (See Attachments A and B).

In this regard, management has blatantly violated provisions of the existing Local 41 contracts which provide for prior notification of any reorganizations or transfer of functions. In answer to Local 41's several inquiries on decentralization, the SRS Director of Personnel has said that some decentralization is planned; that few, if any, employees would lose their jobs; and that as soon as he has any information, he will share it with the Local. We have received nothing to date. Yet, we know from our own informal sources there are continuing consultations between SRS and OS officials on the fine points of an SRS decentralization plan. Either the SRS Director of Personnel is deliberately misleading us or higher management officials are hiding the truth from him. Furthermore, on August 1, 1973, SRS Administrator James Dwight wrote Local 41 that "You can be assured there are not plans presently contemplated involving major or sweeping reorganizations for SRS. We have no plans to cut back our work force." (See Attachment C). We received, through informal channels, a copy of the SRS decentralization plan, dated January 3, 1974, and it is apparent that the final plans for other HEW agencies, as well as for SRS, are being prepared without the benefit of consultation with the exclusive representative of employees. (See Attachment D). It is our understanding that the agency decentralization plans will be finalized by mid-February with decision memoranda to be submitted to the Secretary a week or two thereafter.

Furthermore, we continually hear from management officials that nothing has been finally determined. Yet, during the week of January 14, under a contract to Harbridge House, 23 SRS headquarters and regional employees were provided training to facilitate the decentralization process. We know that ultimately 2,000 other HEW employees will be trained to offer their assistance to program managers to facilitate decentralization.

Decentralization of HEW programs will have a major impact on the lives of the employees we represent. The decentralization plan for SRS calls for a 59 percent staff reduction in the Office of Medical Services Administration headquarters staff with only 75 jobs (out of a high of 181 in FY 1973) remaining in Washington. According to the plan, 53 of 128 positions in the Community Services Administration will be moved to the regions—a reduction of 40 percent. Informally, we have learned that 364 positions in the Office of Education will be transferred to the regions, which will include such programs as Title I, ESEA. In addition, we have been told informally that the Special Drug Abuse Grants and Contracts Program in ADAMHA will be decentralized, resulting in approximately 35 of the 48 man-years in headquarters going to the Regions along with 4.7 of the current 5.6 man-years in the Community Assistance Grants for Narcotic Addiction and Drug Abuse Projects also being sent to the Regions.

Although management officials are not obligated to meet and confer with us on matters with respect to the mission of the Agency and, consequently, not required to take in consideration the feeling of many employees that in certain cases decentralization and regionalization will only serve to further fragment programs and to dilute the impact of services to those very people who we espouse to serve, we, nevertheless, are concerned that the Department is blatantly circumventing the intent of Congress to review and evaluate the effects of proposed decentralization and regionalization. As stated by the Senate Committee on Appropriations in their Report on the HEW appropriation bill for FY 1974 (October 2, 1973):

"Internal reorganization and so-called management improvement policies have done little to strengthen HEW. On the contrary, perpetual reorganizations have only served to confuse potential recipients and weaken the morale of HEW employees . . . The Committee cannot help but think the constant shifting of program functions is only intended to give a false sense of movement and vitality to the organization and programs involved."

The Conference Report of the HEW Appropriations, that was signed by the President, states that the Office of Education should "refrain from regionalizing the administration of education programs without prior consultation with both the authorization and appropriation committees of both houses of Congress." Although the Conference Report mentioned only OE programs, clearly the intent of the Appropriation Committees is to insure that any regionalization or decentralization follows careful analysis and will be beneficial in terms of program effectiveness. The Senate Appropriation Committee Report on HEW, October 2, 1973, also states the Committee's deep concern over the dismantling of the Health agencies while the "problem of health care delivery continues to worsen." The intent of Congress to be informed of and involved in reorganization contrasts rather markedly with the Department's policy as stated on March 26, 1973, which views any potential objections from Congress and special interest groups as "nonacceptable exceptions" meaning thereby that their objections may serve to delay decentralization but not to prevent it. (See Attachment B).

RELIEF

At the June 7, 1973 meeting held between the National AFGE Office and various Departmental officials on decentralization, Clyde Webber, National President of AFGE told management that all further negotiations on the issues of decentralization and its

impact on HEW employees should be carried on with the individual locals affected. Therefore, we request the following:

1. The Department and agencies shall refrain from adopting any final decisions on any aspect of any decentralization of any DHEW programs or personnel until Local 41 and the other HEW locals affected have had sufficient opportunity to review the material provided and to discuss the various aspects of the proposed decentralization with management and employees it represents.

2. There shall be a single meeting which shall include each of the employers mentioned above and the representatives of the affected Local 41 bargaining units within two weeks of the receipt of this letter by the Secretary, DHEW. The purpose of the meeting shall be to discuss the exact status of plans for decentralization including, but not limited, to specific programs to be affected; the number of positions of employees to be sent to the Regions or to be otherwise affected; the method to be used for selecting such positions, functions and employees; the method of accomplishing the transfer of functions, positions and employees; the proposed timetable for decentralization, and appeals procedures available to all affected employees.

3. Within one week from the date of this letter, management shall provide to Local 41, at least five copies of all the latest agency decentralization plans and copies of *all* Departmental memoranda regarding all of the items listed above to be included in the discussion at the meeting.

4. Local 41 respectfully requests a written final decision by DHEW management on this charge within 30 days of the above date, as prescribed by the Department of Labor guidelines.

We feel the value of consultation would contribute to harmonious union-management relationships. It is better for all concerned if the workers affected have participated in the decision-making process. An atmosphere of mutual trust is the goal both union and management should be trying to achieve.

Since decentalization is a critical issue to HEW employees and to the people who are the recipients of our programs, we intend to use all our resources and any remedies that are open to us as Federal workers and as citizens to see that HEW employees and the people served are protected to the fullest extent possible.

Therefore, the meeting we have requested above should be scheduled no later than Friday, February 15 to discuss decentralization with representatives from our Local.

ATTACHMENT A

THE SECRETARY OF HEALTH,
EDUCATION, AND WELFARE,
Washington, D.C., March 6, 1973.

Memorandum for Assistant Secretaries and agency heads.

Subject: Decentralization.

I have observed that public organizations function best when decision making authority is placed as close as possible to the point where services are actually being performed. This is particularly true of large agencies such as the Department of Health, Education, and Welfare that administer national programs through field organizations.

In his directive of February 29, 1969, and in subsequent statements, the President has urged that departments and agencies engaged in the administration of social programs or the provision of assistance to State and local governments decentralize their management so as to improve their effectiveness and to facilitate the coordination of Federal activities in the field. While important progress has been made in achieving the decentralization sought by the President, much remains to be done. This is especially true in the Department of Health, Education, and Welfare. The Department must step up its efforts to make decentralization a reality.

By decentralization, I mean the placement of authorities heretofore retained at headquarters in the hands of regional officials of the Department so that those officials can deal directly and significantly with State and local governments and others who do business with HEW. There is also a need for effective collaboration with the regional representatives of other departments and agencies. This can take place only when the people working on the scene can act definitively in the names of their agencies.

We should not impose upon those who seek to decentralize the burden of proving its efficacy. It will be the policy of the Department to decentralize unless there is convincing evidence that such decentralization is incompatible with law or effective administration.

In this regard, I plan to assure that the authority of the Secretary is delegated within the Department to the maximum extent compatible with law and effective direction and control. Generally, this will curtail initial delegations to the Assistant Secretaries and to the heads of the program agencies of the Department. These officials in turn will be expected to effect redelegations to the appropriate field officials wherever practicable. Exceptions will be made only where the nature of the function does not lend itself to decentralized administration. For example, it may be necessary to exempt certain types of research and development or other processes that, by their nature, are most efficiently performed in a single location and, thus, do not lend themselves to decentralized management.

When an Assistant Secretary, Agency Head, or program manager exercises direct supervision over a regional activity or organization, delegations will be made to the appropriate field level under the supervision of the agency. At the same time, we will be reviewing the authority of the Department's Regional Directors to identify functions which can be best administered through field officials reporting to the Secretary.

Under a decentralized management system, the headquarters staff will be able to focus attention on the development and evaluation of policies and programs associated with the mission of the Department. Each official concerned with the implementation of decentralization should, therefore, make certain that the headquarters staffs are streamlined and redirected to reflect the changes in functions being performed. The field offices are to be given the staff, grade structure, and other resources which they will need to exercise their enhanced authority.

I recognize that a number of programs have already been decentralized and that additional actions are underway. We must, however, accelerate our efforts. I shall expect that the programmatic and administrative authorities of the Department shall be lodged in regional officials as rapidly as orderly administration will permit, except where an exception is specifically granted by the Secretary. Each Agency Head and Assistant Secretary is to provide me not later than May 1, 1973, with a plan of how he intends to implement this program. This plan should also include provision for the reallocation of resources to the regions commensurate with the realignment of programs and workloads.

We cannot afford to place decentralization low in the order of our management priorities or permit it to become a subject of debate and inaction. For this reason, the progress which you make in the months ahead to foster meaningful decentralization will be one of the primary indicators by which your effectiveness as managers will be judged.

I shall look to the Under Secretary, assisted by the Assistant Secretary for Administration and the Deputy Under Secretary for Regional Affairs, to provide more detailed guidance and to work with you in assuring the timely execution of the decentralization program.

CASPAR W. WEINBERGER.

ATTACHMENT B

DEPARTMENT OF HEALTH,
EDUCATION, AND WELFARE,
March 26, 1973.

To: Assistant Secretaries, agency heads, regional directors, office heads.

From: Under Secretary.

Subject: Decentralization.

In his March 6 memorandum, the Secretary communicated his position on decentralization policy and strategy. The purpose of my memorandum is to clarify what will be expected from you, particularly in completing your May 1 implementation plan for decentralization.

PROGRAMS

Every program, indicated by its OMB number, should be accounted for in your plan. Programs should fall into one of the following categories: 1) those already included in current priority plans, 2) programs already fully decentralized according to the criteria described below, 3) those programs which will be decentralized (including those that now are only partially decentralized), and 4) proposed exceptions.

In developing decentralization plans, the following definitions should be understood. *Regionalization* is the strengthening of the Office of the Regional Directors to accomplish overall effective management and coordination of Federal activities in the field. *Decentralization* is the movement of the federal role to the Regional Offices or, more specifically, the transfer of certain headquarters functions, authorities and resources to their field counterparts. In formula programs where state participation is legislated, these programs are not considered decentralized until appropriate federal responsibilities have been transferred from headquarters to the regions.

It is important to recognize that decentralization is not simply the movement of functions to the regions, but is also the strengthening of those functions remaining in headquarters. For an example, efforts should be made to develop within headquarters sophisticated, evaluative and reporting mechanisms which will facilitate effective regional operations.

FULL DECENTRALIZATION

A fully decentralized program generally conforms to the following model:

Discretionary programs

Headquarters Responsibility:

national long-range planning

legislative development and Congressional liaison

establishment of broad policies and priorities preparation of the budget

overall program monitoring and evaluations

criteria for funding and resource allocation

development of program policy, regulations, and project guidelines

determination and allocation of personnel to regions

collection of information of national significance, issuance of reports, dissemination of information

training and developmental assistance to regions

Field Office Responsibility:

review and processing of applications (new and continuations)

response to inquiries regarding specific projects

input into training plans

final grant application or loan approval/disapproval authority

final funding approval/disapproval authority

grants administration
services integration and coordination at the state and local level
settling audits and monitoring flow of funds
monitoring and evaluation of specific projects
collection of program and fiscal data
provision of technical assistance and other services to grantee
provision of information and dissemination of effective projects
input into headquarters budget formulation, planning, program evaluation, and policy development, reports issuance, etc.

Formula programs

Headquarters Responsibility:

long-range planning
legislative development and Congressional liaison
establishment of national policy, program regulations, and guidelines
collection of information of national significance, issuance of reports, dissemination of program information
such fiscal responsibilities as may be necessary to allocate monies to Regional Offices and/or states
determination and allocation of personnel to regions

Field Office Responsibility:

review and approval/disapproval of state plans or preprints
awarding of grants
programmatic and fiscal monitoring and evaluation of state efforts as reflected in plans and/or preprints
provision of technical assistance
response to inquiries, dissemination of information
input into development of national policy and budget formulation
fiscal responsibility as may, where possible, be more effectively administered from regional level (allowable state expenditures based on conformance with plans or preprints)

PARTIAL DECENTRALIZATION

A *partially* decentralized discretionary program is one in which all field offices responsibilities outlined above are in the field with the exception of the final grant approval/disapproval and/or final funding approval/disapproval.

A formula program is considered *partially* decentralized when all field office functions are in the regions except approval/disapproval of State plans and/or awarding of grants.

It will be the policy of this Department to decentralize all programs unless there is convincing evidence that such decentralization is incompatible with the law or effective program administration. Written justification should be explicit as to which responsibilities are to remain in the central office, the complete reasoning behind such a recommendation, and what other program responsibilities can be reallocated to the Regional Offices. If a legislative obstacle exists, a complete legal opinion should be provided. Where obstacles can effectively be changed, a plan for such action should be included.

EXEMPTED PROGRAMS

Exceptions will be made only where program functions do not lend themselves to a decentralized administration. Programs excluded should meet the following criteria:

Research programs requiring national competition

Research programs with a national scope may be excluded from full decentralization in order to assure the widest possible competition. Even in national scope programs, however, some functions should be considered for transfer to the field, e.g., technical assistance, preliminary review, monitoring, and dissemination. In less competitive research, where the focus is on developing ways to meet the social needs of a given area, agencies should further decentralize authority and resources such as grant review and approval.

National direct service programs

Programs providing funds directly to individuals, such as student assistance or social security, probably can best be administered by a central check writing facility although eligibility may be determined locally.

NONACCEPTANCE EXCEPTIONS

Certain factors, such as those outlined below, may delay, but do not prevent decentralization.

Programs/new initiatives

Central planning and policy development are required when new programs are established. However, this should not preclude immediate placement of some functions and positions in the regions. Cases where delay is required will be exceptional and will require documentation and approval.

Contrary policy/legislation

Central decision making, such as the use of council review, may be mandated by legislation. In such cases, the appropriate legislative changes should be proposed as part of the decentralization planning process. HEW policy impeding decentralization should be reexamined and revised.

External considerations

Resistance to change may come from special interest groups and the Congress. In those cases, agencies and OS will work on a case-by-case basis to facilitate understanding and resolve concerns.

OS STAFF FUNCTIONS

Every major function performed by an OS staff or administrative office should also be addressed so that appropriate delegations can be made to the Regional Offices. Plans should be of the same detail as required for agency plans.

DEVELOPMENT OF DECENTRALIZATION PLAN

The Secretary has asked that each agency head and assistant secretary provide him with a plan of how this decentralization mandate will be implemented. The plan is to be completed no later than May 1, 1973 and should be a comprehensive plan, not a "plan to plan."

Plans should be specific and outline all required steps to implement decentralization, all individuals responsible for a given step, the specific functions to be delegated to the regions, the reallocation of resources, and the realignment of programs and workloads. The plans should also identify the number of staff currently in headquarters, the number to be reallocated to the regions, and when these positions will be moved. In addition, specific provisions should be made for involving the regions in the planning and implementation process.

It is the responsibility of agency headquarters and OS offices to provide the field with the necessary policies, standards, and procedures to insure the proper administration of decentralized programs.

The Assistant Secretary for Administration and Management and the Deputy Under Secretary for Regional Affairs will assist me in providing more detailed guidance and assistance to you in planning for and executing the Department's decentralization program. A is now reviewing those decentralization plans already submitted and will communicate with you directly regarding their suitability. In addition, A will continue to review progress on the total agency plans required by the Secretary's memorandum of March 6. A's decentralization activities will be coordinated with the Deputy Under Secretary for Regional Affairs and reviewed regularly with the Secretary and myself.

FRANK C. CARLUCCI.

ATTACHMENT C

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE, SOCIAL AND REHABILITATION SERVICE,
Washington, D.C., August 1, 1973.

Mr. RICHARD WALKER,
SRS Vice President AFGE Local 41, Washington, D.C.

DEAR MR. WALKER: Reference is made to your letter of July 9, 1973, requesting our reorganization plans and stating your specific concerns involving a follow-up of a meeting in April 1973 with the then Acting Administrator. Although I can not speak for the Acting Administrator on his discussions with you in April, I do know that he did not have any additional information to share with the employees and Local 41 regarding proposed reorganizations for SRS, therefore, he would have been unable to meet with all SRS employees within a couple of weeks "to answer their questions about such plans and how they would be affected thereby". There was agreement, however, and I wish to reaffirm the agreement, to keep employees and Local 41 fully informed whenever there are substantial and concrete plans that affect the employees of SRS. This will be done in full compliance with the terms of our contract with Local 41.

The meeting that you refer to on June 28 was not a regular meeting of the Union; it was a specifically called meeting, with my knowledge and concurrence, to share with you and your officers some of our preliminary thinking and plans for SRS as well as to answer your letter of June 11 regarding the alleged transfer of 54 positions. A further reason was to put to rest the myths and rumors that you have brought to our attention, with the expectation that you would communicate factual information to the employees of SRS. The information that the Director of Personnel shared with you was not offered as, and in no way should be construed as, a final plan for the reorganization of SRS, which under the terms of our contract requires advance notification and consultation. At that meeting there was a complete discussion provided your staff involving the alleged transfer of 54 positions. Subsequent to that, on the 17th of July a written reply covering the matter was given to the President of Local 41. A copy of that letter is attached herewith.

We do not agree with the contentions in your letter that: "Mr. Hamilton's verbal report is unacceptable as a means of compliance with the general agreement" . . . In our opinion there has been complete compliance with our general agreement. You specifically referenced Article X—RIF, transfer of function, outside work and reorganization. We are in full compliance with Article X. We fully intend to comply with such requirements when we are at a point of specificity where we can share with you and our employees positive and substantial plans for any proposed organizations.

You can be assured there are no plans presently contemplated involving major or sweeping reorganizations for SRS. We have no plans to cut back our work force. At the moment and in the near term we will be moving some employees from lower to higher priority areas. As has been discussed with you, we are carrying out such reassignments of employees, from one organization to another in strict compliance with the general agreement.

When we have specific and substantive reorganization plans and organization charts we will share that information with you in complete compliance with our Agreement.

I certainly share your concerns and am hopeful that this letter answers your questions and concerns.

Sincerely yours,

JAMES S. DWIGHT, Jr.,
Administrator.

PROPANE

Mr. FULBRIGHT. Mr. President, on January 29, 1974, I introduced Senate Resolution 254, urging the Administrator of the Federal Energy Office to promulgate new regulations to alleviate the present high price of propane. I wish to take this opportunity to bring my colleagues up to date on what has occurred since that time with respect to propane prices.

On January 30, 1974, the Federal Energy Office issued new regulations restricting the increased production costs which may be allocated to propane during any 12-month period following January 31, 1974, to no greater percentage of the total amount of increased costs incurred during that period than the percentage that the total sales volume of propane of the refiner bears to the total sales volume of all covered products of the refiner. Previously refiners had been allocating a large portion of the production cost increases to propane in spite of the fact that propane gas is a minor percentage of the final product of the refining process; the result was a 200- to 300-percent rise in the wholesale price in a period of months.

Unfortunately, the new regulations do nothing more than slow the continuing rise in propane prices, and are, therefore, totally inadequate. On January 31, the retail price was already around 40 cents a gallon in many areas. The slowing of future price increases will be little consolation to senior citizens who are now spending up to 40 percent of their disposable income on fuel or to chicken growers who are being squeezed out of business. On January 31, I wrote to William Simon to protest the inadequacy of the new regulations and to urge him to reconsider the propane price situation.

In addition, Mr. Jim Guy Tucker, the attorney general of the State of Arkansas, obtained a hearing on propane price with Federal Energy Office officials on February 6, 1974. At that hearing, Mr. Tucker presented a strong case for lowering propane prices, and I wish to commend him for his efforts on behalf of the citizens of Arkansas.

Many people in rural areas depend on propane for heating and cooking. These people are often poor; many are retired and living on a pension or on social security. A widow in Austin, Ark., and her son have an income of $262.20 a month; their propane bill for January is over $80. In Benton, Ark., a couple living on social security and a veteran's pension paid $74 for 200 gallons of propane in January 1974. In Magnolia, a couple with a monthly income of $237 paid $87 for propane last month. These are not unusual cases; thousands of Arkansans face similar situations. Attorney General Tucker submitted figures to the FEO showing that at a price of 40 cents per gallon some 21,200 Arkansas farm families will spend 40 percent of their net income for LP gas used for heating and cooking.

The propane price increase is also having a drastic effect on the poultry industry in this country. Arkansas is the No. 1 producer of broilers nationwide, and in 1972 produced 532,135,000 birds. Lex Killebrew, the executive vice president of the Arkansas Poultry Federation, estimates that over 70 percent of the total production depends on LP gas as a source of heat for the brooding of chickens. Even a conservative estimate of the effect of propane price increases indicates an added cost to Arkansas broiler producers of from $7,449,890 to $11,174,835.

Furthermore, the growers cannot pass through increased propane costs to purchasers because it is trade practice for growers to enter into contracts with purchasers on at least a 1 year basis. Under these contracts the growers must absorb any cost increases. Mr. Killebrew says that 1 or 2 weeks of exceedingly cold weather could force many Arkansas growers to allow their chickens to die rather than attempt to continue operations at a loss as a result of the propane costs.

I know that many of my colleagues are working to alleviate the high price of propane, and I certainly plan to continue my efforts to have the price lowered.

I ask unanimous consent that a chart showing the sales of LP gas and ethane by States and principal uses in 1972 be printed in the RECORD at the end of my remarks.

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

SALES OF LP GAS AND ETHANE, BY STATES AND PRINCIPAL USES, 1972

[In thousands of gallons]

	Residential/ commercial	Internal combustion	Industrial[1]	Utility gas	All other uses[2]	Total[3]
Alabama	285,694	12,963	15,309	311	2,069	316,346
Alaska	4,641		3,463			8,104
Arizona	44,778	8,569	1,959		4,562	59,868
Arkansas	373,769	99,424	19,280		12,751	505,224
California	228,328	45,213	112,712	31,934	40,746	458,933
Colorado	185,203	24,578	5,865	2,580	7,580	225,806
Connecticut	42,242	2,765	20,455	16,458	1,309	83,229
Delaware	20,473	2,514	1,394	728	1,390	26,499
Florida	279,372	22,575	12,794	12,962	2,863	330,566
Georgia	212,685	11,564	11,154	4,538	25,356	265,297
Hawaii	23,739	2,274	3,877	9,802		39,692
Idaho	45,387	2,221	6,677		4,753	59,038
Illinois	478,042	58,045	73,749	9,128	33,881	652,845
Indiana	358,578	13,374	19,756	496	20,698	412,902
Iowa	373,935	6,260	24,421	9,126	18,270	432,012
Kansas	238,928	41,309	15,688		5,669	301,594
Kentucky	183,771	6,829	17,648	5,357	1,735	215,340
Louisiana	149,618	42,870	162,773		8,922	364,183
Maine	21,802	377	5,118	3,618	164	31,079
Maryland and District of Columbia	57,539	4,776	11,712	15,583	1,109	90,719
Massachusetts	51,780	4,022	11,991	19,371	2,781	89,945
Michigan	289,068	9,105	14,017	5,555	2,313	320,058
Minnesota	375,199	11,951	35,516	6,150	8,626	437,442
Mississippi	276,478	59,893	24,285	5,130	7,203	372,989
Missouri	469,607	9,105	18,965	15,772	3,892	517,341
Montana	54,074	8,352	8,867		300	71,593
Nebraska	197,154	25,040	13,243	13,094	3,700	252,231
Nevada	28,069	984	3,290			32,307
New Hampshire	29,978	628	2,788	13,742	899	48,035
New Jersey	45,616	11,815	51,222	13,399	982	123,034
New Mexico	102,947	34,332	9,293		2,073	148,645
New York	158,852	15,460	40,696	3,058	4,662	222,728
North Carolina	153,505	10,447	25,655	1,019	23,964	214,590
North Dakota	65,142	285	7,548	3,273	694	76,942
Ohio	232,069	19,349	36,799	17,061	6,682	311,960
Oklahoma	289,587	59,290	25,153		1,619	375,649
Oregon	39,920	2,087	5,101		3,880	50,988
Pennsylvania	100,092	17,221	57,348	19,953	2,945	197,559
Rhode Island	8,176	3,519	3,346	2,767	164	17,972
South Carolina	96,855	9,301	22,212	5,534	7,361	141,263
South Dakota	110,716	6,968	5,696	7,142	1,735	132,257
Tennessee	129,218	9,675	5,222	2,975	540	147,630
Texas	758,535	700,146	61,856	5,662	13,593	1,539,792
Utah	41,474	952	5,261		3,675	51,362
Vermont	23,165	251	1,115	4,806		29,337
Virginia	79,033	7,290	15,616	9,758	5,971	117,668
Washington	43,313	4,264	6,015	572	3,304	57,468
West Virginia	17,714	1,760	14,500			33,974
Wisconsin	313,497	10,528	33,373	4,067	6,822	368,287
Wyoming	62,983	16,706	12,470		1,361	94,520
Total	8,253,340	1,479,190	1,124,263	302,481	315,568	21,833,700

[1] Includes refinery fuel of 610,890,000.
[2] Includes secondary recovery of petroleum.
[3] Does not include uses for chemical and synthetic rubber. These sales are included in national totals.

Source: Bureau of Mines.

CONCLUSION OF MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask that morning business be closed.

The PRESIDING OFFICER. Is there further morning business If not, morning business is closed.

SENATE RESOLUTION 222—NATIONAL OCEAN POLICY STUDY

Mr. ROBERT C. BYRD. Mr. President, on behalf of the Senator from Washington (Mr. MAGNUSON) I ask unanimous consent that the Senate Commerce Committee have until midnight tonight to report Senate Resolution 222, a resolution to authorize a national ocean policy study, and that the resolution, as reported, be printed in today's RECORD, and that the committee have until midnight Monday to file its report on the resolution.

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

S. RES. 222

Resolution to authorize a National Ocean Policy Study

Whereas the oceans offer the potential for major contribution to world peace and to the quality of life, and the future of mankind may be dependent upon his knowledge and wise use of the sea; and

Whereas the oceans are of enormous present and potential benefit to all citizens of the United States owing to their extensive supply of living and nonliving resources and because of their utilization as a pathway for maritime commerce and as a continuing source of impact upon the national security, balanced growth, technology, scientific understanding, and the quality of the world environment; and

Whereas the depletable living and nonliving resources of the oceans will necessarily be utilized increasingly in future years as a principal source of protein, raw materials, and energy; and

Whereas the coastal margin of the United States, as one of the Nation's prime resources, is under ever-expanding pressure due to its desirability for siting of commerce, industry, and habitation, and due to increasing needs for recreation, transportation, urbanization, and biological reproduction; and

Whereas serious national and global problems exist and are growing in ocean contamination as a result of land- and vessel-source pollution; and

Whereas the Marine Resources and Engineering Development Act of 1966 (33 U.S.C. 2 et seq.) was enacted to develop a comprehensive, long-range national *ocean* policy, but such Act has been neither fully implemented nor completely successful in achieving that goal; and

Whereas the utilization of ocean resources and solving ocean-related problems depend directly upon developing oceanic knowledge and technology, resolving conflicts of national and international jurisdiction over the ocean, protecting the quality of the marine environment, and, foremost, upon establishing a clear and comprehensive national *ocean* policy: Now, therefore, be it

Resolved, That the Committee on Commerce is authorized under sections 134(a) and 136(a) of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, as amended, to make a full and complete investigation and study of national ocean policy for the purpose of—

(1) determining current and prospective national capabilities in the oceans, including marine sciences and their application, oceanic research, advancement of oceanic enterprise and marine technology, interdisciplinary education, policy planning, professional career and employment needs, and overall requirements of the United States consistent with the attainment of long-range national goals;

(2) determining the adequacy of current Federal programs relating to the oceans and recommending improvements in agency structure and effectiveness to meet national needs and achieve oceans capabilities, and assessing existing policies and laws affecting the oceans for the purpose of determining what changes might be necessary to assure a strong and internationally competitive ocean policy and program for the United States;

(3) establishing policies to achieve the goal of full utilization and conservation of living resources of the oceans and recommending solutions to problems in marine fisheries and their management, rehabilitation of United States fisheries, current and future international negotiations on fisheries, as well as aquaculture and the extraction of drugs from the sea;

(4) assessing the needs for new policies for the development and utilization of the nonliving resources of the oceans, including the mineral resources of the Outer Continental Shelf and the deep seabed so that the national mineral needs can be met in an economically and environmentally sound manner;

(5) encouraging implementation of coastal zone management through the Coastal Zone Management Act of 1972 by assessing national growth policy needs regional and interstate problems, State functions and powers in coastal zone management, information sources, recreation needs, pollution problems, population trends, and future pressures in the coastal zone;

(6) establishing comprehensive national policy for the purpose of understanding and protecting the global ocean environment through education, exploration, research, and international cooperation; and

(7) making an assessment of proposals for, and current negotiations with respect to, achieving adequate national and international jurisdiction over the oceans, developing an understanding of the relationship of the oceans to world order, and examining United States policy with respect thereto.

SEC. 2. In order that other standing committees of the Senate with a jurisdictional interest over specific elements of this study under Rule XXV of the Standing Rules of the Senate, as amended, may participate in that study, the chairman and ranking minority member of each of the Committees on Appropriations, Interior and Insular Affairs, Public Works, Foreign Relations, Government Operations, and Labor and Public Welfare, Armed Services, or a member of such committees designated by each such chairman or ranking minority member to serve in his place, shall participate in the study authorized by this resolution as an ex officio member of the Committee on Commerce for the purposes of this study. In addition, the President pro tempore of the Senate shall name three majority and three minority Members of the Senate who represent coastal States, without regard to committee membership, to serve as additional ex officio members of the Committee on Commerce for purposes of this study.

SEC. 3. The committee shall report its findings, together with its recommendations for such legislation as it deems advisable, to the Senate.

ENERGY EMERGENCY ACT—CONFERENCE REPORT

The PRESIDING OFFICER (Mr. ALLEN). Under the previous order the Senate will resume consideration of the conference report of the committee of conference on S. 2589, the Energy Emergency Act which the clerk will report.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2589) to declare by congressional action a nationwide energy emergency; to authorize the President to immediately undertake specific actions to conserve scarce fuels and increase supply; to invite the development of local, State, National, and international contingency plans; to assure the continuation of vital public services; and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

ORDER FOR RECOGNITION OF MR. GRIFFIN AND MR. ROBERT C. BYRD, ON MONDAY, FEBRUARY 18, 1974, AND FOR THE PERIOD FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS AND CONSIDERATION OF THE CONFERENCE REPORT ON THE ENERGY EMERGENCY ACT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday, February 18, 1974, after the two leaders or their designees have been recognized under the standing order, and following the reading of Washington's Farewell Address, the distinguished assistant Republican leader (Mr. GRIFFIN) be recognized for not to exceed 15 minutes, that he be followed by the junior Senator from West Virginia (Mr. ROBERT C. BYRD) for not to exceed 15 minutes, after which there be a period for the transaction of routine morning business for not to exceed 30 minutes, with statements limited therein to 5 minutes, at the conclusion of which the Senate resume its consideration of the conference report on the Energy Emergency Act.

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

ADJOURNMENT UNTIL MONDAY, FEBRUARY 18, 1974

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the provisions of House Concurrent Resolution 425, as amended, that the Senate stand in adjournment until 12 o'clock noon Monday, February 18, 1974.

The motion was agreed to; and at 11:36 a.m. the Senate adjourned until Monday, February 18, 1974, at 12 noon.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 8, 1974:

DEPARTMENT OF STATE

Joseph John Sisco, of Maryland, a Foreign Service officer of the class of career minister, to be Under Secretary of State for Political Affairs.

James F. Campbell, of Maryland, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to El Salvador.

G. McMurtrie Godley, of the District of Columbia, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Lebanon.

William J. Jorden, of Texas, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Panama.

William J. Porter, of Massachusetts, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Canada.

Robert S. Smith, of the District of Columbia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Ivory Coast.

Thomas W. McElhiney, of the District of Columbia, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Ethiopia.

Nancy V. Rawls, of Georgia, a Foreign

Service officer of class 2, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Togo.

FEDERAL RESERVE SYSTEM

Henry C. Wallich, of Connecticut, to be a member of the Board of Governors of the Federal Reserve System for a term of 14 years from February 1, 1974.

SECURITIES AND EXCHANGE COMMISSION

Irving M. Pollack, of Maryland, to be a member of the Securities and Exchange Commission for the remainder of the term expiring June 5, 1975.

SECURITIES INVESTOR PROTECTION CORPORATION

Jerome W. Van Gorkom, of Illinois, to be a Director of the Securities Investor Protection Corporation for a term expiring December 31, 1975.

DEPARTMENT OF DEFENSE

Leonard Sullivan, Jr., of the District of Columbia, to be an Assistant Secretary of Defense.

James R. Cowan, of New Jersey, to be an Assistant Secretary of Defense.

(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.)

U.S. ARMY

The following-named officer under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of Section 3066, in grade as follows:

To be lieutenant general

Maj. Gen. Herron Nichols Maples, xxx-xx-xxxx U.S. Army.

The following-named officer under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in grade as follows:

To be lieutenant general

Maj. Gen. Daniel Orrin Graham, 540-26-2591, Army of the United States (brigadier general, U.S. Army).

The following-named officer for temporary appointment in the Army of the United States to the grade indicated, under the provisions of title 10, United States Code, sections 3442 and 3447:

To be brigadier general

Col. Thaddeus F. Malanowski, xxx-xx-xxxx U.S. Army.

The U.S. Army Reserve officers named herein for promotion as Reserve commissioned officers of the Army, under the provisions of title 10, United States Code, section 593(a) and 3384:

To be major general

Brig. Gen. Willie Earl Dixon, Jr., SSN xxx-xx-xxxx.

Brig. Gen. Bejamin Lacy Hunton, xxx-xx-xxxx.

Brig. Gen. George William McGrath, Jr., SSN xxx-xx-xxxx.

Brig. Gen. Frederick Arthur Welsh, xxx-xx-xxxx.

To be brigadier general

Col. Charles Elmer Blaker, xxx-xx-xxxx, Transportation Corps.

Col. Julius Hoesterey Braun, xxx-xx-xxxx, Ordnance Corps.

Col. Edwin Francis Dosek, SSN xxx-xx-xxxx Infantry.

Col. Robert Lewis Frantz, xxx-xx-xxxx, Infantry.

Col. John David Jones, xxx-xx-xxxx Artillery.

Col. John Q. T. King, xxx-xx-xxxx, Medical Service Corps.

Col. Paul Shepard Oliver, Jr., SSN xxx-xx-xxxx Infantry.

The Army National Guard of the United States officers named herein for promotion as Reserve commissioned officers of the Army under the provisions of title 10, United States Code, section 593(a) and 3385:

To be major general

Brig. Gen. William Stanley Lundberg, Jr., SSN xxx-xx-xxxx.

Brig. Gen. James Lee Moreland, SSN xxx-xx-xxxx.

Brig. Gen. D. A. Thompson, xxx-xx-xxxx.

To be brigadier general

Col. John Glover Castles, xxx-xx-xxxx, Field Artillery.

Col. Allen Anderson David, xxx-xx-xxxx, Infantry.

Col. William Herbert Duncan, xxx-xx-xxxx, Signal Corps.

Col. William Emmett Ingram, xxx-xx-xxxx, Infantry.

Col. Carl Frederick Mauger, xxx-xx-xxxx, Infantry.

Col. Ben Lane Upchurch, xxx-xx-xxxx, Infantry.

IN THE AIR FORCE

Air Force nominations beginning Benjamin E. Box, to be colonel, and ending Gordon L. Wright, to be lieutenant colonel, which nominations were received by the Senate and appeared in the Congressional Record on January 22, 1974.

Air Force nominations beginning Peter V. Abene, to be first lieutenant, and ending David A. Skeel, to be lieutenant colonel, which nominations were received by the Senate and appeared in the Congressional Record on January 22, 1974.

Air Force nominations beginning Maj. Vernon L. Beadles, to be lieutenant colonel, and ending Maj. Henry T. Capiz, to be lieutenant colonel, which nominations were received by the Senate and appeared in the Congressional Record on January 28, 1974.

IN THE ARMY

Army nominations beginning Eugene M. Guglielmo, Jr., to be major, and ending Felipe Frocht, to be second lieutenant, which nominations were received by the Senate and appeared in the Congressional Record on January 29, 1974.

IN THE NAVY

Navy nominations beginning Gary Lee Almy, to be commander, and ending Lt. Kathleen A. Hammel, to be lieutenant commander, which nominations were received by the Senate and appeared in the Congressional Record on January 22, 1974.

IN THE MARINE CORPS

Marine Corps nominations beginning Robert J. Post, to be lieutenant colonel, and ending Robert D. Work, to be second lieutenant, which nominations were received by the Senate and appeared in the Congressional Record on January 22, 1974.

Marine Corps nominations beginning Steven F. Burke, to be second lieutenant, and ending Saul Zavala, to be second lieutenant, which nominations were received by the Senate and appeared in the Congressional Record on January 22, 1974.

The nomination of Richard J. Randolph, Jr., U.S. Marine Corps, for reappointment to the grade of lieutenant colonel, which nomination was received by the Senate and appeared in the Congressional Record on January 28, 1974.

EXTENSIONS OF REMARKS

THE TROUBLE WITH DÉTENTE

HON. HARRY F. BYRD, JR.

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Thursday, February 7, 1974

Mr. HARRY F. BYRD, JR. Mr. President, Crosby S. Noyes has an excellent piece in the Washington Star-News of February 7, 1974, captioned "The Trouble With Détente."

I ask unanimous consent that the column be printed in the Extensions of Remarks.

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

THE TROUBLE WITH DÉTENTE

(By Crosby S. Noyes)

The Soviet leadership is quite right in believing that its policy of detente with the United States and the West is in trouble. It is quite wrong in attributing the trouble to the work of Zionists, American right-wingers and Sen. Henry M. Jackson, D-Wash.

Their problem has nothing to do with conservative elements in American politics, who had no great illusions about detente to start with. It has a good deal more to do with the growing disillusion of American liberals, who have welcomed the rhetoric of detente as the dawn of a new international era of reason, cooperation and good-fellowship.

More and more, this group has come to recognize detente as a one-way proposition, all heading in the direction of Moscow. What the Soviet leaders hope to get are very practical advantages in trade and technology, of which last year's disastrous wheat steal was only a promising beginning.

What they propose to give in return is, in effect, little more than a comfortable feeling of complacency in the West. Relaxation of tension inevitably implies relaxation of effort, including such disagreeable things as defense spending and trying to get along with crotchety allies. For these propositions the Russians have found plenty of takers in the liberal communities of Western Europe and the United States.

One of the problems is the habit the Soviet leaders have developed of explaining—mostly for their domestic audiences—what detente is not. Two years ago, Leonid Brezhnev went out of his way to assure his people that detente "in no way implies the possibility of relaxing the ideological struggle. On the contrary, we must be prepared for this struggle to be intensified and become an ever sharper form of the confrontation between the two systems."

The Eastern Europeans, since the advent of detente, can attest that these are not idle words. So can a large number of Soviet Jews and a small number of Soviet intellectuals. What has happened to such people as Aleksandr Solzhenitsyn and Andrei Sahkarov probably has done more to awaken American intellectual liberals to the limitations of detente than anything else.

There are, however, other more objective problems that have arisen that cast dark shadows over the proclaimed era of cooperation and negotiation. The unfortunate fact is that all of the major negotiations between the Soviet Union and the West are on dead center and appear headed toward probable failure.